Equal access to early childhood education and care?
The case of the UK

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This Draft: August 2012

Introduction

Early childhood education and care (ECEC) has occupied an important place on the political agenda in the UK since the mid-1990s. Under the Labour Government in office from 1997 to 2010, the expansion of childcare was seen as a crucial plank in the campaign against child poverty, enabling lone parents and second earners to enter employment or increase working hours. At the same time, increasing evidence pointed to the importance of early education in promoting more equal life chances, suggesting the “double dividend” which could be delivered by high quality ECEC (DfES et al, 2002, 29). Spending on services for children under 5 increased three-fold in real terms between 1997 and 2007, faster than spending on any other policy area (Sefton, 2009). All children aged 3 and 4 became entitled to a free part-time nursery place, the number of childcare places was rapidly expanded and childcare subsidies for low-income working families were introduced. The Conservative-Liberal Democrat Coalition Government which took office in 2010 has reduced support for childcare subsidies but remains committed to early education, including expansions to disadvantaged two-year-olds, as part of its social mobility agenda.

While provision has come a long way in fifteen years, there are still considerable gaps and challenges in the extent to which disadvantaged children access high quality ECEC. Only a minority of children under 3 experience any formal childcare, which remains relatively expensive, and more disadvantaged children are considerably less likely to attend. Part-time nursery provision for 3 and 4 year olds is free and nearly universal, but still has gaps, especially for 3 year olds. Quality has improved on several different measures, but continues to vary widely.

This chapter sets out the main policies governing ECEC provision for children under 5 in the UK, focusing in particular on funding and regulation, and asks how effectively these operate to ensure equality of access to high quality services. We begin by providing a little background on the context for recent policy changes and the imperatives underlying policy in this area. We go on to describe the system of provision in the UK. From here we look at the evidence on where children are. Finally, we consider the link between these patterns and the policy framework.
The story is complicated by the fact that the UK has four constituent nations – England (where 84% of the UK population live), Scotland (8%), Wales (5%) and Northern Ireland (3%). While control over taxation is retained by the UK Parliament in Westminster, the devolved administrations for Scotland, Wales and Northern Ireland have authority over most domestic policy areas, including education and ECEC policy. Differences in policy and (where possible) outcomes between the four nations are discussed in the chapter.

Background

There has been considerable development of ECEC provision in the UK since 1997, but fairly extensive services existed prior to this date. In addition to a relatively early school starting age across the UK, discussed below, a strong tradition of nursery education existed across Scotland and in many local authorities in England and Wales by the 1990s (Cohen et al., 2004; Bertram and Pascal, 2000). However, nursery education was not universal. In England, coverage was much greater in inner city areas, where local education authorities had made nursery provision a priority (Owen and Moss 1989). State nursery provision, and some private nursery schools, were supplemented by a network of playgroups and pre-schools, run on a voluntary basis, often by parents, and operating in church halls and community centres several mornings a week. In the 1990s, playgroups were the most common form of provision (Audit Commission 1996). In 1996, the Conservative government piloted a flat rate voucher subsidy for nursery education for 4 year olds in England. Contrary to government anticipations, the scheme resulted in an expansion of places offered by schools, rather than voluntary sector providers (Sparkes and West 1998).

By contrast, the provision of childcare intended to enable parents to work was more firmly considered a private family responsibility. As recently as 1988, the government’s position was that “in the first instance it is the responsibility of the parents to make arrangements, including financial arrangements, for the day care of preschool children” (cited in Bertram and Pascal, 2000, p.10). Thus, childcare was provided by private nurseries, childminders and nannies. Private services expanded in the 1980s; this growth coincided with a rapid increase in the employment of married mothers with young children (Gregg et al 2007). Some local authority day nurseries existed: indeed, the 1989 Children Act placed a duty on local authorities to provide support services including childcare for “children in need”, but these were only about 1% of the children’s population (Cohen et al., 2004). Overall, childcare policy involved little direct provision and no financial support, though in the 1990s small demand-side subsidies were introduced for those receiving in-work benefits.

In 1997 a Labour Government was elected after 18 years of Conservative rule. In 1999, Tony Blair pledged to eradicate child poverty within a generation, and the government followed up, first, with the setting of concrete interim targets and then with a series of progressive changes to tax-benefit policy. Meanwhile, the wider “Opportunity for All” agenda promised – and delivered – much broader policy change aimed at reducing inequalities in education and health, promoting longer-term life chances for disadvantaged children, and regenerating poorer neighbourhoods (Hills et al., 2009; Waldfogel, 2010).

The role of ECEC services gained importance within this agenda for two reasons. First, growing evidence indicated that inequalities in educational attainment emerge very early,

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1 The Scottish Parliament also has the power to vary the base rate of income taxation by up to three pence in the pound, but has never yet used this power.
before school starting age, and that high quality early education could bridge some of the
gaps, with a particularly strong impact on children from disadvantaged families (e.g.
Feinstein, 2003; Sylva et al, 2004).

Second, increasing maternal employment was seen as a key plank in the strategy to reduce
child poverty. One factor behind the UK’s high child poverty rate was a high number of
children living in lone parent households, and a relatively low employment rate for these
parents. A range of policies aimed to increase this employment rate: advice and support for
lone parents; changes to the financial rewards to working (the National Minimum Wage,
introduced in 1998, and in-work tax credits); and increasing conditionality attached to benefit
receipt, although not for mothers of pre-school children. The policy objective of increasing
maternal employment was also pursued by reforming maternity leave, which was extended to
one year, made more generous, and more inclusive. Alongside these policies, it was clear that
the provision of more available and more affordable childcare was crucial to making work
possible both for lone parents and for second earners.

This policy commitment led to large increases in resources (Table 1) and to a raft of policy
changes affecting the availability, affordability and quality of ECEC services. First, all 3- and
4-year-olds were granted an entitlement to free part-time early education. Second, local
authorities were given a duty to ensure that sufficient full-day childcare places were available
for all children whose parents wanted them. Third, demand side subsidies were made much
more generous, subsidising the cost of care for those in work on low pay. Fourth, some
attempts were made to improve the quality of ECEC. These included the integration of
childcare and early education services under the responsibility of the Department for
Education and Employment (previously childcare had been under the Department of Health);
the development of an integrated curriculum covering all children up to the first year of
school; modest changes to regulations on staff qualifications; and the introduction of a new
graduate qualification, the Early Years Professional. ² Most of these policies were
implemented in some form in all four UK nations, although with some interesting
differences: devolved governments shared the commitment to ECEC services but took their
own approach based on their own history and priorities.

Mixed provision, varied quality

A variety of services provide ECEC to children under 5 in the UK, with differences in what is
on offer both across and within the four nations, and also by children’s age.
Settings can belong to the state (maintained) sector, or to the private, voluntary, and
independent (PVI) sectors. Maintained services are, in the main, school-based, although local
authorities also run other types of settings, most notably children’s centres. Outside
maintained services, the most significant provider is the private sector. For example, in
England, private providers offered 65% of the places in settings operating on a full-time basis
in 2010, while voluntary providers offered 23% (Brind et al 2011). The voluntary sector, in
contrast, offered 58% of places available in settings that operate on a sessional basis, whereby
children attend for 2.5 hours a day (Brind et al 2011). This is in line with the importance of

² Although not a focus of this chapter, we should also mention the Sure Start programme, a cross-cutting
initiative which sought to improve services for 0-5 year olds and their families. By 2010 there was a Sure Start
Children’s Centre for every 930 children under five in England. Centres in disadvantaged areas are required to
include childcare among their services, while all centres provide health clinics, play opportunities, parenting
classes and family support (see NESS, 2012; Eisenstadt, 2012).
the voluntary sector within the playgroup movement, which originally operated on a sessional basis. As for independent providers, this category is numerically marginal and indicates, in the main, nursery provision attached to independent (private) preparatory schools.

In this section, we begin by discussing the entitlement to part-time early education for 3 and 4 year olds before going on to discuss services for younger children and additional hours for 3 and 4 year olds. This section also considers the way in which quality is understood and monitored in the UK, and how measured quality varies across settings.

*Three and four year olds: the free entitlement*

In England, children aged three and four are entitled to 15 hours a week of free early education for 38 weeks a year; a similar system applies in the other nations although the number of hours is somewhat lower, as set out in Table 2, while in Northern Ireland provision for all is a policy aim but not a statutory guarantee. In all four nations, children can access the entitlement in schools in the maintained (state) sector or in settings belonging to the private, voluntary and independent (PVI) sectors.

In the maintained sector, young children are catered for in nursery classes or stand-alone nursery schools, or in reception classes, depending on the child’s age. Education becomes compulsory in the term after a child turns five in England, Scotland and Wales. In England and Wales it has long been the norm for children to begin school one or two terms earlier than this, in so-called ‘reception classes’. In Northern Ireland, compulsory schooling starts in September for any child who has turned four before July 1 in a given year.

If children are in reception class, they will almost always attend for a full school day, 9.00-3.30, so will be accessing longer hours than are covered by the entitlement. Since 2010 all children in England have been able to enrol in reception classes from the September after they turn four. Provision in nursery classes varies: in some settings all children attend part-time (five mornings or five afternoons) for the entitlement hours only; in other settings older children or children who are identified as being in particular need may attend for a full school day. Importantly, however, not all primary schools have nursery classes (and there are very few separate nursery schools); as noted above, in England this form of provision is largely concentrated in more deprived urban areas.

Alternatively, children can access the entitlement at one of a variety of PVI settings. The choice includes private nursery schools (and nursery classes in private primary schools); voluntary or privately run playgroups; and childcare centres offering full day care. In England, registered childminders are also able to offer the entitlement provided they fulfil certain additional requirements: they must be members of a local Childminding Network, have received a ‘good’ or ‘outstanding’ rating from the education inspectorate, Ofsted (discussed further below), and be at least working towards a minimum vocational qualification (a Level 3 National Vocational Qualification, or NVQ, also discussed below). Similarly to England, in Scotland, funded pre-school places can be provided by a variety of organisations belonging to the maintained or PVI sectors, or by childminders. Scottish local

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3 This change was introduced following the recommendations of the Rose Review of the primary curriculum (Rose, 2009). The review suggested that deferring school entry for younger four-year-olds compounded the disadvantage of being summer-born, and recommended that government should instead focus on ensuring learning experiences were appropriate for younger children.
authorities are in charge of commissioning funded places and work in partnership with providers receiving the funding, so the actual mix of providers where children can access pre-school education varies across areas. It should be noted that there are differences across nations in the extent of the role played by the PVI sector. In Wales the PVI settings can only be used if there are no maintained places available; in England parents are free to choose the type of provision they prefer; in Scotland, local authorities have the duty to commission places in a way that reflects parents’ preferences; and, in Northern Ireland, parents can apply for a pre-school place in their preferred centre, whether a school or not. Generally, schools are more sought-after than PVI settings (DENI 2011).

If children are accessing their place at a PVI setting they may attend for more or fewer hours than the minimum entitlement: more if parents pay for additional hours, fewer if parents choose to enrol a child for less than five part-time sessions. In England, since September 2010 it has been possible to access the free hours in longer blocks, over three or four days rather than five, and government plans to extend this to allow the places to be used over two longer days. This additional flexibility is intended to allow the entitlement to function more effectively as the sort of childcare that enables parents to work, but there are some concerns that longer hours for fewer days is not the best way to provide early education from a developmental perspective (see e.g. Eisenstadt, 2012).

In Scotland, until 2009, the education minister used to issue every year an “advisory floor” rate, which was the minimum price local authorities had to pay when commissioning pre-school education to PVI providers (Scottish Executive 2003). Local authorities have now complete flexibility in how they use the grant. In Northern Ireland, private and voluntary providers receive an annual grant, which is a flat rate per child. In statutory settings, funding is similarly allocated on the basis of the number of pupils attending each school, but the level of funding is higher, and statutory settings are able to access capital grants and other funding streams (Northern Ireland Audit Office 2009). As for Wales, the number of providers fluctuates depending on “arrangements to fund the provision locally” (Estyn 2011).

In England, local authorities receive the resources from central government as part of the Dedicated Schools Grant, which provides per capita funding for education for 3 to 16 year olds largely based on the previous year’s allocation. The allocation for children eligible for the entitlement is 60% of the standard per capita funding unit, reflecting the fact that the entitlement covers 15 hours per week rather than 25 hours per week of compulsory schooling. Funding for the entitlement is not ring-fenced within the Dedicated Schools Grant: each local authority decides for itself how much to spend on early education as opposed to primary and secondary schools, although they have a statutory duty under the 2006 Childcare Act to provide a free part-time place for every eligible child who wants it. In practice, a recent report for England by the National Audit Office (NAO) found that spending on the entitlement varied from 3.5% and 9.8% of the Dedicated Schools Grant, with some evidence that more deprived authorities had a higher share of spending on early years than others (NAO, 2012).

Initially there were very few criteria governing allocation of funding for the entitlement within local authorities (Campbell-Barr, 2007), but since April 2011 authorities have been required to use a local funding formula to determine the rates of payment to individual providers, These formulae vary widely, with most including a range of base rates (funding

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4 Pilots are also underway which allow parents to “stretch” the offer, with fewer hours a week spread over 51 weeks, in place of the current 38 weeks of the school year.
per child per hour) and most also including supplements to reward specific behaviour (NAO, 2012). A ‘deprivation factor’, targeting additional resources to disadvantaged children, is compulsory, but it varies widely in magnitude: the NAO sampled 24 local authorities and found that the extra resources provided varied from 3p to 79p per child per hour. Other supplements encouraging providers to increase quality or flexibility are optional. Around half of authorities chose to include quality supplements in 2010-11, based on criteria including a ‘good’ or ‘outstanding’ Ofsted judgement, employment of a graduate, or the authority’s own assessment of provider quality. (The NAO report found that 78% of authorities make such assessments, but these are not routinely published or made available to parents.)

Overall, payments were slightly higher to maintained providers than to those in the PVI sector, at £3.97 per child per hour for nursery classes and £3.77 for PVI settings (NAO, 2012). As we will see below, staff in the maintained sector have considerably higher qualification levels than in the PVI sector, and as staff costs typically represent over two-thirds of the cost of early education, this difference looks surprisingly small. However, nursery classes benefit from shared overheads with the primary schools they belong to (and there may also be cross-subsidy of nursery classes within a school’s budget). Funding for nursery schools in the maintained sector – which must employ a headteacher and have no shared overheads – is considerably higher at £6.83 per child per hour.

Two final points are worth drawing out about the early years entitlement. In all four nations, local authorities are not financially rewarded for improvements in the quality of provision among the providers they fund. In England, for example, local authorities are encouraged to give providers financial rewards for improving quality, but they themselves are not similarly rewarded with an increase in funding through the Direct Schools Grant. Thus if an authority is too successful at increasing qualification levels in early years settings it will need to draw funding away from education funding for older children to pay for it. There are some national sources of funding for training and supporting graduate leaders but these are relatively small and are for the most part aimed at initial training rather than supporting the on-going costs of more highly qualified staff (Daycare Trust and Trade Union Congress 2008).5

Second, there is a strong sense among many PVI providers that funding for the entitlement is not sufficient to cover the cost. In 2011, 58% of day nurseries reported that unit funding did not cover the costs of provision, although very few have withdrawn from offering the entitlement (Laing and Buisson, Children’s Nurseries UK Market Report 2011, reported in NAO, 2012). Just as maintained providers may be cross-subsidising provision from the primary school budget, PVI providers are likely to be drawing on fees charged for younger children and additional hours to deliver the entitlement (HC 2012). In principle there are strict rules preventing settings from charging a ‘top-up’ fee; the entitlement is not intended to operate as a voucher delivering a reduction in fees but as a right to fifteen hours which are genuinely free. But in settings offering longer than fifteen hours, providers can of course charge for additional hours and in practice the entitlement will indeed operate as a fee reduction. Clearly this has implications for the quality of ECEC available to children from different backgrounds. Settings which can charge a fee for additional hours will be better placed to provide high quality care during the hours of the entitlement, and those which

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5 NAO (2012) reports that between 2006 and 2011 the Department gave £555 million to local authorities in England to train and employ graduate leaders to support and mentor others, and to model good practice to secure high-quality provision. In 2011-12 spending on the free entitlement was estimated at £1.9 billion, so these funds add less than 5% to annual spending. From April 2011, support for graduate leaders is being funded from the Early Intervention Grant, but local authorities may choose to use this for other purposes.
charge higher fees can presumably ensure higher quality. Settings such as playgroups, which tend to operate on a sessional basis and offer the free hours only, will be at a financial disadvantage in terms of the care they can provide. Children from the most disadvantaged households – those whose parents are not in work – are likely to access the entitlement in places which offer the free hours only, and this is potentially a cause for concern.

**Before – and beyond – the free entitlement: younger children and extra hours**

For younger children, childcare is provided either in full-day nurseries or in domestic settings by childminders working from their own homes. For a small minority of children, care is provided by nannies or home childcarers working in the child’s home. These carers must be registered for households to benefit from state support for childcare costs, but registration is not otherwise necessary.

There are two main options for 3 and 4 year olds whose parents require childcare beyond the 15 hours of the entitlement. Either they can enrol children in a full day setting and take the entitlement as a reduction in fees, or they can enrol them in a maintained or PVI setting for the entitlement hours and have a childminder, nanny or informal carer (a friend or relative) provide wraparound care for the additional hours. In order to access ECEC services outside the entitlement, parents have to pay. Fees generally do not vary according to parents’ income but do vary depending on children’s age, with provision becoming less expensive the older the child is (Brind et al 2011). ECEC outside the entitlement is expensive.6 The Daycare Trust, the national childcare charity, surveys parents every year and reports that in 2011 average costs in Britain ranged from £88 for 25 hours of childminder care for a child over two, to £97 for 25 hours of centre-based care for a child below two (Daycare Trust 2011). Evidence from the government-sponsored annual survey of providers offers similar figures, albeit on England only, with settings offering full-time care charging £4.10/hour for children below two and childminders charging on average £3.60/hour per child (Brind et al 2011).

Since 1997 a number of measures have sought to increase both the availability and affordability of childcare beyond the free entitlement. In contrast to the entitlement, the main aim of these measures has been to enable parents to work, with child development goals in second place. As a result, the strategy for expanding and financing places has been very different.

As with the entitlement, local authorities in England and Wales have been given responsibility under the Childcare Act 2006 for ensuring sufficient places, although the specific role of local government differs in subtle but important way between the two nations.7 In Wales, local authorities can either provide childcare themselves or work with other providers in PVI sectors. In England, authorities must first seek to facilitate provision by others, and can only directly provide care if no other party is willing to do so.8 In both

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6 Precise and reliable figures on ECEC prices are not available; the existing information should be taken as indicative only.

7 There is no equivalent legislation in Scotland, although the Early Years Framework (2008) requires local authorities to take “a strategic view of childcare accessibility”. In the longer term, it aims for families to have “access to integrated pre-school and childcare services in every community matched to an assessment of local need”.

8 Exceptions are made for the provision of day care for “children in need” as set out in the Children Act 1989, and for the provision of childcare by the governing body of a maintained school (i.e. wraparound care extending school or nursery hours).
nations, however, sufficiency is limited to include only parents who need a place in order to work or enter education or training. Similarly, although there are some state subsidies to help with the costs of care, these are only available for households in work. They are also fairly modest in size; most parents will pay the majority of the cost of care.

When looking at changes in childcare availability, there has been a big increase the number of places, as shown for England in Table 3. Day nursery places increased by 47% between 1997 and 2001, and by 58% between 2003 and 2008, although there appears to have been a small drop in numbers since 2008. At the same time, the number of places available with childminders has fallen, so childcare places overall have not risen as quickly. This is likely to be partly related to increased regulation of childminders, discussed below: this may both have discouraged some former childminders and also cleaned up the figures, ensuring that only those actively working are included in local authority lists. The drop may also be related to greater alternative employment opportunities for lower-skilled women in a period of economic growth and public sector investment.\(^9\) Still, overall, the rise in full day nursery places easily outstrips the fall in places with childminders. Despite a small net increase in the number of children aged 0-5 over the period, by 2008 there were 3.4 children in England for each childcare place, down from 5.5 children per place in 1997. In 2010, a survey of 6,700 parents of children under 15 indicated that availability was less of a problem than it had been in previous years, but still almost a third of parents thought that the number of childcare places available in their area was not sufficient (Smith et al 2012). In addition, there are continuing gaps in provision for disabled children, in rural areas, and for parents who work atypical hours (Daycare Trust, 2012).

In relation to affordability, there are, across the UK, two main types of funding available to help with childcare costs for working parents. First, parents can opt to be part-paid in childcare vouchers, reducing income tax liability and saving up to around £900 a year per qualifying parent, as long as the employer is signed up to the voucher scheme.\(^10\) Second, and more significant for lower-income households, parents can claim back a portion of registered childcare costs if they qualify for a particular level of tax credits, which means having earnings below a certain threshold (dependent on household size), and if all parents in the household work at least 16 hours a week. This is the childcare element of Working Tax Credit, often referred to as the childcare tax credit. As of April 2011, eligible parents can claim up to 70% of the cost of registered childcare, with a maximum claim of £122.50 a week for one child and £210 a week for two or more children; awards are tapered with household income.\(^11\) The most recent estimate of take-up of the credit put it at 81% of eligible families (HM Revenue and Customs, 2011), but the overall number of eligible families is, in fact, rather small, either because they do not work enough hours or because they do not use registered childcare; in April 2012 there were 1.389 million families with a child under 5 in receipt of qualifying levels of tax credits; just 21% received the childcare tax credit. (HM Revenue and Customs, 2012, Table 3.2).

\(^9\) This hypothesis is supported by large variations between local authorities in the trend in childcare numbers. Stewart (2012) shows that in some of the most deprived local authorities childminder numbers increased by as much as 50% between 2003 and 2008, even while they stagnated in England as a whole.

\(^10\) Both parents can claim the vouchers separately, so the scheme is potentially worth double to a two-parent household. Until April 2011, the scheme benefited higher rate taxpayers most, but support for this group has now been scaled back.

\(^11\) Average reimbursement, for children of all ages, was £58 a week, spread across 290,700 families (HM Revenue and Customs, 2012). The generosity of the childcare element of Working Tax Credit rose annually between April 2004 and April 2011, when a total of 493,000 families received an average of £69 each, before dropping to 455,000 families in April 2012.
Qualifying parents can reclaim the costs of any registered provider, including childminders and home childcarers, and reimbursement does not vary depending on the choice made (no additional payment for higher quality providers, for example). The intention behind the minimum 30% part payment of costs appears to be to provide parents with an incentive to shop around for good value for money (Waldfogel and Garnham, 2008), but it also means that lower-income parents may be priced out of higher quality provision, or indeed discouraged from choosing formal care at all.

Evidence on parents’ experience and views in relation to affordability is mixed. In a study examining reasons why families who are otherwise eligible for the childcare tax credit did not use ECEC, 55% of respondents cited quality of care and 44% cost, with 4% citing lack of availability of places at formal providers (Freeth and Fong, 2011). Likewise, among 6,700 English parents of children under 15 interviewed in 2010, 25% of those paying for childcare said it was difficult or very difficult, while 50% found it easy or very easy to meet the costs – after subsidies (Smith et al 2012). This latter proportion has remained stable since 2004. There is a slight shift in parents’ views about affordability in their local area, with the proportion saying that affordability was fairly good or very good going up from 35% in 2004 to 38% in 2010 (Smith et al, 2012). Although not comparable, results from a survey of UK parents conducted by Daycare Trust and Save the Children (2011) indicate that 25% of parents get into debt in order to pay for childcare, and 63% struggle to pay for childcare.

There has also been some short-term direct supply side funding to providers to encourage expansion. Most notably, between 2001 and 2005 the Neighbourhood Nurseries Initiative (NNI) provided partial three-year funding to support settings in deprived areas; Neighbourhood Nurseries were then rolled into the Sure Start Children’s Centres which continue to have a responsibility to provide childcare in disadvantaged areas. Rates of subsidy vary from authority to authority, and are under pressure as a result of cuts to local authority budgets (Daycare Trust, 2012). Thus, outside the funding for the free entitlement, the main source of funding for the providers is fees; in particular, providers operating on a full-time basis and childminders rely heavily on fees (Brind et al 2012).

Quality control: Qualifications, curriculum and inspection

Quality is assured in ECEC settings in the UK in three main ways. First, there are minimum requirements governing structural features including staff qualifications and staff-child ratios. These requirements vary substantially across different settings, as discussed below. Second, all nations have a national curriculum. In particular, England imposes a unified curriculum, the Early Years Foundation Stage Profile, on all providers catering for 0-5s, irrespective of whether they receive public funding. In the other nations, the curricula are linked to the free entitlement and cover children aged 3 and 4 only. Third, in all nations, provision covered by the curriculum is inspected by the individual nation’s education inspectorate.

Table 4 reports statutory requirements regarding group size, staff to child ratios and staff qualification requirements for England. Two things are immediately clear. First, there are effectively no minimum requirements for staff working with very young children. Instead, minimum requirements operate at setting level, requiring that all managerial and supervisory staff have a qualification at level 3 (equivalent to secondary schooling), and half of remaining staff have qualifications at level 2 (exams taken at age 16). Not only are these requirements low, but a recent independent review has suggested that the training and courses leading to
early years qualifications at level 2 and 3 are particularly weak, both because they attract those with the poorest academic records and because they fail to prepare students for the job (DfE 2012a). Indeed, a level 3 qualification can amount to one year of training on the job, with little exposure to different practice and little college-based learning. As for childminders, the current minimum requirement is an introductory course. The above mentioned review put forward the proposal of having all centre-based workers\textsuperscript{12} and childminders qualified at level 3.

Second, 3 and 4 year old children will have very different experiences in terms of their interaction with staff depending on whether they attend a setting in the PVI or maintained sector. Most significantly, while schools in England are required to employ a teacher in nursery or reception, PVI settings are not. Under the Labour Government, it was a stated policy intention to have one graduate in every PVI setting by 2010 – either a teacher or an Early Years Professional, a new category introduced in 2005 open to graduates who undergo specialised training in early childhood. But this was never made a requirement and in practice only 36\% of children accessing the free entitlement in the PVI sector do so in settings that employ a graduate, and this may not mean that all children in those settings have regular exposure to them (Gambaro et al, 2012). On the other hand, child to staff ratios are higher in schools, with one adult to every 13 children and a maximum class size of 26 in nursery classes compared to one to 8 in PVI settings if no teacher is present. In reception classes ratios are higher still -- one adult to every 30 children (although in practice a 1:30 ratio is uncommon as it is the norm to deploy at least one teaching assistant in a reception class; Tickell, 2011).

In the other UK nations, the regulation has been, until recently, fairly similar. Indeed, the system of training and qualifications for ECEC workers has traditionally been weak across the entire UK and qualification requirements have been generally low. However, recent policy developments have introduced some important differences, in particular in relation to the presence of teachers, the only group of ECEC workers who has historically had a recognised professional status and commensurate pay.

In Wales, two distinct sets of regulation apply to school-based provision versus PVI settings and childminders. For childminders and PVI, regulation is almost identical to English regulation (Welsh Government 2012). School-based provision is regulated separately and requires the deployment of qualified teachers. In addition, Wales has a separate statutory curriculum – the Foundation Phase – for children aged 3 to 7. The Foundation Phase presupposes a very high staff to child ratio – 1 to 8 for 3 and 4 year olds – for all types of settings (Hawker 2009; Siraj-Blatchford et al 2007). In practice, this has led to an increase in the number of teaching assistants, rather than teachers (National Assembly of Wales 2008).

In Scotland, nursery classes used to be required to employ a teacher and to have a maximum class size of 20 children. The former requirement was removed in 2002, at the same time as local authorities were required to offer a preschool place to all 3 year olds and were developing provision in partnership with PVI settings (Kidner 2011). Local authorities are now encouraged to guarantee access to a teacher, but this may be achieved through peripatetic teachers who spend just a few hours a week in any one centre. In 2010 nearly 30\% of maintained sector pre-schools did not directly employ a teacher, even on a part-time basis, with 23\% relying on a peripatetic or occasional teacher, and 6\% having no teacher access.

\textsuperscript{12} All the workers who are counted in the statutory staff to child ratio.
This is still quite different to the PVI settings offering funded pre-school, in which just 17% employ a teacher and 39% have no access – in fact the gap between sectors is nearly as large as in England, but with a lower incidence of teachers across the board.

While requirements concerning teachers have been weakened, Scotland has strengthened considerably requirements for workers employed in ECEC settings. Unlike their English counterparts, workers employed in a ECEC centre in Scotland must register and, depending on their qualification, are assigned to one of three possible job roles: support worker, practitioner, or lead practitioner/manager. All practitioners must hold a qualification at level 3, while lead practitioners/managers must hold an academic degree in early childhood or a newly introduced work-based qualification notionally equivalent to a degree (SQA 2011). Such regulations are stringent, but their effectiveness in raising the calibre of the ECEC workforce depends crucially on the rigour of the training system underpinning the qualifications required.

Finally, in Northern Ireland, the approach has been to maintain the presence of teachers in school-based provision, while increasing the involvement of “early years specialists” in PVI settings offering funded preschool. This category of staff includes those holding academic degrees in early childhood studies and post-18 vocational qualifications.

Thus all four nations are attempting to improve qualifications among those working in ECEC, through new qualifications and/or new requirements. Yet there remain two problems: the discrepancy between staff qualifications in school-based provision and PVI settings; and the difficulty in promoting a distinct graduate-level category of staff specialised in early childhood and whose training and pay are on a par with teachers’.

The introduction of play-based developmentally appropriate curricula has been the second main way policy makers in the UK have pursued quality. There are however important differences across the UK.

In England, the Early Years Foundation Stage (EYFS) curriculum specifies learning and development objectives for children from birth to 5 and is compulsory for all providers of ECEC, including childminders. Introduced in 2008 and simplified in 2012, the curriculum identifies seven areas of learning, with three given priority – communication and language, physical development, and personal, social and emotional development. Children are assessed on the curriculum at the end of the Foundation Stage (age 5), and summary scores for each child are reported to local authorities, and from there to the Department of Education. These scores are published and used to assess progress at authority and national level but not at the level of the individual setting. An independent review of the framework found strong support for the approach from both parents and professionals, as well as evidence that outcomes for young children were improving (Tickell, 2011).

The Welsh Foundation Phase is for children 3 to 7 (and thus straddles across compulsory schooling age). Despite being more firmly anchored to the schooling system, the Foundation Phase advocates children’s active and experimental learning and places great emphasis on their emotional and social development. A distinctive feature is the importance given to the outdoors. Regulation requires that children are given “opportunities to play and learn outdoors” (Welsh Government 2012) and the education inspectorate assesses schools and PVI settings’ ability to use outdoor space to enhance children’s learning (Estyn 2011).

Scotland is very similar to Wales. A national curriculum – Curriculum for Excellence –
covers children from 3 to 18; its “early level” covers both preschool and the first year of primary education and is based on the principle that children learn through play and first hand experiences. In Northern Ireland there is a “curriculum guidance” for pre-school education, covering children in all “pre-school settings” defined as all ECEC centres (Department of Education and Department of Health, Social Services and Public Safety and Council for the Curriculum, Examinations and Assessment, 2007).

The third mechanism used to ensure quality is inspection. In England, regular inspection of all early years settings is conducted by Ofsted (the Office for Standards in Education, Children’s Services and Skills). Ofsted has inspected maintained schools in England since the early 1990s, and since the early 2000s has also been responsible for inspecting PVI settings. One of the main goals of inspection is to assess how well providers are meeting the standards set out in the EYFS. Inspections last between half a day and two days and involve examination of paperwork, direct observations of practice, and discussions with staff, parents and children. After the inspection, settings are given a headline judgement on a four-point scale (as well as sub-judgements for individual categories) – inadequate, satisfactory, good, or outstanding, with primary schools receiving a separate judgement for provision in the Foundation Stage (nursery and reception) than for provision in the rest of the school.13 These judgements, and the full Ofsted report, are publicly available, and parents are encouraged to refer to the reports in choosing a nursery or childminder.

In Scotland, Wales and Northern Ireland the respective education inspectorates inspect schools and PVI settings that offer funded places, while all settings serving children age 0 to 5 are inspected by each nation’s care inspectorate.14 In all three nations, then, PVI settings catering for children 0 to 5 and offering funded places to 3 and 4 year olds receive a ‘double’ inspection, one aimed at assessing the educational content of the service, the other inspecting provision against “day care” minimum requirements. The traditional split between care and education is therefore reflected in the inspection system, which does not insure that provision for children under 3 is focused on child development and learning.

In principle, the inspection results should make it possible to compare quality across settings offering funded places, regardless of whether they are in the PVI or maintained sector. Perhaps surprisingly, the most recent summary report for England (Ofsted, 2011) suggests that average quality is higher in PVI settings than in the maintained sector: 70% of PVI settings were rated good or outstanding compared to 55% of early years provision in primary schools; and only 2% were rated inadequate, compared to 5% in primary schools. However while in principle Ofsted ratings should be comparable across sectors, in practice there are differences in the way settings in the two sectors are inspected. First, PVI inspections are shorter – between half a day and one day, while primary school inspections take two days. Second, inspection for early years settings has been outsourced to private companies since 2010, and there has been some suggestion that the early years inspectorate have lower levels of experience and training than traditional Ofsted employees.15 This may point to caution in

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13 As of January 2012 it has no longer been necessary for inspectors to provide a separate judgement for the Foundation Stage.
14 Instead of a central care inspectorate, Northern Ireland has 6 Health and Social Care Trusts, responsible for inspecting childcare day care services.
15 The Tickell Review (2011) calls on Ofsted to review the training and capacity of the early years inspectorate “with a view to setting clear minimum requirements for all early years inspectors in terms of experience, skills and qualifications”.

drawing conclusions about quality across sectors solely on the basis of Ofsted. The value of Ofsted ratings of early years settings as a quality measure has also been called into some doubt by research which has found that they are poor predictors of children’s outcomes at age 5 (Hopkins et al, 2010), and by a study which finds only a weak correlation between Ofsted ratings and other quality assessments including the widely respected Infant/Toddler Environment Rating Scale (ITERS) and the Early Childhood Environment Ratings Scale (ECERS) (Mathers et al, 2012); correlations between ITERS and Ofsted ratings were particularly weak.

By contrast, inspections carried out by the education inspectorates in Scotland and Northern Ireland are comparable across types of settings, because the same group of inspectors assesses provision in PVI settings and schools. In both nations, maintained provision is generally found to be of better quality (Education Scotland 2012: 8; NIAO 2008: Figure 9).

In sum, regulatory systems in the UK tend to impose bare minimum requirements on staff qualifications outside the maintained sector, but through a unified curriculum and inspection framework attempts to ensure a high quality experience for all children, regardless of which setting they attend (for Northern Ireland, Scotland and Wales this applied to 3 and 4 year olds only). This approach might be seen as trying to ensure high process quality – meaning what goes on inside the classroom, and in particular the nature of interactions between staff and pupils – without worrying unduly about inputs or structural quality measures. On the surface this may seem reasonable, given considerable research evidence that process quality is what matters most to children’s development (Blau and Currie, 2006; Sylva et al, 2004). But it is odd in light of strong evidence across the UK that structural measures, and particularly staff qualifications, are predictive both of higher process quality and – where evidence exists – of better child outcomes. The Effective Provision of Pre-School Education (EPPE) study for England found that process quality was highest when qualified teachers were responsible for the curriculum and interacted with children for a substantial amount of time (Sylva et al, 2004; Sylva et al, 1999), and that process quality increased with the qualifications of the centre manager (Sylva, 2010). Similar evidence emerged from the Effective Provision of Pre-School Education carried out in Northern Ireland (EPPNI) (Melhuish et al 2006). An evaluation of the Foundation Phase in Wales found that quality, measured by ECERS, was higher in maintained settings where teachers were deployed (Siraj-Blatchford et al 2006). The Quality of Childcare Settings in the Millennium Cohort Study (QCSMCS) similarly found that higher staff-child ratios, a higher proportion of trained staff (especially with teaching qualifications) and larger group sizes were predictors of higher observed quality as measured by ECERS scales (Mathers et al, 2007). Evaluation of the Neighbourhood Nurseries Initiative showed that higher qualification levels among staff predicted higher quality, in particular in relation to the structure of activities and the capacity of staff to stimulate children’s communication (NNI Research Team, 2007). Finally, research evaluating the effect of the new Early Years Professional status, which is open to graduates only, found that employing an EYP in a PVI setting significantly improved the quality of provision for children aged 3 and 4 (Ranns et al, 2011).

Who goes where? Patterns of usage of ECEC in the UK

We now turn to examine data on who accesses which type of provision. We begin by looking at whether children receive any ECEC. We then consider the type of settings attended by children from different backgrounds and – where possible – variation in quality.
Among the youngest children, those 0-2, an annual survey of parents in England finds that 59% received some form of non-parental care in 2010; 39% were in formal (paid) care (33% in centre-based care and 7% with a childminder or nanny), while 33% used informal (unpaid) care (mostly grandparents) (categories sum to more than 100% since children could use more than one kind of care) (Smith et al, 2012). Data for Scotland, from an annual census of providers (Care Inspectorate, 2011) indicate that in December 2010, 11% of children under a year old were with formal providers (the majority centre-based), rising to 34% of children aged 1 and 73% of 2- and 3-year-olds.

We have limited information on the background of children who use formal care before 3, although data from the first wave of the Millennium Cohort Study, when children were 9 months old, confirms that children from more advantaged backgrounds are much more likely to be in formal care at this age. Just over one quarter of children whose parents owned their own home were experiencing some formal childcare at nine months, compared to 10% of the children of non-home owners (Roberts et al, 2010).

Once the free entitlement begins at age 3, enrolment at ECEC settings increases sharply, with coverage close to universal by 4. In England in January 2011 93% of 3 year olds eligible for the free entitlement and 98% of 4 year olds were receiving some form of ECEC (DfE 2012). Table 7 shows similarly high levels of access across the three other UK nations, although with slightly lower coverage for 3 year olds in Wales.

However, among disadvantaged families – those in which children have most to gain from access to early education – take-up rates are much lower. Analysis of the parents survey for England for 2008 and 2009 found that 16% of 3 and 4 year olds whose mother had no qualifications did not receive any provision, compared to 4% of children whose mother held a degree (Speight et al, 2010). Access was similarly lower for children in low-income households, with parents out of work, with several siblings, and mothers of Pakistani/Bangladeshi or Black African origin. In households experiencing the highest level of multiple disadvantage, 5% of 4 year olds and 24% of 3 year olds did not access any ECEC. Take-up also varies by local authority: NAO (2012) found enrolment varies from 62% to 102%, suggesting that in parts of the country the entitlement is still not a meaningful reality.

In terms of the type of provision accessed, for younger children (0-2s) in England, most common are day nurseries (17% in 2010), followed by playgroups and pre-schools (8%) and nursery schools and nursery classes (8%) and childminder or nanny (7%) (Smith et al, 2012). In Scotland, nursery is also the most common form of provision – though still rare – for children under 1 (6%), with 2% attending childminders (Care Inspectorate, 2011). Among 1-year-olds, 22% attended nursery and 6% childminders, and among 2 to 3 year olds, 50% nursery, 7% childminders and 7% playgroups.

Once children become eligible for the free entitlement at 3, the pattern of provision changes and enrolment in maintained sector settings becomes much more common, although there are considerable differences across the four UK nations. Figure 1 shows the split in access between the maintained and PVI sectors. PVI provision is more common for 3 year olds in England than for 3 or 4s in the other nations, although half of 3 year olds in Northern Ireland attend PVI settings, as do one third of 3-year-olds and one quarter of 4-year-olds in Scotland. In Wales, maintained sector provision is predominant for both 3s and 4s, reflecting the stronger state role written into Welsh legislation discussed above.
We now turn to examine what we know about whether children from disadvantaged backgrounds are more or less likely to be accessing particular forms of provision. We have two sources of information here. The first are recent cohort studies in England and Scotland. The Quality of Childcare Settings in the Millennium Cohort Study (QCSMCS) investigated the quality of centre-based provision received by a subsample of 1,217 English children when children were around 3 years old (Mathers et al, 2007). This study found that children from disadvantaged backgrounds were much more likely than better-off children to access provision in the maintained sector. As a result, they were also more likely to be in higher quality settings, as measured using ECERS scores, as the highest quality was observed in maintained settings. For Scotland, Growing up in Scotland (GUS) follows two cohorts of children born in the first years of the millennium. In 2007, it found that among children just under 4 it was much more common (85%) to attend a local authority nursery than a private one (15%). However, the use of private nurseries remained more common among more affluent families than those living in deprived areas (Bradshaw et al 2008).

The second source of information is our own analysis of administrative data on childcare providers and take-up of free early education places for the four UK nations. The advantage of these data are that they have much wider coverage and are also more up-to-date than the QCSMCS and the GUS; the major disadvantage is that we have little or no information on the children in the settings. In some cases (3- and 4-year-olds taking up their free place in England) we do know the area within which a child lives, and we match this to area deprivation data so that we know the probability of a child being income deprived. Where we do not have data on children themselves, we use the same area deprivation indices linked to the address of the setting. More detail on the analysis for England is available in Gambaro et al (2012). We concentrate below on the results for 3 and 4 year olds.

For England, our analysis finds, like the QCSMCS, that children from disadvantaged backgrounds (in this case, children from areas with a higher concentration of poverty) are much more likely to attend settings in the maintained sector, and hence settings where staff are more highly qualified. Figure 2 shows the percentage of children accessing the free entitlement who do so in the PVI or maintained sector, by the level of deprivation in their local area. Among children from the decile (10%) of areas with the highest levels of poverty, 69% accessed the entitlement in nursery schools or classes, compared to just 21% of children from the least deprived areas. These differences are reflected in the likelihood of a child being in a setting that employs a graduate – either a teacher, an Early Years Professional or both. Figure 3 shows that 80% of children from the most deprived areas attend a setting where a graduate is present, compared to 53% of children in the least deprived areas. This is a very substantial difference, which indicates that poorer children in urban areas are being protected by the dominance of the maintained sector, which offers them a relatively high quality experience of ECEC.

Within each sector, however, the picture looks a little different. Figure 4 shows the presence of graduates across areas if we confine our attention to PVI settings. Children from richer areas are slightly more likely to have a graduate in their PVI setting than children from poorer

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16 Specifically, we know the Lower Super Output Area, which comprise about 1,500 residents and are drawn so as to maximise the social homogeneity of the area. We match this to the Income Deprivation Affecting Children Index (IDACI), which tells us the percentage of children in each LSOA who are income-deprived, where this means living in a household in receipt of maximum benefits, or in receipt of the broader Child Tax Credit but also with income below 60% of the national median.
areas, although differences are not large, and the relationship with area deprivation is slightly U-shaped. The fact that children in the most deprived areas are slightly more likely to have a graduate present in their PVI setting than those in somewhat better off areas may indicate the effect of public subsidies on both the demand and the supply side in supporting provision in poorer areas. But the figure also reminds us that low qualification levels are the norm in PVI settings: even in the least deprived areas, a clear majority of children who access the entitlement in the PVI sector do so in settings which do not employ a single graduate.

Figure 5 shows the other quality measure that we have for all settings – the rating given by Ofsted in the most recent inspection. Here we see a clear and consistent gradient within both the maintained sector and the PVI settings. Children from less deprived areas are more likely to attend settings rated as ‘outstanding’ and less likely to attend those rated ‘satisfactory’ or ‘inadequate’. Differences are significant in size: in the PVI sector, children in the least deprived areas are three times as likely to attend an outstanding setting than one that is rated satisfactory or inadequate (27% to 9%), while in the most deprived areas, the likelihood of each is the same (16%). Similarly, within the maintained sector (where inadequate settings are almost non-existent), children from the least deprived areas are more likely to attend an outstanding setting (21%) than one that is satisfactory (15%), while the opposite is true for those from the most deprived areas – 12% in outstanding settings and 23% in satisfactory. These figures underline further the importance of the role played by the maintained sector in deprived areas. Without it, we could expect a much greater social gradient in the quality of ECEC in England.

Figure 6 shows a similar pattern with respect to the concentration of maintained sector providers in disadvantaged areas in Northern Ireland (we show quintiles rather than deciles because of the smaller population). The same analysis for Scotland, however, tells a rather different story (here we have to use the address of the setting the child attends to assign each child an area deprivation level, as no information is available on the child’s address). In contrast to England, we find very little variation by area deprivation level in the share of children attending maintained sector or PVI provision for either pre-school (age 4) or ante-pre-school (age 3). Between 67% and 72% of children attend the maintained sector for ante-pre-school and between 75% and 81% for pre-school, with no consistent gradient across areas. Correspondingly, there is little variation across areas in the percentage of children in settings employing a teacher. Figure 7 illustrates, showing teacher presence in all settings for the ante-pre-school year; results for the pre-school year (not shown) look very similar. The figure shows both PVI and maintained sector settings, but there is no difference in results if we look at either sector separately: PVI settings are much less likely to employ a teacher than maintained settings, as discussed above, but there is no difference across areas in the presence of teachers within either sector. PVI settings located in areas with higher levels of child poverty do not seem to be different to those located in more affluent areas, and the relaxation of regulations governing staff qualifications in the maintained sector does not appear to have led to differences in teacher presence between richer and poorer areas. It could be, however, that PVI settings and schools vary in their intake, with PVI centres attracting more affluent children as the results from GUS indicate (Bradshaw et al 2008). The Welsh government does not collect data on the PVI settings that receive public funding, so it is not possible to examine patterns of provision in relation to varying levels of disadvantage.

What can be said about provision outside the entitlement? There are good reasons to expect a positive relation between income and quality of care: higher quality care is likely to cost more, and, as discussed in the previous section, a fair share of parents struggle to pay ECEC
fees. We can examine this association only for England, where settings are inspected by Ofsted against the curriculum irrespective of whether they receive public funding and where it is therefore possible to see whether there is a systematic association between OFSTED ratings and levels of deprivation. We carry out this exercise and report results in Figure 8. The bottom line is that there is a higher incidence of schools and PVI settings judged as “outstanding” or “good” in the least deprived areas relative to the most deprived ones. The gradient is fairly large and statistically significant. For example, while only 14% of PVI settings in the least deprived areas are rated “satisfactory”, this percentage goes up to 22% in the most deprived areas. However, these numbers refer to settings not children. If settings with higher Ofsted ratings attract a larger number of children relative to settings with worse rating, the above figures may underestimate the proportion of children enrolled in high-quality settings. Furthermore, since children attending a setting in a specific area may come from more or less deprived areas than the one where the setting is, if outstanding settings in the most deprived areas attract children from less deprived areas, their role in offsetting disadvantage may be overestimated when looking at setting-level data only. We examine these two potential biases in Gambaro et al (2012), and the analysis suggests that looking at setting-level data does not give a misleading picture. Children from more deprived areas are more likely than other children to be in lower quality settings. However, setting-level data alone cannot be used to assess the magnitude of such difference, because the majority of children from the most deprived areas do attend settings located in more affluent areas. A similar picture emerges in relation to childminders. A childminder located in a deprived area is much more likely to be judged by Ofsted as “satisfactory” or “inadequate” than other childminders are (Figure 10). Although again, caution is needed when interpreting these results, it is clear that more deprived areas offer ECEC services which are rated of lower quality than those in less deprived areas. This means that parents in more deprived areas are at disadvantage if they want to rely on the provision available at their doorstep.

Discussion and conclusions

Up to a point, the UK is doing a good job of ensuring that all children aged 3 and upward have some exposure to ECEC. From the term after a child turns 3, he/she is entitled to between 10 and 15 hours of free early education, and more than nine in ten 3-year-olds and 98% of 4 year-olds take this up. Most children are in school full-time (9am to 3.30pm) from the September after they turn 4. For children in nursery classes and schools this means being in the classroom with a qualified teacher, though with fairly high child-staff ratios.

However, serious concerns remain, both about access to ECEC beyond the entitlement and about the quality of provision received by some children within the entitlement. First, financial support for hours beyond the 10 or 15 entitlement hours, and for younger children, is only available to those in work, and even then it is only a partial subsidy: even those receiving the maximum level of support must pay 30% of the cost of a place. This makes formal (paid) ECEC for a child under 3 unfeasible for families with no member in work, and challenging for many working families too.

Second, requirements for staff qualifications in PVI settings are very different to those in the maintained sector: among children accessing the free entitlement in the PVI sector, just a third of children in England have a graduate in the setting, and shares are likely to be lower for younger children. Likewise, children in Scotland are more likely to be catered for by a teacher if they are enrolled in a local authority nursery school or class. Although, in England, most PVI provision (more than 80%) is rated ‘good’ or ‘outstanding’ by Ofsted, it remains
the case that Ofsted ratings are only weakly correlated with other quality measures and are poor predictors of child development. Staff qualification levels are more reliable predictors of both high process quality (as measured by ECERS) and future child outcomes, and the evidence suggests that staff qualification levels are not as high as they should be and are inequitably distributed, particularly for children in the PVI sector.

Despite this, policy has actively encouraged the expansion of places through the PVI sector. In England, the PVI sector has been heavily relied upon both to deliver the free entitlement and to provide childcare for working parents. All expansion of ECEC places for 3- and 4-year-olds in England has come through PVI provision (Stewart, 2012), while local authorities can only create new maintained places if no private or voluntary provider is willing to do so. The new part-time offer for disadvantaged two-year-olds will be delivered almost entirely in PVI settings. This is concerning given that the greatest shortfall in staff qualifications tends to be in the PVI settings serving disadvantaged children. In other UK nations, the balance between PVI and maintained settings is tilted more favourably towards the maintained sector, but there remains the problem of providing high quality places outside the entitlement.

At the same time, while the Early Years Foundation Stage Curriculum and other nations’ curricula may have raised standards by imposing a common framework on the sector, very little has been done to improve quality in PVI settings by raising qualification levels. Within the entitlement, local authorities are encouraged to reward quality using local funding formulae, but receive little or no extra funding to make this possible without affecting the rest of the local education budget. Outside the entitlement, settings can only improve quality if they can pass the cost onto parents, and costs are already very high.

The good news is that in two ways the system turns out to be better for disadvantaged children than might be expected. First, at least in England, 3- and 4-year-olds in more deprived areas are relatively protected by the fact that they are much more likely than children from better-off areas to go to maintained settings. There are probably three reasons for this – the historical concentration of nursery class provision in inner city areas; the higher profile and greater trust that nursery classes have among disadvantaged families because they are attached to schools; and the fact that maintained settings are much less likely than PVI settings to offer the wrap-around care needed by working parents. Second, within the PVI sector there appears to be a smaller relationship between quality and deprivation than we might have anticipated, so less inequality than expected appears to be driven by ability to pay.

On the other hand, there are several reasons for concern. First, not all disadvantaged children live in areas where maintained nursery places are available, so many such children will receive the entitlement in PVI sector. Second, concentrating the highest quality ECEC in part-time settings may be effective at reaching the children of non-working parents, but excludes many equally needy children of working parents. It is strange not to ensure that all children have access to similarly qualified staff, whatever the setting, at least for some hours of the day. Third, while the limited disparity in quality between nurseries located in different areas may be encouraging, low quality across the board will affect disadvantaged children the most, as they have most to gain from high quality provision. High quality for all would be a much more equalising scenario.

Of course higher quality care would be likely to cost more, as evidenced by the big difference between per capita spending on delivering the entitlement through private nursery schools as
opposed to other PVI settings, although the difference between maintained nursery classes and PVI is fairly small, perhaps because of cross-subsidy from the wider school budget and perhaps because of higher ratios of children to staff. Thus options worth considering include the wider expansion of maintained nursery classes to deliver the entitlement (including for two-year-olds), along with the equalisation of qualification levels across all settings, with larger group sizes reducing the cost increase, and supply-side subsidies extended to cover younger children, to make care affordable for parents. Some increase in costs overall is inevitable, but a price worth paying to secure the high quality provision which research has pointed to as beneficial, and which is currently only on offer at a minority of settings in the UK.
References


Tables and Figures

Table 1: Spending on under 5s in England (2009/10 prices)

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<td>3,286</td>
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<td>Sure Start (current and capital)**, of which:</td>
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Source: Stewart 2012.
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<td>Term time</td>
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<td>Reception classes + Nursery classes/schools or PVI provision</td>
<td>Reception classes + Nursery classes/schools or PVI provision</td>
<td>Pre-school (maintained &amp; PVI) + Ante pre-school (maintained &amp; PVI)</td>
<td>Compulsory schooling (4 yrs) + Nursery classes/schools or reception units</td>
</tr>
</tbody>
</table>
Table 3: Childcare places in England 1997-2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Childminders</th>
<th>Full-day care</th>
<th>Sessional care</th>
<th>All centre-based (full-day plus sessional)</th>
<th>Number of under 5s in England</th>
<th>0-4s for each childminder and full day care place</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>365,200</td>
<td>193,800</td>
<td>383,700</td>
<td>577,500</td>
<td>3,085,472</td>
<td>5.5</td>
</tr>
<tr>
<td>1998</td>
<td>370,700</td>
<td>223,000</td>
<td>383,600</td>
<td>606,600</td>
<td>3,051,090</td>
<td>5.1</td>
</tr>
<tr>
<td>1999</td>
<td>336,600</td>
<td>247,700</td>
<td>347,200</td>
<td>594,900</td>
<td>3,018,954</td>
<td>5.2</td>
</tr>
<tr>
<td>2000</td>
<td>320,400</td>
<td>264,200</td>
<td>353,100</td>
<td>617,300</td>
<td>2,980,913</td>
<td>5.1</td>
</tr>
<tr>
<td>2001</td>
<td>304,600</td>
<td>285,100</td>
<td>330,200</td>
<td>615,300</td>
<td>2,923,839</td>
<td>5.0</td>
</tr>
<tr>
<td></td>
<td>-17%</td>
<td>47%</td>
<td>-14%</td>
<td>7%</td>
<td>-5%</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>307,500</td>
<td>398,000</td>
<td>281,200</td>
<td>679,200</td>
<td>2,849,444</td>
<td>4.0</td>
</tr>
<tr>
<td>2004</td>
<td>322,100</td>
<td>483,600</td>
<td>270,600</td>
<td>754,200</td>
<td>2,858,356</td>
<td>3.5</td>
</tr>
<tr>
<td>2005</td>
<td>319,200</td>
<td>530,200</td>
<td>248,200</td>
<td>778,400</td>
<td>2,894,136</td>
<td>3.4</td>
</tr>
<tr>
<td>2006</td>
<td>323,000</td>
<td>574,500</td>
<td>233,700</td>
<td>808,200</td>
<td>2,954,964</td>
<td>3.3</td>
</tr>
<tr>
<td>2007</td>
<td>311,800</td>
<td>603,500</td>
<td>220,800</td>
<td>824,300</td>
<td>3,039,253</td>
<td>3.3</td>
</tr>
<tr>
<td>2008</td>
<td>298,000</td>
<td>629,300</td>
<td>208,700</td>
<td>838,000</td>
<td>3,129,426</td>
<td>3.4</td>
</tr>
<tr>
<td></td>
<td>-3%</td>
<td>58%</td>
<td>-26%</td>
<td>23%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>291,211</td>
<td></td>
<td></td>
<td>843,844</td>
<td>3,196,075</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>277,277</td>
<td></td>
<td></td>
<td>787,844</td>
<td>3,267,092</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-5%</td>
<td></td>
<td></td>
<td>-7%</td>
<td>2%</td>
<td></td>
</tr>
</tbody>
</table>

Notes: (i) Because of changes in the way the data is collected and reported, figures for 2003-08 cannot be directly compared to those for either 1997-2001 or 2009-10. For 2009-10 it is not possible to separate full-day care from sessional care, hence the inclusion of a column showing both together. (ii) 1997-2001 data is for March 31 each year; (iii) 2003-2010 for June 30 each year. Sessional care includes providers where care is in offer for a maximum of 4 hours per day. 1997-2001 are from the Department for Education and Employment, *Education: Children’s Day Care Facilities (England) Survey*, Stationery Office. 2003-2010 are from Ofsted, but with a break in series.
Table 4: Statutory requirements for different types of provider in England

### CENTRE-BASED PROVISION

<table>
<thead>
<tr>
<th>Type of provider</th>
<th>Age of child</th>
<th>Staff: children ratio</th>
<th>Staff qualification requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>PVI</td>
<td>Under Two</td>
<td>1:3</td>
<td>At individual level, no requirement.</td>
</tr>
<tr>
<td></td>
<td>Two</td>
<td>1:4</td>
<td>At setting level, 50% of staff should hold a Level 2 qualification, and all supervisory and management staff should hold a relevant Level 3 qualification.</td>
</tr>
<tr>
<td></td>
<td>Three</td>
<td>1:8</td>
<td>If settings employ a qualified teacher or Early Years Professional, they can operate with a higher ratio of children to staff during school hours (8am – 4pm).</td>
</tr>
<tr>
<td></td>
<td>Four</td>
<td>1:13 IF qualified teacher or EYP* compensation.</td>
<td></td>
</tr>
<tr>
<td>Maintained nursery class</td>
<td>Three</td>
<td>1:13 (max class size 26)</td>
<td>One qualified teacher per class</td>
</tr>
<tr>
<td></td>
<td>Four</td>
<td>1:30 (max class size 30)</td>
<td>One qualified teacher per class</td>
</tr>
<tr>
<td></td>
<td>Five</td>
<td>1:30 (max class size 30)</td>
<td>One qualified teacher per class</td>
</tr>
</tbody>
</table>

### CHILDMINDERS

<table>
<thead>
<tr>
<th>Age of child</th>
<th>Group size</th>
<th>Qualification requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under eight</td>
<td>Max 6 children</td>
<td>Completion of introductory course in home-based childcare.</td>
</tr>
<tr>
<td>Of whom:</td>
<td></td>
<td>To offer the free entitlement a childminder must also be a member of a Childminding Network and have (or be working towards) a Level 3 qualification.</td>
</tr>
<tr>
<td>Under five</td>
<td>Max 3 children*</td>
<td></td>
</tr>
<tr>
<td>Under one</td>
<td>Max 1 child</td>
<td></td>
</tr>
</tbody>
</table>

Note: * The ratio applies during school hours only (8am to 4pm). Outside these hours, PVI settings need to comply with the 1:8 ratio, while childminders can look after more than three children aged four outside school hours.
Table 5: Scotland: Whether pre-school centres employ a teacher, by type of centre

<table>
<thead>
<tr>
<th></th>
<th>No teacher</th>
<th>Employs a teacher</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private or voluntary centre</td>
<td>843</td>
<td>168</td>
<td>1,011</td>
</tr>
<tr>
<td></td>
<td>83.38%</td>
<td>16.62%</td>
<td>100%</td>
</tr>
<tr>
<td>Maintained centre</td>
<td>436</td>
<td>1,106</td>
<td>1,542</td>
</tr>
<tr>
<td></td>
<td>28.27%</td>
<td>71.73%</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,279</td>
<td>1,274</td>
<td>2,553</td>
</tr>
<tr>
<td></td>
<td>50.10%</td>
<td>49.9%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 6 Take-up of early years entitlement in the four UK nations

<table>
<thead>
<tr>
<th></th>
<th>England</th>
<th>Wales</th>
<th>Scotland</th>
<th>Northern Ireland</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4 year olds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>617,122</td>
<td>33,158</td>
<td>56,716</td>
<td></td>
</tr>
<tr>
<td>% of 4yrs pop</td>
<td>99.5</td>
<td>98.68</td>
<td>98.9</td>
<td></td>
</tr>
<tr>
<td><strong>3 year olds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>595,422</td>
<td>29,980</td>
<td>29,506</td>
<td>24,170</td>
</tr>
<tr>
<td>% of 3yrs pop</td>
<td>93.1</td>
<td>87.92</td>
<td>100.7</td>
<td>94</td>
</tr>
</tbody>
</table>

**NOTES:**

**Coverage**
- All settings receiving public funding
- Schools only
- All settings receiving public funding
- All settings receiving public funding

**Source of enrolment data**
- School Census and Early Years Census, Jan 2011
- School Census, Sept 2011
- Preschool Census, Sept 2011
- School Census, Oct 2011

**Source of population data**
- ONS Mid-2010 pop est.
- ONS Mid-2010 pop est.
- Scottish Government
- ONS Mid-2010 pop est.
Figure 1: Three and fours in early education by sector

Source:
England: School Census and Early Years Census, 2011
Scotland: Pre-school Census 2011
Wales: School Census, 2011 – information from schools only. Total calculated on the basis of ONS population estimates. Thus, caution is needed when interpreting Welsh data.
Northern Ireland: School Census 2011-2012
Figure 2: Type of provision attended by three and four year olds in England, by decile of area deprivation

Source: Early Years Census 2011 and School Census 2011.
Notes: Sample includes all children born between September 2006 and December 2007 receiving the entitlement. Sample excludes children in reception classes and children with special education needs.

Figure 3: Percentage of children in England accessing the free entitlement in a setting with a graduate, by decile of area deprivation

Source: Early Years Census 2011 and School Census 2011.
Notes: Sample includes all children born between September 2006 and December 2006 receiving the entitlement. Sample excludes children in reception classes and children with special education needs.
Figure 4: Percentage of children in England accessing the free entitlement in a setting with a graduate – PVI settings only

Source: Early Years Census 2011.
Notes: Sample includes all children born between September 2006 and December 2006 receiving the entitlement in a PVI setting (or by a childminder). Sample excludes children in reception classes and children with special education needs.
Figure 5: Ofsted quality ratings for settings in England

(a) Percentage of children in PVI settings with different ratings

(b) Percentage of children in maintained sector nursery classes and nursery schools with different ratings

Note: Percentage of children accessing the free entitlement in settings with different ratings, by child’s area deprivation level.

Source: Schools Census 2011, Early Years Census 2011 and Ofsted inspection data September 2010 – August 2011.
Figure 6: Area deprivation and type of setting in Northern Ireland

Source: Northern Ireland School Census, 2011-2012 (The census was carried out on October 7th 2011). Percentages refer to the number of children enrolled in schools and funded pre-school centres as at 7th October 2011. The quintiles of deprivation level refer to the school or pre-school centre (not to the child).
Figure 7: Children’s access to teachers in the ante-pre-school year (age 3) in Scotland, by area deprivation level of the setting

Source: Scottish Pre-school Census, 2011.
Percentages refer to the number of children enrolled in local authority nursery, school, or PVI funded pre-school centres as for September 2011.
The deciles of deprivation level refer to the school or pre-school centre (not to the child).
Figure 8: Ofsted quality ratings for settings in England

(a) Percentage of PVI settings

(b) Percentage of maintained nursery schools and classes

Source: Ofsted inspection data
Data refer to all PVI settings and schools offering early years provision inspected between 1/09/2010 and 14/09/2011.
Figure 9: Ofsted quality ratings for childminders in England

Source: Ofsted, inspection data.
Data refer to all childminders inspected between 15/09/2010 and 14/09/2011.