The Coalition’s Record on the Under Fives: Policy, Spending and Outcomes 2010-2015

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Acknowledgements

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Summary

The Government’s strategy for improving social mobility emphasised the importance of early childhood. Against a backdrop of tightening austerity, what happened in practice to children’s services, family incomes and early child development?

- Despite little mention of early childhood in either Coalition party’s manifesto, its importance on the political agenda increased following the election. The Government’s social mobility strategy identified children’s “foundation years” as a key area for securing improvements.
- The Coalition also insisted that by moving away from a narrow focus on income measures and investing in support services for lower-income families it could deliver a more sustainable way to tackle child poverty and improve children’s life chances.
- Health visitor numbers increased and the number of places on the Family-Nurse Partnership programme for teenage parents doubled. An Early Intervention Foundation was established, with a remit to promote and disseminate evidence about ‘what works’ to promote healthy children development.
- Substantial cuts to local authority budgets, nevertheless, left early years services vulnerable, while central support for childcare was also reduced. Real spending per child on early education, childcare and Sure Start services fell by a quarter between 2009-10 and 2012-13, from £2,508 to £1,867.
- Tax-benefit reforms hit families with children under five harder than any other household type. Those with a baby were especially affected by the withdrawal of a series of extra benefits during pregnancy and a child’s first year.
- Take-up of the free nursery entitlement for three- and four-year-olds rose between 2010 and 2014. Early education places for disadvantaged two-year-olds were also rolled out, though not in the highest quality settings.

The impact of Coalition policies on children’s wellbeing and life chances will take time to emerge fully. Yet the important role that early years services and family income play in child development is well known to policy makers. It is not too soon therefore to raise concerns about the long-term consequences recent spending decisions may have on the current generation of young children.
1. Introduction

This is one of a series of papers examining aspects of the social policy record of the Conservative/Liberal Democrat Coalition in England from 2010-15, with a particular focus on poverty, inequality and the distribution of social and economic outcomes. The papers follow a similar but smaller series covering Labour’s record from 1997-2010, published in 2013. The papers in this series follow a common format, starting with a brief assessment of the situation the Coalition inherited from Labour and moving on to a description of the Coalition’s aims (as discerned from manifestos, the Coalition Agreement and subsequent policy statements) and the policies enacted. They then describe trends in spending on the area under consideration, and provide an account of what was bought with the money expended (inputs and outputs). Finally, they turn to outcomes, and a discussion of the relationship between policies, spending and outcomes, so far as this can be discerned.

All the papers focus on UK policy where policy is not devolved (for example taxes and benefits) and English policy where it is, although in some cases some spending, outcomes and international comparisons cannot be disaggregated below the UK level. In the case of devolved policy areas, key points of similarity and difference between England and the other UK nations are highlighted, but a full four country comparison is beyond the scope of the study.

This paper examines policies aimed at children under five years old. Services and support for very young children have risen up political agendas across the globe in recent decades (see e.g. OECD, 2006; OECD, 2011), a shift that reflects both the increasing integration of women into the labour market and a growing understanding of early childhood as a key developmental period. Governments have expanded provision of early education and childcare for a mixture of reasons including concerns about gender equality, economic growth, child poverty and social mobility.

Under the Labour Government in office from 1997-2010, young children came under the policy spotlight to an extent that was entirely new in the UK. Spending on services for children under five rose nearly four-fold from a very low base, while spending on cash benefits more than doubled (Stewart, 2013). The 2010 election manifestos for the two Coalition parties contained little mention of early education or childcare, but within days of taking office the new government had commissioned an independent review of poverty and life chances with a particular focus on the pre-school years. Independent reviews followed of early intervention, the Early Years Foundation Stage and the early years workforce, and the Autumn 2010 Spending Review professed to have social mobility “at its heart”. This paper examines these developments and the policy shifts that followed, the impact on spending and on service provision, and asks what we can say about children’s health, educational and social outcomes.

Context and Inheritance

The focus on early childhood was a key feature of Labour’s administration and an important part of its legacy (see Stewart, 2013). Until 1997 maternity leave provision had been among the least generous in Europe (OECD, 2001) and state spending on childcare was almost non-existent. Some inner city areas provided free nursery education in nursery classes or schools, but for the most part playgroups and toddler groups were organized by the voluntary sector. With the exception of health checkups and payment of universal child benefit, the state largely stepped out of a baby’s life after birth and only stepped back in when she arrived at primary school more than four years later.
Some small changes had been made under John Major’s administration, with the introduction of a disregard for childcare expenses in Family Credit in 1992, and the piloting of nursery vouchers for four-year-olds in 1996. But Labour’s vision, set out in the 1998 National Childcare Strategy (DfEE, 1998), the subsequent ten year strategy for childcare (HM Treasury et al, 2004) and the Every Child Matters framework (HM Treasury, 2003), transformed the landscape. Spending on early childhood services increased nearly four-fold between 1997 and 2010. By 2010, Sure Start children’s centres provided a hub for play, early learning, childcare and parenting support in the 30% most disadvantaged areas, with smaller and less well-funded centres across the rest of the country. The development of children’s centres has been argued to have resulted in a wider reconfiguration of local service delivery for young people, and to have enabled more effective multi-agency working (House of Commons, 2010). In addition, almost all four year olds and 90% of three year olds took up the universal entitlement to a free part-time nursery education place, which was increased to 15 hours a week from 2010. The number of full day places in centre-based childcare had trebled and there had been some improvement in affordability, particularly for lower income working parents, for whom the childcare element of Working Tax Credit met up to 80% of costs. The quality of early education and childcare had improved, driven both by a better qualified workforce, with large increases in those holding level 3 NVQs and a modest rise in those with graduate qualifications, and by the introduction of the Early Years Foundation Stage curriculum. However, achieving the 2004 goal of a graduate-level early years professional in every childcare setting remained a long way off.

Labour’s strategy was to improve both services and cash support, and spending on cash benefits for families with young children more than doubled between 1997 and 2010. Statutory paid maternity leave was increased to 39 weeks; leave was paid at a low flat rate but by 2008 the median length of leave for mothers who had worked before childbirth was 39 weeks, more than double the median leave in 1997. In addition, spending on means-tested financial support rose rapidly, particularly for in-work but also for non-working families. The changes in financial support particularly benefited households with younger children (under 11s), with extra support targeted on families with a baby through a doubling of the family element of Child Tax Credit in a child’s first year. The fall in the rate of child poverty was most evident in households with a child under five.

Both parenting behaviours and young children’s outcomes improved on a range of measures across this period, and gaps narrowed between disadvantaged social groups and others (Stewart, 2013). In areas with a Sure Start Local Programme, there were small but significant reductions in harsh parenting alongside improvements in children’s home environment, though no difference could be found in children’s developmental outcomes compared to areas without an SSLP. Smoking in pregnancy declined and breastfeeding increased, while social class gaps in both measures narrowed. There were also improvements overall and a narrowing social class (or area disadvantage) gap in rates of low birth weight and infant mortality and in cognitive and social development (measured by Foundation Stage Profiles). Nevertheless, considerable inequalities in all measures remained at the end of the period.

Linking improving outcomes definitively to Labour policy is difficult given the wealth of initiatives introduced and the complex influences on the outcomes of interest. Stewart (2013) concludes that there is good evidence that many of the improvements in children’s experience can be linked to Labour policy, but that it is impossible to disentangle the contribution made by particular factors – improvements in income poverty, Sure Start effects on parenting, more exposure to better quality childcare and early
education; all of these are likely to have played a role, with no evidence that a single magic bullet was responsible. This ambiguity about exactly what worked presented challenges – or opportunities, depending on one’s perspective – for an incoming government looking to make public spending cuts while protecting and promoting social mobility.

In addition to the institutional and policy legacy, the focus on social mobility under the new administration was arguably itself a key part of the Labour inheritance. In its last months in office, Labour saw the Child Poverty Act through parliament. The Act established four child poverty targets to be met by 2020/21 and placed a duty on UK governments to publish a regular child poverty strategy and annual reports on progress towards meeting the targets, and to set up a child poverty commission to provide advice. The Act was passed with cross-party support, with Liberal Democrats and Conservatives reiterating their support for the goal of ending child poverty, although the Conservatives argued that the four targets were poor proxies for child poverty, and said that a Conservative government would “aim to widen the agenda and build up targets which are more likely to address the underlying causes of poverty” (Hansard records, quoted in Kennedy, 2010). In office, the Coalition has consulted on alternative ways of measuring poverty, has amended the Act in order to make the commission a Social Mobility and Child Poverty Commission, and has published both child poverty and social mobility strategies. A counterfactual world without the Child Poverty Act is not available for comparison, but it seems plausible that it is the Act that has kept these issues on the agenda. At the same time, however, it is not clear how far or how consistently the strategies have made a concrete difference to the experience of young children.

Aims, Goals, Commissions and Strategies

This section begins by examining the immediate aims and longer-term goals of the two Coalition partners when they entered government. We go on to look at independent reviews commissioned since 2010 and then at what the child poverty and social mobility strategies have to say about the youngest children, before turning in the next section to examine the policies implemented.

The meeting of the manifestos

Neither the Conservative nor Liberal Democrat manifesto for the 2010 election had a strong focus on early childhood, although neither overlooked young children entirely. The Conservative manifesto pledged to “make Britain the most family-friendly country in Europe” (Conservative Party, 2010), but policies for under fives included only shared maternity leave and some reforms to Sure Start children’s centres, including refocusing them on the neediest families and introducing a system of payment by results was proposed. There was little mention of early education or childcare.

The child poverty target was not mentioned, though there were references to “our strategy for tackling poverty and inequality”. There were indications of a shift towards tighter means-testing of cash benefits: tax credits would be withdrawn from households earning more than £50,000, and the Child Trust Fund would be maintained only for the poorest third of families and those with disabled children. Marriage would be recognised in the tax system.

For the Liberal Democrats, childcare had almost been a central policy plank heading into the election. A 2008 commitment to 20 hours a week of “free and flexible” childcare from 18 months to 5 years was
dropped early in 2010, with Nick Clegg citing concerns over cost (‘Nick Clegg drops “unaffordable” Lib Dem policies’, The Telegraph, 11 January 2010). Instead, a Lib Dem government would protect existing childcare provision until finances could support the longer-term goal of 20 free hours. The manifesto included frequent mentions of “a fair chance for every child”, but concrete policies were largely focused on compulsory education, most notably the Pupil Premium for disadvantaged children (Liberal Democrats, 2010). The manifesto did promise shared parental leave and allowing fathers time off for ante-natal appointments. In contrast to the tighter targeting of both services and benefits that is clear in the Conservative manifesto, the Lib Dem strategy seemed to be to develop services for all young children – but in the future.

On the other hand, the Lib Dems also proposed the restriction of tax credits and said they would abolish Child Trust Funds altogether. They affirmed a commitment to ending child poverty by 2020, but gave little hint of a roadmap for getting there. The most expensive proposal was to raise the personal tax allowance to £10,000, estimated at £16.8 billion a year in 2011-12. This would be expected to affect many households with a young child, though not to be well targeted on low-earning households in this group or those with one parent at home.

Box 1 lists the clauses affecting young children that made it into the Coalition Agreement. Clauses in bold show the impact of the Lib Dems, while those underlined reflect commitments originally in both manifestos. There is agreement on flexible working, shared parental leave and cuts to tax credits and the Child Trust Fund. Conservative plans to refocus Sure Start are included, as is the Lib Dem commitment to maintain the goal of ending child poverty. The Lib Dem flagship policy of an increase in the personal tax allowance is in, and Lib Dems would be allowed to abstain on the introduction of a transferable tax allowance for married couples. Box 1 also lists the manifesto pledges that did not make it to the agreement. There are not many of these and in practice the more specific and immediate goals were implemented once the parties were in government. Only the Lib Dems’ longer term and more ambitious goals – 18 months shared parental leave followed by free childcare – were fully side-lined.

Table 1 takes a different approach to summarising the path from party manifestos to Coalition Agreement, showing keywords mentioned in each. It is interesting that the language of the Agreement picks up on both the term ‘social mobility’ – used twice in the Conservative manifesto and not at all by the Lib Dems – and on ‘fairness’ – a repeated theme in the Lib Dem manifesto but not mentioned by the Conservatives. Inequality and child poverty both feature less. Table 1 also suggests a lower emphasis on policies for children, and particularly for young children, in the two Coalition party manifestos than in that of the Labour Party, where references to family, childcare and education are much more frequent. It seems fair to say that Labour’s focus on early childhood was reflected to only a limited extent in the priorities of the in-coming government.
<table>
<thead>
<tr>
<th><strong>Box 1: The Coalition Agreement</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The Coalition Agreement heavily reflects the Conservative manifesto, with small influences from the Liberal Democrats. Shared policies are underlined below; clauses in bold type stem entirely from the Lib Dems.</td>
</tr>
<tr>
<td><strong>We will extend the right to request flexible working to all employees</strong> consulting with business on how best to do so (in both manifestos, but Conservatives would phase in more slowly).</td>
</tr>
<tr>
<td><strong>We will maintain the goal of ending child poverty in the UK by 2020</strong> (Lib Dem)</td>
</tr>
<tr>
<td>We will reform the administration of tax credits to reduce fraud and overpayments.</td>
</tr>
<tr>
<td>We will bring forward plans to reduce the couple penalty in the tax credit system as we make savings from our welfare reform plans.</td>
</tr>
<tr>
<td>We support the provision of free nursery care for pre-school children, and we want that support to be provided by a diverse range of providers, <strong>with a greater gender balance in the early years workforce</strong> (Lib Dem).</td>
</tr>
<tr>
<td>We will take Sure Start back to its original purpose of early intervention, increase its focus on the neediest families, and better involve organisations with a track record of supporting families. We will <strong>investigate ways</strong> of ensuring that providers are paid in part by the results they achieve (Lib Dem influence; Conservative manifesto said it would ensure the introduction of payment by results for Sure Start).</td>
</tr>
<tr>
<td>We will refocus funding from Sure Start peripatetic outreach services, and from the Department of Health budget, to pay for 4,200 extra Sure Start health visitors.</td>
</tr>
<tr>
<td>We will investigate a new approach to helping families with multiple problems.</td>
</tr>
<tr>
<td><strong>We will publish serious case reviews, with identifying details removed</strong> (Lib Dem).</td>
</tr>
<tr>
<td>We will crack down on irresponsible advertising and marketing, especially to children. We will also take steps to tackle the commercialisation and sexualisation of childhood.</td>
</tr>
<tr>
<td>We will encourage shared parenting from the earliest stages of pregnancy – <strong>including the promotion of a system of flexible parental leave</strong> (both manifestos).</td>
</tr>
<tr>
<td>We will put funding for relationship support on a stable, long-term footing, and make sure that couples are given greater encouragement to use existing relationship support.</td>
</tr>
<tr>
<td>We will conduct a comprehensive review of family law in order to increase the use of mediation when couples do break up, and to look at how best to provide greater access rights to non-resident parents and grandparents.</td>
</tr>
<tr>
<td>We will crack down on irresponsible advertising and marketing, especially to children. We will also take steps to tackle the commercialisation and sexualisation of childhood.</td>
</tr>
<tr>
<td><strong>We will reduce spending on the Child Trust Fund and tax credits for higher earners</strong> (both policies are in both manifestos).</td>
</tr>
</tbody>
</table>

**In individual manifestos but not in the Coalition Agreement:**

**Lib Dems:**
- We will give fathers the right to time off for ante-natal appointments. (Implemented once in government.)
- We will replace the bureaucratic Early Years Foundation Stage with a slimmed down framework which includes a range of educational approaches and enough flexibility for every young child. (Implemented once in government.)
- We will protect existing childcare support arrangements until the nation’s finances can support a longer-term solution – a move to 20 hours free childcare for every child from the age of 18 months. (Two year old places introduced and extended, but childcare support through the tax credit system made less generous.)
- We will seek to extend the period of shared parental leave up to 18 months once resources and economic circumstances allow. (No action in government.)

**Conservatives:**
- We will bring all funding for early intervention and parenting support into one budget, to be overseen by a single, newly-created Early Years Support Team. (Arguably implemented temporarily once in government as the Early Intervention Grant.)
Table 1: Keywords in the 2010 manifestos and Coalition agreement

<table>
<thead>
<tr>
<th>Keyword</th>
<th>Lib Dems</th>
<th>Conservatives</th>
<th>Labour</th>
<th>Coalition Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social mobility</td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Fair start/fair chance for every child</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fairness</td>
<td>15</td>
<td>0</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>Inequality</td>
<td>4</td>
<td>7</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Early education/early learning/nursery education/EYFS <em>/nursery care</em></td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Child poverty</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Childcare</td>
<td>2</td>
<td>2</td>
<td>15</td>
<td>1</td>
</tr>
<tr>
<td>Sure Start</td>
<td>0</td>
<td>5</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Education</td>
<td>20</td>
<td>19</td>
<td>52</td>
<td>11</td>
</tr>
<tr>
<td>Maternity/paternity leave</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Family</td>
<td>16</td>
<td>19</td>
<td>30</td>
<td>2</td>
</tr>
<tr>
<td>Pages</td>
<td>109</td>
<td>118</td>
<td>77</td>
<td>32</td>
</tr>
</tbody>
</table>

Source: Conservative Party (2010); Liberal Democrats (2010); The Labour Party (2010); HM Government (2010).
A wealth of independent reviews

It was perhaps unexpected, then, that within ten days of the election the new Prime Minister had appointed Labour MP Frank Field as ‘poverty tsar’ and asked him to lead an independent review of poverty and life chances. The motivation may have been to escape the confines of the Child Poverty Act and judgment of progress under relative income poverty lines. In making the appointment, David Cameron said this:

“In particular I hope that he can look at the issue of whether we should give more attention to – and find better ways of measuring – the time people spend in deep poverty, the gap between those in deep poverty and mainstream Britain... Understanding the real causes of poverty – both financial and non-financial, including the importance of families and the pre-school years – is vital if we are going to make Britain a fairer society in which opportunity is more equal.”


Frank Field’s report was published in December 2010, and made two overarching recommendations: to create a set of Life Chances Indicators measuring children’s opportunities and early outcomes; and to establish the ‘Foundation Years’ – a period from womb to age five – which “should become the pillar of a new tripartite education system” (Field, 2010). The review proposed a gradual shift in government funding towards the earliest years, with a ‘Fairness Premium’ ensuring higher spending on the most disadvantaged children. It also argued that instead of automatically uprating cash benefits each year government should consider putting the resources into services. Specific recommendations included affordable graduate-led childcare for all disadvantaged children from the age of two, and a refocusing of Sure Start on the most disadvantaged families, but with children’s centres retaining some universal services so they remained socially mixed and non-stigmatising.

The Field Review was the first of a line of government commissioned reviews focusing on the early years. In July 2010, another Labour MP, Graham Allen, was asked to chair a review of Early Intervention, which Allen defined as “tried and tested policies” in the first three years of life that give children “the essential social and emotional security they need for the rest of their lives” (Allen, 2011a, p.vii). Allen reported in 2011, calling on government “to change our ‘late reaction’ culture”: “The nation should recognise that influencing social and emotional capability becomes harder and more expensive the later it is attempted, and more likely to fail” (Allen, 2011a, p.18).

The Allen review identified a number of “top programmes” that have been robustly evaluated and found to promise significant long-term cost savings, including the US Nurse-Family Partnership programme and the Incredible Years parenting programme. But Allen’s idea was that this list should just be the start of a much larger evidence base. One of his key recommendations was the setting up of a national, independently funded, Early Intervention Foundation to support the development of this evidence base, and to raise long-term finance for the programmes from the private and charitable sectors. In tune with the times, he argued that children’s experiences could be transformed without any net increase in public spending, but by “rebalancing” spending from late intervention to Early Intervention, and by attracting investment from non-governmental sources using outcome-based contracts under which investors could
be repaid (with a profit) from future savings. Allen also advocated a stronger localism, with local authorities given the evidence base and left to get on with things.

Two further independent reviews in 2011 and 2012 examined early education and childcare. A review of the Early Years Foundation Stage curriculum had been envisaged when it was introduced in 2008; Dame Clare Tickell was commissioned to conduct this in the summer of 2010. The Tickell review underlined the positive overall impact of the EYFS, noting its popularity with parents and professionals and its role in encouraging reflective practice, but pointed to ways of strengthening and simplifying the framework (Tickell, 2011). It recommended a reduction in the number of early learning goals and the introduction of a child development check for two-year-olds, and made a series of workforce recommendations, including a minimum level 3 qualification for all workers and a renewed commitment to the ambition of a graduate-led sector.

The DfE also commissioned Cathy Nutbrown to focus specifically on the early years workforce. Nutbrown’s (2012) report highlighted concerns that the qualifications system was not adequate to ensure babies and young children had high quality experiences. Like Tickell, Nutbrown called for level 3 qualifications to become the minimum standard (including for childminders working with the EYFS framework). She also called for a review of the content of level 3 qualifications; recommended that students have GCSEs in English and mathematics before starting training; and proposed that an early years specialist route to Qualified Teacher Status should eventually replace the Early Years Professional Status introduced under Labour, to end disparity in pay and status between EYPs and teachers.

One last independent review relevant to young children is Eileen Munro’s review into child protection, commissioned by Michael Gove in June 2010 (Munro, 2011). Munro’s recommendations with regard to children’s services were extensive, but broadly they sought to create “a better balance between essential rules, principles, and professional expertise” (p.10); Munro called for investment in the knowledge and skills of the workforce alongside less prescription and greater freedom for staff to exercise judgment. She also explicitly echoed the Allen, Tickell and Field reviews in highlighting the importance of early intervention, arguing that preventative services are much more effective in reducing abuse and neglect than reactive services.

In sum, this spread of independent reviews over the 24 months following the 2010 election made a powerful case for more investment in services and support for young families. Field, Munro, Tickell and Allen all signed a letter to this effect in the foreword of Allen’s second review: “Our collective view is that the moment for a serious, sustained programme of Early Intervention, which is promoted inside and outside government, has arrived” (Allen, 2011b, p. i). Among the central demands were calls for a shift in resources towards younger children; for more spending on services, including early education and support for parenting; more investment in high quality staff; more research into effective early interventions; and new measures of early child development. How did the Coalition’s policy strategy develop in response? We look briefly at the child poverty and social mobility strategies, before examining policies in the next section.
Strategies

The Coalition’s child poverty and social mobility strategies were published in April 2011, as required by the (amended) Child Poverty Act.¹ Both showed encouraging signs of a government interest in early childhood. In the foreword to the social mobility strategy Deputy Prime Minister Nick Clegg declared “improving social mobility [to be]... the principal goal of the Coalition Government’s social policy” (HM Government, 2011a, p.3), echoing the 2010 Spending Review, which had claimed to have social mobility “at its heart” (HM Treasury, 2010, p.10). The social mobility strategy emphasised the “Foundation Years” (using terminology from the Field report) as a key area of government focus in boosting mobility.

Both strategies also underlined the importance of a move away from “a narrow focus on income measures” (e.g. HM Government, 2011a, p.8), and signalled the government’s intention of placing greater emphasis on investment in services. The child poverty strategy was unequivocal about this: “Our aim is to improve the life chances of children in lower-income families, and we believe that the most sustainable way to do this is to invest in the public services which they use, and to monitor the progress of those children more closely” (HM Government, 2011b, p.48). In addition to tackling worklessness and debt, the strategy promised:

- To strengthen families, “enhancing relationship and parenting support to strengthen family relationships and the home environment”;
- To “improve educational attainment, through a new focus on the early years” as well as through the Pupil Premium;
- To tackle poor health, including “building self-esteem, confidence and resilience from infancy with stronger support for the early years” (p.20).

The two strategies discussed the need for new life chances indicators in light of the Field and Tickell reviews. In particular they proposed to develop an indicator of child health and well-being at age 2-3, and an indicator looking at gaps in school readiness between children from different social backgrounds. A series of additional “leading indicators for social mobility” were identified: the social class gap in low birthweight is the only one of these specifically focused on children under five but a number of others are also relevant (the proportion of children experiencing very low income and material deprivation; the proportion living in workless households; and the proportion living in income poverty despite having a working adult in the household).

¹ More work from the Social Policy in a Cold Climate team on social mobility under the Coalition will be published later in 2015.
2. Policies

If Labour’s strategy had been to invest in both cash and services, the new government professed to aim to shift the focus away from policies directly supporting household income and towards a stronger emphasis on services. In practice, however, as discussed below, only a very limited number of new policies have affected young children. The only major expansionary policy has been the roll out of free early education places to the most disadvantaged 20% of two-year-olds (as envisaged by Labour), and later to the most disadvantaged 40%. The most significant policy change beyond this was budget neutral: the introduction of greater flexibility in maternity/paternity leave, again building on and extending Labour plans.

At the same time, cuts to local authority funding have left local services vulnerable, with more disadvantaged authorities taking a larger proportional hit. London local authorities suffered from a 33% real terms cut in funding between 2009/10 and 2013/14, with a similar scale reduction in other large urban authorities, and a somewhat smaller fall in more rural shire areas (Fitzgerald and Lupton, 2014; Hastings et al, 2013). Within London, the reduction in spending power per capita between 2010/11 and 2013/14 ranged from 12% in Richmond upon Thames to 24-26% in Newham, Tower Hamlets and Hackney (Fitzgerald et al, 2014). These cuts have had enormous significance for services for young children, most of which are funded and delivered locally. Even services guaranteed across the country, such as the free early education places, are affected by local decisions about how much to spend on them. Against this backdrop, the Coalition has devolved greater financial control to councils, removing the ringfence around Sure Start funding and other earmarked resources and introducing a “new and simplified” single non ringfenced Early Intervention Grant. This replaced a number of centrally directed grants supporting services for children, young people and families (including e.g. support for youth crime, mental health and teenage pregnancy). In effect this meant that early childhood services such as children’s centres were competing for funding with services for older children in a way they had not done before. From May 2013-14 the Early Intervention Grant itself was folded into a broader funding stream, the Business Rates Retention System.

On the other hand, there have been efforts to improve the efficiency of spending of existing resources. Indeed, devolution itself can be seen in this light. As discussed further below, attempts to introduce both ‘payment by results’ and greater targeting of children’s centre services can also be seen as ways to try to protect and improve the effectiveness of these services against a backdrop of cuts which the Coalition argued were necessary.

One further significant development was the Government’s decision to follow the recommendations of the Allen Review in establishing the Early Intervention Foundation in 2013, with a remit to promote and disseminate evidence about what works for young children and to raise investment from non-governmental sources to support interventions, both drawing in charitable support and using the framework of Social Impact Bonds to offer social investors a long-term return on their investment (see Griffiths and Meinicke, 2014). The EIF has established an Early Intervention Guidebook, a “living document” providing evidence on effective interventions, and it also provides support in evaluating new projects. Twenty pilot Pioneering Places, also proposed by Allen, were chosen, based on their existing

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2 The fall in spending power per capita is smaller than the fall in central government funding because councils can raise additional funds themselves through Council Tax.
commitment to early innovation and their interest in working closely with the EIF. Over time, this new approach may be capable of transforming local practice by providing a sound evidence base for interventions. It may also be capable of drawing in additional sources of funding to fund project pilots, though there is no indication that private sources will even partially compensate for the resources lost through local authority cuts outlined above.

A last general point provides important context for an understanding of policy development under this government. This is the identifiable shift away from a focus on the broader child towards a concern with narrower educational goals, embodied by the May 2010 renaming of the Department for Children, Schools and Families as the Department for Education. The name change (and the accompanying shift away from colourful rainbow motifs towards more austere blue font) signified a return to a more traditional focus for this ministry, and one which was perhaps particularly significant for young children, moving them back into an uneasy limbo between the DfE, the Department of Health and the childcare orientation of the Department of Work and Pensions. A narrowing focus is also evidenced by the quiet dismantling of the Labour Government's Every Child Matters framework, with its five outcomes: be healthy, stay safe, enjoy and achieve, make a positive contribution and enjoy economic well-being. When the new government took office it made it clear to civil servants that the terms 'every child matters' and ‘the five outcomes’ should no longer be used, to be replaced by the phrase ‘help children achieve more’. ³ Later, the government’s delivery team for the two-year-old early education offer would be given the title ‘Achieving Two Year Olds’ (A2YO). The shift in terminology was telling, and the new focus on educational achievement rather than broader child well-being shows up in relation to some policy developments discussed below.

Policy change between 2010 and 2015 is now summarised in more detail under four headings: parental leave; early education and childcare; Sure Start and family support; and taxation and cash transfers.

**Parental leave**

From April 2011, fathers have been able to take a block of up to 26 weeks leave once a baby is 20 weeks old, if mothers returned to work before exhausting their own entitlement. This was a policy inherited from Labour, who kept the initial 20 weeks specific to mothers in order to support breastfeeding. Both Liberal Democrat and Conservative manifestos proposed to introduce greater flexibility of parental leave, and this was delivered under the Children and Families Act 2014. From April 2015, mothers will be able to end their period of maternity leave after two weeks, and fathers will be able to take their additional leave of up to 26 weeks either at the same time as mothers or consecutively; both parents can also take the leave in several separate blocks. As before, leave will be paid up to a total of 39 weeks (plus two weeks ordinary paternity leave), at the same flat rate as statutory maternity and paternity pay (£138.18 per week at the time of writing, or 90% of earnings if that is lower). From September 2014, fathers are also able to take time off to attend two ante-natal appointments.

Early education and childcare

The Coalition’s most substantial policy for young children was the roll-out of Labour’s pilot policy for free early education places for disadvantaged two-year-olds. Free provision for 15 hours a week was offered to the 20% most disadvantaged two-year-olds in September 2013 (looked after children and children from families meeting the criteria for free school meals), and to the 40% most disadvantaged in September 2014. The entitlement for 3 and 4 year olds was extended from 12.5 to 15 hours a week from September 2010, as planned by the previous government. More flexibility was introduced, allowing parents to take the free hours up over a minimum of two days rather than three, making the places more practical for childcare purposes but potentially weakening them from a child development perspective. The Coalition also continued with planned reforms to funding for the entitlement, introducing the early years single funding formula (EYSFF), intended to improve the transparency and fairness of funding to different providers. In essence, this removed the more generous funding that had been enjoyed by maintained settings, which had previously been funded per place rather than per capita and largely at a higher level.

Beyond the free entitlement, there was limited action on the affordability of childcare. The main policy affecting childcare affordability during this Parliament, introduced in April 2011, was a cut in the maximum share of costs that could be reclaimed under the childcare element of Working Tax Credit from 80% to 70%, for an estimated saving of £385 million a year by 2014-15. But two new policies were announced in 2013 (HM Government, 2013). First, if and when Universal Credit is rolled out (in principle from April 2016) recipients will be able to claim 85% of childcare costs, more than reversing the earlier cut. Second, from September 2015 a new Tax Free Childcare Scheme will be introduced, with government meeting 20% of childcare costs for parents earning up to £150,000 each, up to a maximum of £2,000 per child (increased in 2014 from an original plan of £1,200 per child). The expected cost is £750 million a year.

Similarly, there was slow and uncertain movement on improvements in the quality of early education and childcare provision, with several retrograde steps undoing previous progress. The ringfenced Graduate Leader Fund, which had supported settings to take on a graduate in PVI settings between 2008 and 2011, was effectively abolished in March 2011, despite a positive evaluation pointing to the fund’s role in improving the quality of provision and outcomes for 3-4 year olds. From April 2011, local authorities were expected to support graduates in the PVI sector from the general Early Intervention Grant. In 2011 the requirement for children’s centres in the most disadvantaged 30% of areas to provide access to childcare and early education was lifted, as was the requirement for all centres to have a linked qualified early years teacher; the last step in particular was strongly condemned by the Education Select Committee (House of Commons, 2013, para 36). In March 2012 the Children’s Workforce Development Council was closed; this non-departmental public body had been set up in 2005 to support the Every Child Matters strategy and had taken responsibility for introducing Early Years Professional Status, central to Labour’s attempts to professionalise the childcare workforce (its responsibilities in relation to social work support are discussed further below). The childcare workforce part of the CWDC’s role initially passed to the Teaching Agency (a new arm of the DfE), which was subsequently merged with the National College for School Leadership to become the National College for Teaching and Leadership in 2013.4

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In 2012 the Early Years Foundation Stage curriculum was slimmed down in response to the recommendations of the Tickell Review, replacing 69 learning outcomes with 17, and increasing the focus on ‘school readiness’. A progress check was introduced for two-year-olds, as Tickell had suggested (a short written summary of a child’s development in three Prime areas); from 2015 this will be combined with the two-year-old health check. At the same time, a new accountability framework is being introduced for schools: the Early Years Foundation Stage Profile will no longer be compulsory from September 2016, while a locally variable school entry assessment will be introduced at age four as a baseline for school achievement (DfE, 2014a). Concerns have been raised by the Early Intervention Foundation that this four-year-old assessment is inconsistent with the two-year-old check and inadequate to the task of assessing child development in a broad sense, and that it fails to give early years settings the incentive to support broad based child development (see e.g. Messenger and Molloy, 2014, and responses to the government’s consultation reported by DfE (2014a); a majority of respondents opposed the change). A further concern is that if the EYFSP becomes optional it will no longer be possible to monitor trends and inequalities in child development among reception class children on a consistent basis.

In 2013 the Department for Education published More Great Childcare, in response to the Nutbrown Review on the childcare workforce (DfE 2013a). It set out government plans for new Early Years Teachers to replace Early Years Professionals, and proposed a stronger level 3 qualification that would give practitioners the title Early Years Educator, and would raise the entry requirements for training to a C grade in GCSE English and Maths. On the surface, this seemed to meet Cathy Nutbrown’s main suggestions, but Nutbrown pointed to the devil in the detail: “As I read beyond the headlines… I realised that most of my recommendations had, in effect, been rejected” (Nutbrown, 2013). Nutbrown's main concern was that the new Early Years Teachers would not undertake a Post Graduate Certificate in Education nor have Qualified Teacher Status, so would not have parity with primary teachers; she suggested that the change was nothing more than a relabeling of Early Years Professional Status. Others have argued that the relabeling was worse than no change at all, as it removes the unique character of the EYP, which had been modeled on the social pedagogue role of Denmark and Sweden (see Fairchild, 2012). Nutbrown also condemned the decision not to introduce a qualification requirement for childminders.

Further concerns were raised by the proposal in More Great Childcare to make Ofsted “the sole arbiter of quality in the early years”, removing the local authority role in supporting quality improvements. The DfE argued that local authorities were duplicating work done by Ofsted, and that this change would enable more spending on front-line settings. Responses from the sector have underlined that the role played by the local authority in providing on-going support and development is very different to Ofsted’s monitoring and inspection role, and that this is a worrying move which is likely to damage quality (e.g. NCB, 2013; TACTYC, 2013; Gaunt and Morton, 2013). The change was implemented in spite of these concerns, with changes to statutory guidance to local authorities issued in September 2014 (DfE, 2014b). However, proposals in More Great Childcare to increase the maximum child:adult ratio for two-year-olds from 4:1 to 6:1 met with such controversy that the idea was shelved (http://www.bbc.co.uk/news/education-22782690).

Finally, an Early Years Pupil Premium was announced, to be introduced from September 2015, extending the concept of the Pupil Premium down to the pre-school years, though for the moment at a considerably lower rate of funding. Settings offering the free entitlement will receive an additional £300
per year for each child from a family eligible for free school meals, compared to £1,320 for primary and £935 for secondary pupils.

**Sure Start and wider support for parents and children**

There were several aims in the Coalition Agreement with regard to Sure Start. Perhaps the most significant was to refocus on the neediest families, part of a more general shift from progressive universalism to targeting. As Cameron put it in 2010, “It can’t just be a service that everyone can jump into and get advantage out of. It really is there for those who are suffering the greatest disadvantage” (11 August 2010, cited by Waldegrave, 2013). The Agreement also committed to better involving organisations with a track record of supporting families; to investigate payment by results; and to pay for 4,200 extra health visitors (paid for from “peripatetic outreach services” and the Department of Health budget).

The Coalition followed up on each of these objectives. In 2011 the Department of Health published a Health Visitor Implementation Plan to deliver on the commitment of 4,200 new health visitors by 2015 (DoH, 2011). Statutory guidance for Sure Start children’s centres was published in April 2013, clarifying the legal duty on local authorities to make sure there are sufficient children's centres and setting out a ‘core purpose’ for centres, to improve outcomes for children and reduce inequalities in child development, parenting skills, and child and family health and life chances (DfE, 2013b). The guidance noted that authorities should target services on families at risk of poor outcomes, and should “consider involving organisations that have a track record of supporting families”. Pilots for payment by results in Sure Start centres were conducted in 26 areas from 2011, with six outcome measures announced in 2012, including prevalence of breastfeeding at 6-8 weeks, attendance at parenting programmes, and take-up of the free entitlement among disadvantaged groups (Grimwood, 2013). However, the plan was quietly shelved in 2013 when evaluation data started to come in.

Beyond Sure Start, the government pursued a number of other means of providing support for parents of young children. The Family Nurse Partnership, an intensive programme of home visits for parents under 20 in the first two years of a child’s life, was piloted under Labour from 2007 and expanded by the Coalition (Department of Health, 2013a).

Two schemes for parenting and relationship support were trialled but failed to reach many parents. From October 2012, relationship support services were offered to expectant parents and those with a child under two in five areas in London, Essex, Plymouth and Yorkshire. Six months on, fewer than ten couples had participated in any of the programmes, and it was decided to end the trials in June 2013 (TNS BMRB, 2013). The CANparent pilot offered £100 vouchers for parenting classes to all parents of children under five in Middlesbrough, Camden and High Peak (Derbyshire) between 2012 and 2014. An interim report in March 2013 found that only 3% of eligible households in trial areas had signed up or intended to sign up for classes, with 80% unaware of the scheme’s existence (Cullen et al 2013, Fig 3.20). A year on, the BBC reported that just 4% of eligible parents took part in total, although the DfE noted that 99% of those who completed the course would recommend it to others.5

In May 2012 an NHS Information Service for Parents was launched, offering emails, texts and videos for

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expectant and new parents. An evaluation in 2013 estimated that 11% of new parents in England were subscribers, with coverage highest among more affluent groups and lowest in areas of high social housing and high benefit need, in part because of lower internet access (Department of Health, 2013b). Eight out of 11 health professionals interviewed for the evaluation had not heard of the service.

Meanwhile, the Children’s Workforce Development Council was abolished, as discussed above. In 2011-12, three quarters of the CWDC budget was being channelled towards the recruitment and professional development of social workers through the Social Work Improvement Fund, in order to implement recommendations from the Munro review (CWDC, 2012). From 2012 this responsibility was shifted to the DfE and the budgetary implications are difficult to trace. Nevertheless, ongoing work to improve the expertise of social work continued. In 2013 the government commissioned Martin Narey to conduct a review into children’s social work training (DfE, 2014c), and in the same year appointed Isabelle Trowler as the first ever Chief Social Worker for Children and Families. In 2014, in response to recommendations in the Narey report, Trowler consulted on the key knowledge and skills required for social workers working with families (DfE, 2014d) and there are plans in 2015 to introduce a new national assessment and accreditation system (Trowler, 2014).

The demise of the Every Child Matters framework removed the statutory responsibility for local authorities to pursue integrated working, and the government abolished the Children’s Trusts which had been set up to co-ordinate children’s services. However, Local Safeguarding Children Boards remained in place, responsible for overseeing the integration of both early help and child protection. The requirement for health, education, police and social service professionals to share information was removed, but statutory guidance continued to set out the duty of information sharing when it is suspected that a child is suffering or likely to suffer significant harm. In 2015 an innovation fund will be launched by the DfE to support integration amongst other things (Trowler, 2014). On the other hand, there seems to have been a move towards a greater separation between education and children’s services in some local authorities, alongside a merging of children’s and adult’s social services. Statutory guidance under Labour told councils that they must integrate education and children’s services, and warned against combining children’s and adult’s social services under a single director “without a very strong justification” (William Stewart, 2012). But Stewart finds that by 2012 three local authorities had split education and children’s services into two separate departments, while 36 out of 152 local authorities had directors of children’s services who were also responsible for adult social care.

Taxes and transfers

A series of reforms to the benefit system have affected households with young children, including cuts to both universal and means-tested family benefits (for further detail see Agostini et al, 2014 and Hills, 2015). The main relevant policies include:

- The abolition of the ‘Baby Tax Credit’ which doubled the family element of Child Tax Credit in a child’s first year (worth £545 a year when abolished in April 2011);
- The abolition of the Health in Pregnancy Grant (essentially Child Benefit paid during the last trimester of pregnancy);
- The restriction of the Sure Start Maternity Grant (£500 at birth paid to low income families to help with the costs of a pushchair, cot etc) to the first child in the family;
- For Working Tax Credit eligibility, an increase in the working hours requirements for couples with children from 16 to 24;
An increase in the withdrawal rate for tax credits from 39% to 41%, and a lowering of the threshold for receiving some tax credits. Families had previously received the full family element (£545) up to an income of £50,000; by 2014-15 the threshold for receiving any tax credit had fallen to £26,000 for families with one child, rising to £45,400 for families with four;

- A freeze on Child Benefit and on the flat-rate family element in Child Tax Credit;
- The abolition of the Child Trust Fund (£250 or £500 which had been paid into a savings account for all new babies, with later top-ups for low-income families);
- The introduction of “affluence-testing” for Child Benefit, with a taper setting in when one parent earns £50,000 a year and complete withdrawal at £60,000.

This last cut is estimated to have affected 1.2 million families at the top end of the income distribution, with 70% of those losing their full allowance of £1,750 a year for a family with two children or £2,450 for three (HMRC, 2012). The change, along with the much greater targeting of Child Tax Credit, represented another nail in the coffin of progressive universalism, and was especially interesting in light of continued protection of universal benefits for older people, such as free bus passes and the Winter Fuel Allowance.

In addition, wider reforms to social security benefits have affected families with children alongside other groups (and often more than other groups), especially:

- A range of reforms to Local Housing Allowance, including caps on the total rent that can be covered, and the removal of the ‘spare room subsidy’ (or ‘bedroom tax’);
- The passing of responsibility for Council Tax Benefit to local authorities, alongside a reduction in resources for council tax support, which has meant cuts in support for working-age people;
- The introduction of a ‘welfare cap’, limiting total benefit receipts to £26,000; this particularly affects large families and those in high housing cost areas;
- From April 2013, 1% uprating in existing tax credits and benefits, below the inflation rate; this includes maternity and paternity benefits;
- The switch to uprating benefits using the CPI rather than the RPI, which is expected to have significant effects on the real value of benefits in the longer run (Agostini et al, 2014).

On the other hand, the per-child element of Child Tax Credit was increased above the rate of inflation between 2010-11 and 2013-14 (by 1% thereafter), while the ‘non-decision’ to keep uprating most other benefits with the RPI until 2012-13 protected benefits in real terms for the first three years of Coalition government, even while real earnings were falling (Hills, 2015). The personal allowance threshold was increased from £6,475 in 2010-11 to £10,000 in 2014-15, benefitting nearly all families with a worker earning above the threshold, although poorly targeted at lower earners and one-earner families (Browne, 2012; TUC, 2014). A transferable tax allowance was introduced for married couples and civil partners: from 2015/16, families where one partner earns less than the personal allowance will be able to transfer up to £1,050 of the unused amount to their partner, saving up to £200 a year. Finally, and potentially most significant for the Coalition’s legacy, the Universal Credit has been developed, with the intention of simplifying the benefit system, creating clearer financial gains to working and therefore boosting employment rates in the medium and longer-term. However, roll-out has been much slower than expected and the long-term future of the project is far from secure (see discussion in Hills, 2015).

6 Those earning more than £120,000 are not entitled to a personal allowance so do not benefit from the changes.
3. Spending

Figure 1 and Table 2 show what happened to expenditure on some of the main services aimed at children under five between 1997-98 and 2012-13 in England: Sure Start, early education and childcare. Health spending is missing as age-specific expenditure is not readily available. Spending on cash benefits, including maternity benefits, are covered in Table 3 below.

It is important to note at the outset that Sure Start spending figures from 2010-11 onwards are based on local authority Section 251 returns. Serious concerns have been raised about the accuracy of these data: Freeman and Gill (2014) argue that variations between local authorities in the way services are delivered in different local authorities, and arbitrary variations in the way the returns are completed, mean the data are currently not fit for purpose in making valid assessments of total spending on particular areas, nor for drawing comparisons between local authorities (see also discussion in Waldegrave, 2013). The absence of clear and consistent measures of spending on Sure Start is a serious problem, especially given the removal of the Sure Start ringfence in 2010. Reforms to improve the accuracy of these data are an urgent priority. Nevertheless, we present data from the series as the only source currently available.

The darker bars show spending under Labour, the final year being 2009-10. Over the following three years the data shows spending to have fallen in real terms by about 21%, with falls of 11% for early education and 29% for targeted support for childcare. The biggest proportional drop was suffered by Sure Start (32%). Over this time period, the number of children under five has risen by around 6% (see Figure 2), so recorded overall spending per child has fallen a little more steeply than the total and is down by about a quarter, from £2,508 in 2009-10 to £1,867 in 2012-13. The only area where spending has continued to rise is employer childcare vouchers, which go to middle and higher income households. As Figure 1 illustrates, the balance of spending on childcare has shifted substantially under this administration away from the more targeted subsidy towards the employer vouchers. This shift towards less progressive assistance is set to continue as the Coalition is investing an additional £750 million a year in the new tax-free childcare scheme from September 2015, more than doubling current employer voucher spending, while £200 million has been earmarked for more generous childcare support in Universal Credit. This is an interesting exception to the general trend towards tighter targeting of both benefits and services.

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7 Concern about the inaccuracy of Section 251 returns have been raised for several years. See for example Channel 4 FactCheck, November 7 2011, ‘How dodgy stats could decide our children’s future.’
8 Even prior to the removal of the ringfence there were concerns about the accuracy of Sure Start spending data. A 2010 report by the House of Commons Children, Schools and Families Committee called on the Government “to make more effort to work out the totality of funding that is supporting Centres” (House of Commons, 2010, para 98).
Figure 1: Annual spending on Sure Start, early education and childcare in England 1997-98 to 2012-13 (£million, 2009-10 prices)

For notes and sources see Table 2.
<table>
<thead>
<tr>
<th>Year</th>
<th>Local Authority Spending on Early Ed</th>
<th>Sure Start Current Expenditure</th>
<th>Sure Start Capital Expenditure</th>
<th>Childcare Element of WTC</th>
<th>Employer Childcare Vouchers</th>
<th>Total Spending (Million £s)</th>
<th>Total per Child 0-4 (£s)</th>
<th>Total as a Share of GDP</th>
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<td>1,679</td>
<td>0.43</td>
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<td>2011-12</td>
<td>3,955</td>
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<td></td>
<td></td>
<td>8,016</td>
<td></td>
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<tr>
<td>2012-13</td>
<td>3,912</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8,016</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The DfE Annual Report (DfE 2011a) reports a considerably higher figure than Local Authority Section 251 returns for current spending on Sure Start 2010-11: DfE £1,607 million (real prices), Section 251 £1,214. Section 251 is reported in the table for consistency with more recent data and because it is a later source. Waldegrave (2013) suggests that the difference is explained by funding from the Sure Start Early Years and Childcare Grant that was to be spent on the two-year-old pilot offer and on ensuring sufficient childcare places. This money was transferred to the Dedicated Schools Grant from 2013, so should show up in this table under local authority spending on early education (Truss, Hansard, c749W 29 January 2013). Spending on two-year-olds was £291 million in 2012-13 (Waldegrave, 2013).

Sources and further notes:

**Local authority spending** 1997-98 to 2006-07 from Departmental Annual Report 2009, Table 8.6, p.179 (DCSF 2009). From 2007-08 to 2012-13 from PESA 2014, Table 10.1 (HM Treasury 2014). Note that DCSF 2009 also reports spending for 2007-08 and 2008-09 with a small discrepancy from PESA (DCSF figure 3% higher in 2007-08 and 0.3% lower in 2008-09).


**Childcare element of WTC**: 1997-98 to 2002-03 from HMRC Working Families Tax Credit (WFTC) Quarterly Enquiry November 2002. These are UK figures; 83% is apportioned to England. From 2003-04 onwards, Table 2.4 of HMRC’s Child and Working Tax Credits Finalised Awards, Geographical Analyses 2003-04 (and later editions). Spending in all cases is calculated as total number of recipient families multiplied by average award.

**Employer childcare vouchers**: All data from Hansard records. Elizabeth Truss response to David Gauke MP 12 January 2012; Sajid Javid responses to William Bain MP, 23 January 2013 and 26 April 2013. Figures adjusted down to reflect population of England (83%).
Figure 2: The population aged 0-4 in England and Great Britain (thousands)


Note: Estimates are for mid-year. Figures for 2012-15 are projections based on 2011 census.

Figure 3 provides some more breakdown on Sure Start spending since 2010-11, including projected figures for 2013-14 from local authority budget summaries from September 2013. Again, data are from local authority Section 251 returns, so must be treated with some caution. The figure does not reflect the full drop in Sure Start funding, because it misses out the fall from 2009-10 to 2010-11 recorded in Table 2. Nevertheless, it suggests a strong squeeze on local authority management costs, as well as large reductions both in spending by individual centres and in spending on wider commissioned services delivered through the centres. A category of ‘other early years funding’ is included in Section 251 returns under the Sure Start heading from 2012-13; local authorities are instructed that this heading is to cover other money used to support and develop provision for 0-5s, such as improvement/sustainability of childcare provision and support for local workforce development (Education Funding Agency, 2014). In practice then, this money is not being spent on Sure Start children’s centres but on wider childcare support and other initiatives (e.g. the Graduate Leader Fund, as discussed further below). What is not clear is where this type of spending is captured in earlier years, confusing comparison. Certainly the inclusion of this category in the headline 2012-13 Sure Start figures in Figure 1 and Table 2 appears to mask the true extent of the squeeze on children’s centre spending between 2011-12 and 2012-13. If Section 251 returns are telling a broadly informative story, the drop in funding on centres themselves and services delivered through them (excluding other early years spending) could be as great as 39% between 2010-11 and 2013-14.
Table 3 and Figure 4 show spending on child-contingent cash benefits to 2012/13. These data are for the whole of Britain. In contrast to spending on services, there was little overall change in real spending on benefits between 2009/10 and 2012/13: reductions in the generosity of some benefits for children (discussed in a little more detail later in the paper) have evidently been balanced by increases in caseload during the recession. There was a small drop in spending on Child Benefit (4% between 2009-10 and 2012-13), as well as the abolition of the Child Trust Fund (£409 million in 2009/10) and the smaller Health in Pregnancy Grant (£141 million), and cuts to the family element of the Child Tax Credit. But there were small increases in spending on targeted in work assistance (5%), Disability Living Allowance (9%) and out of work benefits (12%). Spending on child-contingent benefits fell further in the following two years: Hills (2015, Table A.1) shows that spending fell by 2% between 2009/10 and 2012/13 and then by a further 6% between 2012/13 and 2014/15, but this remains far smaller in scale than cuts to services.
<table>
<thead>
<tr>
<th>Year</th>
<th>SMP and Maternity Allowance (1)</th>
<th>SPP and Adoption Pay (2)</th>
<th>SSMG/Social Fund Maternity Payment (3)</th>
<th>Maternity and paternity benefits (total)</th>
<th>Child Benefit (4)</th>
<th>Child Trust Fund (4)</th>
<th>Health in Pregnancy Grant (4)</th>
<th>Disability Living Allowance (4)</th>
<th>Targeted in-work benefits (e.g. WFTC, CTC per child)</th>
<th>In-work, less targeted (e.g. CTC family element) (5)</th>
<th>Out-of-work benefits (e.g. IS, JSA, CTC for out-of-work)</th>
<th>Child-contingent cash benefits (total)</th>
<th>Maternity/paternity per child under one, GB</th>
<th>Other cash benefits per child 0-17, GB</th>
<th>Total as a share of GDP</th>
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<td>1997/9</td>
<td>703</td>
<td>23</td>
<td>26</td>
<td>729</td>
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<td>141</td>
<td>639</td>
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<td>18,210</td>
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<td>758</td>
<td>43</td>
<td>23</td>
<td>781</td>
<td>9,359</td>
<td>317</td>
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<td>7</td>
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<td>920</td>
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<td>330</td>
<td>141</td>
<td>758</td>
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<td>2,554</td>
<td>3,903</td>
<td>20,613</td>
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<td>2.00</td>
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<td>2002/0</td>
<td>841</td>
<td>45</td>
<td>132</td>
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<td>2003/0</td>
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<td>56</td>
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<td>4,688</td>
<td>25,572</td>
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<td>10,524</td>
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<td>1,406</td>
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<td>29,651</td>
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<td>56</td>
<td>133</td>
<td>955</td>
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<td>1,406</td>
<td>6,073</td>
<td>31,346</td>
<td>1,136</td>
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<td>10,837</td>
<td>56</td>
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<td>6,133</td>
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<td>6,073</td>
<td>32,854</td>
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<td>6,133</td>
<td>1,406</td>
<td>6,073</td>
<td>32,854</td>
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<td>1,75</td>
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<td>130</td>
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<td>35,948</td>
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<tr>
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<td>2,520</td>
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<td>6,133</td>
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<td>37,870</td>
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<td>56</td>
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<td>38,211</td>
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<tr>
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<td>56</td>
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<td>37,870</td>
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<td>38,211</td>
<td>1,136</td>
<td>1,75</td>
<td>1.75</td>
</tr>
</tbody>
</table>

**Sources:**

Figure 4 Spending on child-contingent cash benefits in Great Britain, by type of benefit 1997-98 to 2008-09 (£million, 2009-10 prices)

For sources and notes see Table 3. Maternity and paternity benefits not shown but included in total as share GDP.

The different trends in spending on cash benefits and services since 2009/10 are illustrated clearly in Figure 5, which shows spending per child on early childhood services, maternity benefits, and other cash benefits.

Figure 5: Spending per child on services for young children, maternity/paternity benefits and other cash benefits

Note: For sources and details of benefits included, see Tables 2 and 3. Data for services is for England and for benefits Great Britain, but lines are comparable as they are calculated per child in the relevant geographical area.
Inputs and outputs

What was – and what was not – provided as a result of government policy changes? What impact did austerity cuts have on services, and how did benefit changes affect the incomes of households with young children? In this section we attempt to provide an overview of what has happened on the ground, drawing on a range of different sources. We begin by looking at Sure Start Children’s Centres and at other services aimed at supporting families. We then examine childcare and early education. In a third sub-section we explore the impact of tax-benefit changes on the incomes of households with young children.

Sure Start Children’s Centres

As discussed above, Sure Start children’s centres have suffered substantial budget cuts: a drop of nearly one-third between 2009-10 and 2012-13 in the Sure Start budget, with spending on individual children’s centres and on local authority services delivered within them falling by as much as 39% from 2010-11 to 2013-14. What has this meant for service delivery in practice?

First, it is clear that the number of centres has fallen since the Coalition took office, down from 3,631 in April 2010 to 3,019 in June 2014. The government argue that to a large extent this drop reflects mergers between centres rather than outright closure: in June 2014 Elizabeth Truss MP claimed that only 76 centres had closed altogether with six new ones opened. Nevertheless, a merge suggests a reduction in service accessibility given the fairly limited mobility of parents and carers with small children. It is also apparent that there has been considerable variation by local authority in closures, with the number decreasing by 50% or more in 20 local authorities between 2010 and 2013, including a reduction from 23 centres to 7 in Luton (House of Commons, 2013).

What has happened within surviving (or newly merged) centres? Our two main sources of evidence here are the early reports from the official Evaluation of Children’s Centres in England (ECCE), commissioned by the DfE in 2011, and the charity 4Children’s annual ‘census’ of over 500 centres carried out annually since 2011. ECCE is a representative study of 128 centres in the most disadvantaged 30% of areas, but its publications to date largely offer a snapshot rather than an ongoing trend. 4Children offers more insight into trend and a larger sample but responses come from across the country, not only from centres in the most disadvantaged areas. This is relevant because we know that local funding cuts have hit hardest in more deprived local authorities. We also draw on three case-studies of London local authorities carried out by Fitzgerald et al (2014), who examine how services have been affected three different demographic groups, including families with a child under five.

The 4Children survey carried out in the summer of 2013 pointed firstly to the continuing role of the centres in catering to ever growing numbers of children (4Children, 2013). Nearly three-quarters of centres reported increasing demand for services (as expected given the rising birth rate). Scaling up

10 Ibid.
11 The survey was carried out online. In 2013 501 responses were received from across 127 local authorities; in 2012 578 responses from 133 local authorities. Respondents are self-selecting so the survey cannot be considered to be nationally representative.
from centre responses on the numbers of families regularly using their services, 4Children estimated that around two in five families with a child aged 0-5 were regular users; over a million households in total. On average, centres believed they were reaching two-thirds of “vulnerable families” in their reach area, though there was considerable variation between centres in their self-reported effectiveness on this measure.

At the same time, however, both 4Children and ECCE indicate a steady and continued pattern of centre closures and service reductions in many local authorities. Two-thirds (66%) of centres in the Census reported a decreased budget in 2013 compared to 2012, slightly higher than the 62% reporting a decrease in 2012 compared to 2011. In the ECCE evaluation, nearly three-quarters of centre managers said service delivery had been affected in 2011-12 by direct funding cuts or indirect restrictions (such as a freeze on recruitment) and 80% expected further reductions in 2012-13 (Goff et al, 2013). Figure 6 shows responses in the 2012 and 2013 Census to questions about the centre’s future. Increasing numbers of centres report that they expect to provide fewer services in the coming year, and the percentage expecting to close has also risen; 2% of centres would equate to 60 closures if replicated nationwide.

**Figure 6: Where do you expect your Centre will be in a year’s time? Responses to 4Children’s Census of Children’s Centres**


Note: N = 529 (2012), N = 483 (2013)

On the other hand, Figure 6 also testifies to considerable resilience in the face of budget cuts: three-quarters of centres in 2012 and two-thirds in 2013 report that they expect to maintain or even expand the services currently provided. ECCE also concludes in 2012 that centres are continuing to offer “a

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12 The ECCE study is based on a nationally representative sample of 128 Children’s Centres in the 30% most disadvantaged areas. Data on ‘reach’ in Smith et al (2014) comes from an online self-completion survey of 72 local authorities containing one or more of these centres; local authorities filled in the survey using data collected from centres. ECCE also carried out fieldwork on the ground, reported in Goff et al (2013), in which nearly every manager was interviewed.
surprising variety of services" despite cuts. How is this being achieved? To some extent, and in some areas, local authorities are protecting provision, in the face of other pressures and despite the removal of the ringfence on funding. Roughly a third of centres have seen no change (or in 5% of cases an increase) in their budget in 2013. As one centre manager reported to 4Children, “During the last 12 months my local authority has tried to protect and maintain front line services including children’s centres as part of its Early Intervention strategy.” (4Children, 2013, p.16). This is encouraging, although centres clearly remain vulnerable to further rounds of cuts. It also suggests growing differentiation and an uneven level of services as authorities take different decisions about where to wield the axe. Thus for example, one third of centres in the census have taken on an outreach worker in 2012-13 while one third have lost one, with a similar picture for family support workers. Fitzgerald et al’s (2014) findings reflect this diverse picture: one of their London case studies, Camden, has largely protected services for under-fives while cutting provision for young people and the elderly, but in both Brent and Redbridge services for young children have suffered significant budget reductions, including a cut of more than 50% in the budget for children’s centres in Brent.

Centre managers are also using “resilience and creativity” to keep frontline services running in the face of reduced budgets (4Children, 2013, p.4); “creative” is also a term used by staff in Brent to describe their response (Fitzgerald et al, 2014, p.34). One mechanism is having staff do more: the ECCE survey finds staff everywhere to be committed and energetic, though increasingly stretched (Goff et al, 2013). The majority of front-line staff interviewed by Fitzgerald et al (2014) said that their workload had increased substantially. In Brent, staff previously responsible for one centre were now operating two, and in both Brent and Redbridge managers were running more than one centre. These organisational changes are likely to be reducing the impact of cuts on families but not eliminating it. Parents in Brent pointed to the deterioration in services for young families since 2010, with several identifying an effect of the changes on their own levels of stress and on their children’s behaviour and development (Fitzgerald et al, 2014).

The 4Children census and the Fitzgerald et al study also indicate the steady increase in the use of volunteers, while ECCE finds volunteers making up 18% of staff in the most deprived areas in 2011-12 (Tanner et al, 2012). Charging for services is another mechanism that is helping to fill budget shortfalls in some areas: the majority of centres (62%) still do not charge for any services, but in other centres charges have been introduced, either for services that were previously free, or for new services (4Children, 2013).

The nature of services is also changing somewhat, as a result of the government’s focus on greater targeting. The ECCE evaluation finds that the range of services provided in 2012 and 2011 was broadly similar, but a shift towards more targeted and focused services was clear, with an increase in evidence-based parenting programmes and decreases in informal peer support for parents and “stay and play” (Goff et al, 2013). Strikingly, among centres in the 4Children Census, 58% report in 2013 that planned changes over the coming year are driven primarily by a greater focus on targeted resources, compared to 23% who report reduced resources as the key driver (4Children, 2013, p.22). Evidence to the House of Commons inquiry also pointed to an increasing shift towards greater targeting. The inquiry further pointed out that services being expanded are parent rather than child related: in her evidence, Professor Kathy Sylva warned that, “with the targeting, what has gone is having children in the centre” (House of Commons, 2013, p.13).
One of the Coalition’s pledges for children’s centres was to increase the number of health visitors by 4,200 (full time equivalents) to “transform the health visiting service” in England by April 2015 (DoH 2013c, p.2). By September 2013 the workforce had increased to 9,550 from the May 2010 baseline of 8,092; this was in line with the implementation plan, and the service remained “broadly on track” to meet the April 2015 goal (DoH, 2014).

Less successful was the pledge to introduce a scheme of ‘payment by results’ (PbR) to improve efficiency. An 18 month trial of 26 areas started in September 2011 but was “quietly dropped” in 2013 (Ward, 2013). When published, the evaluation noted that the trial had been “extremely costly” in terms of both money and staff time, and while it argued PbR to be “inherently feasible” for children’s centres, it pointed to a number of barriers to their effective use, in particular the difficulty of attributing changes in outcomes to particular centres, and the time-lags between service take-up and outcomes (Frontier Economics and the Colebrooke Centre, 2014). In addition, the report found an ethos of “support rather than penalty” for poorly performing centres in many areas, which runs counter to the logic of a PbR approach.

In sum, children’s centres are holding up better than expected, despite the pressure of cuts. To an extent the Coalition could be argued to be meeting its goals – protection of front-line services, use of volunteers, and a move to greater targeting could all be seen as effective ways of getting better value for money in an era of tight fiscal constraint. The Coalition has also met its goal on health visitors – though payment by results was quietly shelved. However, a number of concerns remain. First, even in areas where provision is being protected, services are being stretched increasingly thinly. It is not clear how centres will be able to absorb another round of budget reductions. Second, the shift away from universalism could have negative effects on the ability of centres to reach all families in need without stigma, and is likely to damage their ability to practice early intervention and prevention. Both these concerns were raised by children’s charities to the House of Commons 2013 inquiry. At the same time we are seeing growing differentiation between local authorities, with some more committed than others to protecting children’s services. These issues may not show up as an impact on outcomes in the short-run, but they carry serious longer-term risks. It should be remembered that the National Evaluation of the original Sure Start Local Programmes found that services took time to bed in and have an impact, but ultimately identified significant positive effects on parenting and the home environment (NESS, 2008; NESS 2010). If services make a difference, cutting them cannot be expected to take place without some families paying the price.

Beyond children’s centres, attempts to pilot new ways of delivering parenting programmes (e.g. the CANparent pilot) were a disaster and quietly abandoned, as discussed earlier in this paper. The Family Nurse Partnership for teenage parents continued to be expanded, with an increase in the number of places from 6,000 in 2011 to 11,000 in 2013 and a total of 16,000 places promised for 2015 (DoH, 2013).

\[13\] See Hansard Records for Tuesday 15 October 2015, Qs 837-839. Q837 Bill Esterson: “If it is very difficult to measure improvement, how can payment by results work?” Elizabeth Truss: “I do not think it does work for children’s centres.” Q838 Alex Cunningham: “You are now ditching the idea of payment by results for children’s centres?” Elizabeth Truss: “Yes, for the time being.” Q839 Bill Esterson: “The evidence that has come back shows it does not work; the results of the trial mean you are not going to do it?” Elizabeth Truss: “Yes”. http://www.publications.parliament.uk/pa/cm201314/cmselect/cmeduc/uc364-vi/uc36401.htm
However, while the formal evaluation of the programme was completed by Cardiff University in 2014, the results had not been released by the DfE at the time of writing. Finally, a significant new initiative was the establishment of the Early Intervention Foundation to promote evidence-based policy, in principle providing an evidence base for partnerships of local authorities and health agencies to draw upon. Twenty “pioneering places” were selected to work closely with the EIF, receiving extra expertise and guidance. These offer to provide interesting models for other local authorities in the future, though it is not clear how effectively they have succeeded in drawing in additional funding from private and philanthropic sources, which was a central part of the idea for “early intervention places” in the Allen Review.

**Childcare and early education**

There are two main sources that provide information on the number of childcare providers and places, and the picture they present is not entirely consistent. Ofsted registration figures, shown in Table 4, show a fall of 4% in the number of registered childcare providers ‘on non-domestic premises’ between March 2010 and March 2014, and a fall of 9% in the number of childminders. For childminders, this is the continuation of a long run trend, and for other childcare providers it continues a shift that began in 2009, after steady increase over the course of a decade (see Stewart, 2013). Ofsted shows the drop in the number of places to be smaller in both cases, and negligible for non-domestic providers, indicating that smaller settings may be closing while larger ones expand.

**Table 4: Childcare providers and places**

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<tr>
<th>Year</th>
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<th>Non-domestic premises</th>
<th>Childminders</th>
<th>Non-domestic premises</th>
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<td>25,547</td>
<td>265,366</td>
<td>1,022,563</td>
</tr>
<tr>
<td>% change 2010-2014</td>
<td>-9%</td>
<td>-4%</td>
<td>-6%</td>
<td>-0.5%</td>
</tr>
</tbody>
</table>

Source: Ofsted annual reports on ‘Childcare providers and places’.

Note: Figures show numbers included on Early Years register only.
Figure 7: Number of registered childcare and early education places, Childcare and Early Years Providers Survey

Data from the Childcare Providers Survey is only available up to 2013 but gives a more positive picture of the number of places in total, indicating an 8% rise between 2010 and 2013 in the total number of places available to young children, driven by increases in both full day care and nursery classes, as shown in Figure 7. A similar sized increase was observed in the 30% most deprived areas, with a 10% rise in places in full day care and a 7% rise in places overall (DfE 2014e Table 4.5a).

Within this generally encouraging picture it is worth highlighting the steep decline in the number of places delivered by children’s centres. This fall began in 2009 but accelerated sharply under the Coalition as the requirement for centres in disadvantaged areas to deliver childcare was lifted and pressure to focus on targeted services increased. In 2010 800 children’s centres offered full-day childcare, down from 1,000 in 2009, and by 2013 the number had fallen to just 450 (DfE 2014e). Children’s centres were always tiny within the overall childcare landscape, as reflected in Figure 7, and this fall reduced them from 3% to 2% of providers. But the decline is significant nonetheless because of their concentration in more disadvantaged areas and because childcare in children’s centres has been found to be of higher quality on average and to cater for a wider range of children’s needs than other types of setting. Figure 9 below shows the much greater likelihood of centres employing a specialised graduate compared to other day nurseries or sessional providers, while childcare staff at all levels tend to be better paid in children’s centres than in other providers (DfE 2014e, Table 6.20a). In addition, children’s centres are much more likely to cater for children with particular needs. For example, in 2013 62% of centres offering childcare catered for children with moderate disabilities and 38% for children with severe disabilities, compared to 30% and 16% of other full daycare settings (DfE 2014e, Table 4.20a). A 2014 Parliamentary Enquiry into childcare for disabled children pointed to provision as “patchy across the country and often inadequate” (Glass and Buckland 2014, p.8), so the collapse of provision in children’s centres is of concern in this particular regard, as well as more generally.
Figure 8 shows data on *take-up* of childcare from surveys of parents conducted by the Department for Education. The figure shows a slight increase in the number of 3-4 year olds reported to be accessing formal provision, indicating slowly improving take-up of the free nursery entitlement. For 0-2s, there is effectively no change between 2010 and 2012, though the latest data here predates the implementation of free places for two-year-olds.

The first statistics on the two-year-old places were released by the Department of Education in 2014, and showed that 13% of two-year-olds were accessing funded places in January of that year; about two-thirds of all children who were eligible at that point. There was considerable variety in where the places were being taken up, but the vast majority were in the private or voluntary sector, with 50% in PVI day nurseries, 24% in PVI playgroups or pre-schools and 3% in provision linked to a Children’s Centre (DfE, 2014f, Table 9). Six percent were in local authority day nurseries and 3% in maintained sector nursery schools or classes, with 2% taking the place with a childminder.

For three and four year olds, among whom take-up was 91% and 97% respectively in 2010, Department of Education figures indicate a gradual rise, to 94% of 3s and 99% of 4s in January 2014, against a backdrop of a rising population; the *number* of children taking up places grew by 10% over this four-year period. (DfE, 2014f, Table 2). Table 5 shows considerable continuity in the nature of provision over this period, indicating that most types of provider are taking a proportional share of the growth in numbers, though there is a small shift towards the PVI sector, and towards day nurseries in particular.

**Figure 8: Use of formal childcare by age, 1999 to 2012 (note x-axis: selected years only)**


Notes: ‘Formal childcare’ includes centre-based care, childminders, playgroups, nursery classes, nursery schools and reception class, after-school clubs and holiday schemes. Figures for 3-4 year olds include the free entitlement but almost certainly underestimate take-up as parents may not report access if they do not consider it ‘childcare’. Figures for 5-7 year olds include children in reception class but not later school years.
Table 5: Percentage of 3 and 4 year olds accessing funded places by type of provider (January of each year)

<table>
<thead>
<tr>
<th>Provider</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private or Voluntary Provider</td>
<td>34.4</td>
<td>34.9</td>
<td>35.8</td>
<td>36.0</td>
<td>36.8</td>
</tr>
<tr>
<td>Day Nursery</td>
<td>16.1</td>
<td>17.1</td>
<td>17.9</td>
<td>18.4</td>
<td>19.7</td>
</tr>
<tr>
<td>Playgroup or Pre-School</td>
<td>15.9</td>
<td>15.5</td>
<td>15.6</td>
<td>15.0</td>
<td>14.3</td>
</tr>
<tr>
<td>Nursery</td>
<td>1.3</td>
<td>1.2</td>
<td>1.2</td>
<td>1.2</td>
<td>1.4</td>
</tr>
<tr>
<td>Sure Start Children's Centres/linked providers</td>
<td>0.4</td>
<td>0.5</td>
<td>0.3</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Registered Independent School</td>
<td>3.0</td>
<td>2.7</td>
<td>2.6</td>
<td>2.4</td>
<td>2.4</td>
</tr>
<tr>
<td>Local Authority Day Nursery</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td>0.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Childminding Network</td>
<td>0.6</td>
<td>0.5</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Other</td>
<td>1.0</td>
<td>1.1</td>
<td>0.9</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Maintained Nursery Schools</td>
<td>3.2</td>
<td>3.2</td>
<td>3.1</td>
<td>3.0</td>
<td>2.9</td>
</tr>
<tr>
<td>State-funded Primary</td>
<td>56.5</td>
<td>56.1</td>
<td>55.9</td>
<td>55.9</td>
<td>54.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: DfE (2014f) Table 9a, using the Early Years Census and the School Census

Note: The denominator in each case is the population of children accessing free places, not the population of all children in the age group (so the columns sum to 100%).

What about the quality of these places? It is important to highlight the fact that the evaluation of the two-year-old pilot found that the places had no impact on child development except in the highest quality settings (Maisey et al, 2014). Further, in their examination of the impact of the initial rollout of three- and four-year-old places, Blanden et al (2014) find only “small and shortlived” effects on later child outcomes, and point to insufficient attention to the quality of new places as a possible explanation. This evidence leads to concern about the fact that the two-year-old places have been provided overwhelmingly in PVI settings, because staff qualifications – a key predictor of high process quality – are lower in those sectors.

However, figures from both the DfE and the Childcare Providers Survey show encouraging trends in qualification levels in PVI settings. It remains the case that only 50% of funded two-year-olds attend settings with a Qualified Teacher or Early Years Professional (QTS/EYP), and only 45% are in settings where the staff with these qualifications work directly with the two-year-olds (DfE, 2014f). But there has been a steady improvement in the number of children with access to graduate level staff: in 2010 only 34% of 3 and 4 year olds accessing the free entitlement in PVI providers were in settings with a QTS/EYP working directly with them, and this had risen to 48% by 2014, a remarkable increase over a short period. Figure 9 shows how graduate presence has increased within different types of provision. All settings show improvement except settings linked to but not part of a main children’s centre. Children in children’s centres and local authority nurseries remain better served than elsewhere outside the maintained sector or a registered independent school, but progress in both day nurseries and playgroups and pre-schools looks impressive.
Figure 9: Percentage of funded 3 and 4 year olds in settings where a Qualified Teacher (QTS) or Early Years Professional works directly with the children, by type of setting

Source: DfE (2014f)

Note: In maintained nursery schools and classes all classes are headed by a qualified teacher, so these settings are not shown in this figure.

There are two caveats to note in relation to this broadly encouraging picture. The first is that while staff qualifications have been increasing at all levels, the gaps between sectors remain larger than is suggested by Figure 9 if we consider the proportion of staff who are graduates (rather than the proportion of children with some graduate exposure). Figure 10 gives figures from the Childcare Providers Survey on the percentage of staff who have a specialised graduate qualification. Only 12-13% of staff in full daycare settings are graduates, compared to 30% in children’s centres, and the gap has been growing rather than narrowing. So while PVI settings are clearly increasingly successful in ensuring that children have some exposure to a qualified graduate during the week, this is likely to be for a considerably shorter time than in a children’s centre or a maintained nursery. To fulfil Figure 9’s criterion of having a graduate working directly with the children, for example, it would be enough to have a specialised teacher come in for just one hour a week. This is of course not the same as having a teacher involved in day-to-day nursery activities and planning.
A second concern is that the growth in the number of graduates is likely to reflect the impact of funding sources that have now been axed. Early Years Professional Status was introduced in 2007 and the Graduate Leader Fund supported training and salary increases between 2008 and 2011. The Children's Workforce Development Council, responsible for supporting professional development in the sector, was closed in 2012. It is apparent that many local authorities continued to provide financial support for training and graduate wages after the demise of national funding, but this support appears to be at lower levels than before, and is likely to be increasingly squeezed by the pressures on local budgets described earlier in the paper.\textsuperscript{14}

\textbf{Household incomes and child poverty}

To illustrate the impact of government benefit changes on incomes in some of the most vulnerable households with children, Table 6 tracks the benefit entitlement of two out-of-work families, a lone parent household and a two parent household, excluding for simplicity any support for housing costs. Both families have a baby of six months and a child of three. Both families benefited from the 22\% increase in the per-child element of Child Tax Credit over the period, which is considerably above the 14\% rise in

\textsuperscript{14} For example, Devon County Council notes that it is continuing to provide salary enhancements for qualified EYPs to March 2015: “The Graduate Leader Fund will be reviewed during 2014/15 and we do not know the longer term future of the funding at this stage” (\url{www.devon.gov.uk/eycs-funding-graduateleaderfund.htm}, October 26 2014). Leicestershire County Council continues to offer up to £1,500 a year for settings with an EYP or Early Years Teacher in 2014-15 (\url{http://www.leics.gov.uk/gls}), considerably less than the £5,000 offered under the national fund (\url{http://www.leics.gov.uk/becoming_an_eyp.pdf}).
the CPI. But this increase is entirely offset by the loss of the Health in Pregnancy Grant, the Sure Start Maternity Grant and the baby element of the tax credit. Overall, the lone parent household is £2 worse off per week in cash terms at the end of the period and the couple household £2 better off; in real terms this means a reduction in household spending power of between 11-13%. In both households, income is closer to the poverty line because the poverty line has fallen (because median household income has fallen during the recession), but both households still sit well below this line.

These particular families are worse affected than those without a baby in the family because of the abolition of benefits during pregnancy and a child’s first year; families with older children did not have this support to lose. On the other hand, the table does not reflect the impact of changes in housing support from April 2011 and the introduction of the welfare cap in April 2013. The most significant change to housing support, the removal of the ‘spare room subsidy’ (SRSR), meant benefit reductions for 134,000 households with children at a May 2014 snapshot, with an average reduction of £14.90 per week (DWP 2014a).15 Housing Benefit recipients with children were somewhat less likely to be affected than those without, making up 28% of all those facing reductions under the SRSR, but 36% of all Housing Benefit recipients. In contrast, the welfare cap affected a much smaller number of households in total, but these are almost all households with children: 96% of the 28,400 households who had their benefit capped in December 2013 had children (DWP 2014b). 47% of capped households were in London, indicating the role played by high housing costs in pushing families over the £500 per week limit. The losses were considerable in many cases: 50% of families were capped by more than £50 per week, 22% by more than £100 per week, and 5% by more than £200 per week.

Figure 11 is taken from work by Agostini et al (2014), and shows the simulated effect of tax-benefit reforms between 2010 and 2014/15 on household income by age group. This gives us a much broader picture than Table 6, covering all households and including all tax-benefit changes, including housing benefit changes and the raising of the personal tax allowance. Reforms are compared to a hypothetical counterfactual in which benefits were uprated in line with changes in average earnings (which would in practice have meant reductions in benefits in cash terms during this period). It is striking that the only age-group who are worse off on average than they would have been under this (not very generous) scenario are children, with children under five doing worst of all. As Table 6 above has indicated, among the under fives we can expect households with a baby to have taken the largest hit of all. Further analysis by Agostini et al shows that, among households with children, those in the top income decile have been worst affected by reforms (presumably because of the loss of Child Benefit), followed by those in the bottom three income deciles (Agostini et al, 2014, Figure 5.3).

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15 The printed DWP publication does not provide breakdowns by family type. These have been calculated by the author using the DWP Stat-Xplore data service. https://sw.stat-xplore.dwp.gov.uk/webapi/jsf/tableView/customiseTable.xhtml. In total only 6% of affected families had moved as a result of the subsidy by November 2013 (2014c).
Table 6: Cash benefits, excluding support with housing costs and Council Tax, for workless families with young children

Single parent (over 18), two children aged 6 months and 3 years, not in work

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Benefit</td>
<td>1,383</td>
<td>1,404</td>
<td>1,404</td>
<td>1,404</td>
<td>1,404</td>
<td>1.5</td>
</tr>
<tr>
<td>Health in Pregnancy Grant</td>
<td>190</td>
<td>190</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-100.0</td>
</tr>
<tr>
<td>Child element of CTC</td>
<td>3,353</td>
<td>3,450</td>
<td>3,833</td>
<td>4,035</td>
<td>4,080</td>
<td>21.7</td>
</tr>
<tr>
<td>Family element of CTC</td>
<td>1,090</td>
<td>1,090</td>
<td>545</td>
<td>545</td>
<td>545</td>
<td>-50.0</td>
</tr>
<tr>
<td>Income Support personal allowance</td>
<td>3,344</td>
<td>3,403</td>
<td>3,510</td>
<td>3,692</td>
<td>3,728</td>
<td>11.5</td>
</tr>
<tr>
<td>Sure Start Maternity Grant</td>
<td>500</td>
<td>500</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-100.0</td>
</tr>
<tr>
<td>Total annual income</td>
<td>9,859</td>
<td>10,037</td>
<td>9,292</td>
<td>9,676</td>
<td>9,757</td>
<td>-100.0</td>
</tr>
<tr>
<td>Total weekly income (nominal)</td>
<td>189.60</td>
<td>193.03</td>
<td>178.68</td>
<td>186.08</td>
<td>187.64</td>
<td>-1.0</td>
</tr>
<tr>
<td>Total weekly income 2009/10 prices (CPI deflated)</td>
<td>189.60</td>
<td>186.14</td>
<td>164.89</td>
<td>166.71</td>
<td>164.17</td>
<td>-13.4</td>
</tr>
<tr>
<td>Income as a share of the After Housing Costs poverty line</td>
<td>0.73</td>
<td>0.77</td>
<td>0.74</td>
<td>0.78</td>
<td></td>
<td>-100.0</td>
</tr>
</tbody>
</table>

Couple (both over 18), two children aged 6 months and 3 years, not in work

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Benefit</td>
<td>1,383</td>
<td>1,404</td>
<td>1,404</td>
<td>1,404</td>
<td>1,404</td>
<td>1.5</td>
</tr>
<tr>
<td>Health in Pregnancy Grant</td>
<td>190</td>
<td>190</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-100.0</td>
</tr>
<tr>
<td>Child element of CTC</td>
<td>3,353</td>
<td>3,450</td>
<td>3,833</td>
<td>4,035</td>
<td>4,080</td>
<td>21.7</td>
</tr>
<tr>
<td>Family element of CTC</td>
<td>1,090</td>
<td>1,090</td>
<td>545</td>
<td>545</td>
<td>545</td>
<td>-50.0</td>
</tr>
<tr>
<td>Income-based Job Seekers Allowance</td>
<td>5,249</td>
<td>5,343</td>
<td>5,509</td>
<td>5,795</td>
<td>5,853</td>
<td>11.5</td>
</tr>
<tr>
<td>Sure Start Maternity Grant</td>
<td>500</td>
<td>500</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-100.0</td>
</tr>
<tr>
<td>Total annual benefit income</td>
<td>11,765</td>
<td>11,977</td>
<td>11,291</td>
<td>11,779</td>
<td>11,882</td>
<td>-100.0</td>
</tr>
<tr>
<td>Total weekly benefit income (nominal)</td>
<td>226.25</td>
<td>230.33</td>
<td>217.13</td>
<td>226.53</td>
<td>228.49</td>
<td>1.0</td>
</tr>
<tr>
<td>Total weekly income 2009/10 prices (CPI deflated)</td>
<td>226.25</td>
<td>222.11</td>
<td>200.37</td>
<td>202.95</td>
<td>199.91</td>
<td>-11.6</td>
</tr>
<tr>
<td>Income as a share of the After Housing Costs poverty line</td>
<td>0.63</td>
<td>0.66</td>
<td>0.65</td>
<td>0.65</td>
<td>0.68</td>
<td>-11.6</td>
</tr>
</tbody>
</table>

Source: Benefit rates from CPAG Welfare Benefits Handbooks; Poverty line from DWP HBAI (not yet available for 2013/14); CPI from DWP Abstract of Statistics.
Among children of all ages, the rate of child poverty fell until 2010/11 and has been static since then, whether measured before or after housing costs, reflecting the decline in median living standards; against a fixed income line child poverty has been rising over this time frame. Figure 12 shows that, as expected given the shape of benefit changes, the recent trend in relative poverty has been worse for children in households with a baby than in those with children of other ages, with the exception of those in households where the youngest child is at least 16, who have experienced a long-term steady rise in poverty. Care should, however, be taken in attaching too much emphasis to single year changes because of small sample sizes.

Source: Figure 5.1 in Agostini et al (2014)

Notes: 2010 policies are as in May. The net change is shown with a 95% confidence interval, calculated using bootstrap. Source: Authors’ calculations using EUROMOD G1.5.

Figure 12: Children in living in households below the poverty line (AHC), by age of the youngest child in the household, GB.

Source: IFS calculations using the Family Resources Survey.

Note: Poverty line defined as 60% median equivalised income After Housing Costs. Smallest cell size is 510 for 16-19 in 2012/13.
4. Outcomes

This paper has documented cuts in services for families and young children against a backdrop of reductions in family income. These dual trends do not bode well for children’s wider outcomes. There is strong evidence that household income itself has a causal impact on children’s cognitive, social and behavioural development which is not explained by other associated household variables such as parental education. This emerges not only from studies of cohort data with rich control variables (e.g. Schoon et al, 2013, using the Millennium Cohort Study) but also from research which uses experimental situations or sophisticated econometric techniques to isolate the impact of income with more confidence (see Cooper and Stewart, 2013, for a systematic review of this evidence). The effect of low income on parental mental health and the emotional home environment have been found to be important mechanisms explaining the relationship between income and child outcomes (Schoon et al, 2013; Cooper and Stewart, 2013). Meanwhile, budget cuts have weakened the ability of services to fill the gap, just when straitened financial circumstances for many households with young children has made their role in providing support for parents and opportunities for children more important than ever.

However, while existing research raises concerns about how the trends outlined above may affect child outcomes, our ability to assess what has happened in practice is hindered in a number of ways. For one thing, it is simply too early to make such an assessment. Our paper on Labour’s record found that, for some measures of children’s health and wider development, gaps began to narrow only in the final years of the government’s time in office, despite most intensive policy effort being made early on (Stewart, 2013). This may suggest that policies take time to bed-in, and/or that the cumulative effects of different initiatives take time to build up. Our challenge in evaluating the Coalition after four years in office is exacerbated by the fact that many useful data are only available with a lag. A separate problem is that there have been a series of definitional changes affecting relevant data series, including the measurement of social class and the assessment of child development under the Early Years Foundation Stage profiles. These breaks in data series mean it will always be difficult to compare the last years of Labour administration with the first years of the Coalition. Finally, of course, there is the broader challenge of drawing a link between policy change and child outcomes without an evaluation design and appropriate data collection.

In short, while we present below a number of measures of child health, child protection and children’s cognitive and social development, we attach two caveats: first, these are early indicators which in some cases may better reflect the long-term impact of Labour policies than those of the Coalition; and second, drawing any causal link from policy to outcomes is beyond the scope of this paper. (Note that new outcome measures developed by the Coalition, including the two-year-old development check and a school readiness measure, are not yet ready but should be of use to future researchers.)

Health: Low birthweight, infant mortality and child obesity

Low birthweight is an important predictor of later health outcomes that has also been linked to delays in cognitive and social development. The proportion of babies born at full-term weighing less than 2500g fell by 9.7% between 2005 and 2010 (from 3.1% to 2.8%), and then remained static between 2010 and 2011, which is the most recent data published for this particular measure (ONS, 2014, Figure 22.1). Data for low birthweight by social class are shown in Table 7 and Figure 13, running up to 2012, though this
The percentage of babies born at low birthweight to parents classified as doing routine or manual jobs or long-term unemployed fell substantially between 2005 and 2009 while the rate for higher social classes (managerial, professional or intermediate professions) flatlined. This meant a steady reduction in the social class gap between 2005 and 2009, whether measured in absolute terms (as the percentage point difference between the two groups) or in relative terms (as a percentage of the rate for the higher social classes). Between 2009 and 2011 both gaps fell again, but this time the change was driven largely by an increase in the rate for higher social classes in 2011; the subsequent drop in the following year drives the sharp increase in the gap between 2011 and 2012. The fluctuations in the gap from 2009 to 2012 mask the fact that progress in reducing low birthweight for lower social classes seems to have largely stalled during this period.

### Table 7: Percentage of babies born weighing less than 2500g, by combined occupational class, 2005 to 2012, England and Wales (all live births)

<table>
<thead>
<tr>
<th>Year</th>
<th>Social classes 1 to 4 (most advantaged)</th>
<th>Social classes 5 to 8 (least advantaged)</th>
<th>Relative gap (absolute gap as a % of the rate for classes 1-4)</th>
<th>Absolute percentage point gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>6.4</td>
<td>8.6</td>
<td>34.3</td>
<td>2.2</td>
</tr>
<tr>
<td>2006</td>
<td>6.6</td>
<td>8.2</td>
<td>24.2</td>
<td>1.6</td>
</tr>
<tr>
<td>2007</td>
<td>6.4</td>
<td>7.7</td>
<td>20.6</td>
<td>1.3</td>
</tr>
<tr>
<td>2008</td>
<td>6.4</td>
<td>7.8</td>
<td>21.0</td>
<td>1.4</td>
</tr>
<tr>
<td>2009</td>
<td>6.4</td>
<td>7.3</td>
<td>13.2</td>
<td>0.9</td>
</tr>
<tr>
<td>2010</td>
<td>6.1</td>
<td>7.2</td>
<td>18.0</td>
<td>1.1</td>
</tr>
<tr>
<td>2011</td>
<td>6.6</td>
<td>7.1</td>
<td>8.2</td>
<td>0.5</td>
</tr>
<tr>
<td>2012</td>
<td>6.0</td>
<td>7.1</td>
<td>18.4</td>
<td>1.1</td>
</tr>
</tbody>
</table>

Source: Office for National Statistics, reported in ONS (2014) Figure 22.2.

Notes:

1. Figures are for all live births, including pre-term births.
2. Classification is made using the most advantaged of either parent’s occupation, and using the new National Statistics Socio-Economic Classification (NS-SEC), rebased on the SOC2010. NS-SEC 1-4 includes occupations classified as managerial, professional or intermediate. NS-SEC 5-8 includes those where occupation is classified as routine, manual, never worked or long-term unemployed. Note that ONS (2014) reports these data as a continuous and comparable series, although previous ONS reports pointed to a discontinuity in 2008, when highest combined occupational class replaced that of the father, as well as in 2010 when the new Standard Occupational Classification was introduced. We assume that the data reported in ONS (2014) and reproduced here have been recalculated for earlier years using the new methodology.

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The share of all live births at low birthweight is affected by improvements in medical technology that enable very premature babies to survive, so the full-term measure is a more meaningful indicator. However, the trend in the social class gap should not be affected by this issue.
Figure 13: Percentage of babies born weighing less than 2500g, by combined occupational class, 2005 to 2012, England and Wales (all live births), and social class gap

Sources and notes: As for Table 7.

Table 8 presents data on infant mortality, also by social class, though this series suffers from a number of changes in methodology over time that rule out a longer time-series. Particularly frustrating for our purposes is the inability to compare data up to 2010 with that for 2011 onwards. The table shows a narrowing of the social class gap between 2008 and 2010 on both definitions shown. This points to the continuation of a long-run trend dating back to 2002 (see Stewart, 2013), though progress looks much more muted from 2008 when class is measured using the combined household measure than when using father’s occupation only. Data for 2011 and 2012 also show a narrowing of both the absolute and relative social class gaps, driven by a reduction in mortality for routine and manual occupations alongside no change for professional and managerial groups.
Table 8: Infant mortality rates and social class gaps (joint registrations, England and Wales)

<table>
<thead>
<tr>
<th>Infant mortality rate</th>
<th>Gap in mortality rate between higher and lower socio-economic groups</th>
<th>% reduction in mortality across years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ALL (joint/sole registrations)</td>
<td>professional/managerial/intermediate/low employers (socio-economic groups 1 to 4)</td>
</tr>
<tr>
<td>father's social class (i)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>4.5</td>
<td>4.4</td>
</tr>
<tr>
<td>2009</td>
<td>4.4</td>
<td>4.4</td>
</tr>
<tr>
<td>2010</td>
<td>4.2</td>
<td>4.1</td>
</tr>
<tr>
<td>(ii) combined social class</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>4.5</td>
<td>4.4</td>
</tr>
<tr>
<td>2009</td>
<td>4.4</td>
<td>4.4</td>
</tr>
<tr>
<td>2010</td>
<td>4.2</td>
<td>4.1</td>
</tr>
<tr>
<td>(iii) combined social class but Standard Occupational Classification (SOC) and definition of 'joint registration' changed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>4.1</td>
<td>3.8</td>
</tr>
<tr>
<td>2012</td>
<td>3.9</td>
<td>3.7</td>
</tr>
</tbody>
</table>

Sources: Authors’ calculations using infant mortality data for 2008 to 10 (father’s social class and combined social class) from ONS (online), Live births and infant mortality statistics by father’s NS-SEC and Life births and infant mortality statistics by Combined Social Class (excel documents) and data for 2010 to 2012 from ONS (2014). Rate of infant deaths is calculated as per 1,000 live births.

Notes:
(i) Data for 2008 to 2010 is based on NS-SEC classification which was introduced in 2001 to replace the Registrar General’s Social Classification (RGSC). To take account of this change in classification, the formulation of the target was changed from “manual” social class to “routine and manual” groups. A time series back to 1994 was constructed to be on an equivalent basis and is based on an approximation to NS-SEC (NS-SEC 90) available for use with data prior to 2001. See DoH (2009) Annex for further details.
(iii) The definition for “inside marriage / joint registrations” changed from 2011 whereby joint registrations where a couple lived at different addresses were excluded from this analysis group and were joint with “sole registration” group. More information on this can be found in ONS (2013), planned changes to Child Mortality Outputs, available: http://www.ons.gov.uk/ons/rel/vsob1/child-mortality-statistics--childhood--infant-and-perinatal/2011/stb-cms-2011.html, accessed February 2014.
(iv) Mortality rates are based on infant deaths successfully linked to their birth records. (v) Father’s social class: NS-SEC based on father’s occupation at death registration and “combined social class” means a household highest NS-SEC. (vi) Linked infant are deaths used here (deaths that were successfully linked to their birth registration records) (vii) Absolute gap in mortality rate is authors’ calculations of the difference in rates between higher social group (1 to 4) and routine/manual/other occupational group (5 to 8) among joint registrations. Relative gap in mortality rate is the difference in rates between higher social group (1 to 4) and routine/manual/other occupational group (5 to 8) as a percentage of the higher social group (1 to 4) rate for joint registrations.
Figure 14 shows the share of 4-5 year olds classified as overweight or obese between 2006/07 and 2012/13, from data collected in school reception classes. The figure shows children in the most deprived 10% and least deprived 10% of areas according to the Index of Deprivation. Those in the most deprived areas have seen obesity stay fairly stable throughout the period, while the rate has fallen in the least deprived areas, resulting in a widening gap between areas, whether measured in absolute or relative terms. The gap has stopped rising in the most recent available year. Comparable data for 10-11 year olds (not shown) also show a steadily rising gap between the most and least deprived areas, though in this case this is driven by an increase in obesity in more deprived areas and little change in the least deprived.

**Figure 14: Percentage of children overweight or obese based on deprivation level, 2006/07 to 2012/13, England**

Source: National Child Measurement Programme (NCMP) data, reported in ONS (2014) Figure 20.2

Note: The NCMP seeks to measure the height and weight of all Reception and Year 6 children in state-maintained schools in England, including academies. Participation was 80% of all eligible children in 2006/07, rising to 93% in 2012/13 (HSCIC, 2014).
Statistics from the Department for Education’s Children in Need Census (gathered from local authorities since October 2008) point to increases since 2009/10 in referrals to social care, numbers of children deemed ‘in need’ and numbers on child protection plans (note that these figures cover all children under 18, not only those under five). The rate of referrals fell between 2010/11 and 2012/13 from 545 to 521 per 10,000 before rising sharply to 573 per 100,000 in 2013/14, an increase of 10% (DfE, 2014g). The DfE notes, however, that this series is potentially volatile, with some evidence that increased media attention on child protection leads to a rise in referrals.

The number of children assessed after referral to be ‘in need’ fell between March 2010 (335 per 10,000) and March 2012 (326 per 10,000) but has subsequently risen to 346 per 10,000 in March 2014. The increase in the most recent year is 4%, compared to the 10% rise in referrals. The smaller proportion of children then made the subject of a child protection plan also increased, rising by 21% between 31 March 2010 and 31 March 2014 from 35 to 42 per 10,000 (from 39,100 to 48,300 children in total). Much of the increase (11%) came in the most recent year. This is shown in Figure 15.

As discussed above, it is beyond the scope of this paper to draw a causal link between policy changes and these trends in children’s experience. But the rise in the number of children assessed as being in need or subject to a child protection plan must be read as a disturbing indicator of the pressure families are currently facing. The strong correlation between poverty and child maltreatment is well established, and recent research supports the hypothesis that the relationship is a causal one (Cancian et al, 2013).

Figure 15: Children starting, ending and who were the subject of a child protection plan at the end of March each year (per 10,000 children aged 0-17)

Source: Children in Need Census, reported in DfE (2014g) (background table A2).

Notes: 1. Numbers include unborn children. 2. Based on the population aged 0-17 years, estimated at mid-year using ONS population data (estimates are as reported in DfE, 2014g, not calculated by the authors). 3. If a child is subject to more than one child protection plan during the year, each will be counted.
Figure 16 and Table 9 show improvements since the introduction of the Early Years Foundation Stage Curriculum in the proportion of five-year-olds achieving a ‘good level of development’. However, the revisions to the EYFS introduced in 2012 created a break in the series, so 2013 and 2014 data are not comparable with those for earlier years. As Figure 16 shows, under the new 2013 measure there was an initial drop to 52% achieving a ‘good level of development’, though this was back up to 60% in 2014 (DfE 2013c).

Figure 16 also shows that until 2011 improvement was very slightly faster for pupils eligible for free school meals than for others, leading to a very small narrowing of the gap, but the gap then widened to 2012 and there has been no further progress since then. A consistent picture is given by the gap between children in the 30% most deprived areas and others. As shown in Table 9, this gap narrowed steadily between 2006 and 2011, from 17 percentage point to 12, but progress then stalled. In 2013 the gap remained 12 percentage points (44% in the most deprived areas compared to 56% elsewhere; not shown in the table) (DfE 2013c). Area-level information was not presented in the same way in the DfE report for 2014.

Figure 16: Percentage of children achieving a ‘good level of development’ at age 5 (Early Years Foundation Stage), by free school meal status

Source: Compiled from annual reports from the Department for Education, Early Years Foundation Stage Profile Attainment by Pupil Characteristics in England
Table 9: Percentage of children working securely in each area of learning in maintained schools and private, voluntary and independent providers, 2005/06-2011/12, England

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>'A good level of development' (78 points in total, including 6 on all PSE and CLL scales)</td>
<td>45</td>
<td>46</td>
<td>49</td>
<td>52</td>
<td>56</td>
<td>59</td>
<td>64</td>
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<tr>
<td>Children in 30% most deprived areas</td>
<td>33</td>
<td>35</td>
<td>39</td>
<td>42</td>
<td>47</td>
<td>51</td>
<td>56</td>
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<tr>
<td>Children in other areas</td>
<td>50</td>
<td>52</td>
<td>55</td>
<td>57</td>
<td>61</td>
<td>63</td>
<td>68</td>
</tr>
<tr>
<td>Difference between deprived/other areas</td>
<td>17</td>
<td>17</td>
<td>16</td>
<td>15</td>
<td>14</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Personal Social and Emotional Development [PSE] (in all 3 scales)</td>
<td>71</td>
<td>71</td>
<td>72</td>
<td>74</td>
<td>77</td>
<td>79</td>
<td>82</td>
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<tr>
<td>Communication, Language and Literacy [CLL] (in all 4 scales)</td>
<td>48</td>
<td>49</td>
<td>53</td>
<td>55</td>
<td>59</td>
<td>62</td>
<td>66</td>
</tr>
<tr>
<td>Problem Solving, Reasoning and Numeracy (in all 3 scales)</td>
<td>66</td>
<td>67</td>
<td>68</td>
<td>70</td>
<td>72</td>
<td>74</td>
<td>77</td>
</tr>
<tr>
<td>Knowledge and Understanding of the World (1 scale)</td>
<td>77</td>
<td>77</td>
<td>79</td>
<td>81</td>
<td>83</td>
<td>84</td>
<td>86</td>
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<tr>
<td>Physical Development (1 scale)</td>
<td>88</td>
<td>88</td>
<td>89</td>
<td>90</td>
<td>91</td>
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<td>92</td>
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<tr>
<td>Creative development (1 scale)</td>
<td>78</td>
<td>78</td>
<td>79</td>
<td>80</td>
<td>82</td>
<td>83</td>
<td>85</td>
</tr>
</tbody>
</table>

Sources:
Figures for years 2005/6 and 2006/7 are from DCSF (2008); Figures for year 2007/8 to 2009/10 are from DCSF (2010); Figures for year 2010/11 are from DfE (2011b). Figures for 2011/12 are from DfE (2013c)

Notes:
1. Children achieving 6 or more points in all scale(s) within an area of learning are working securely in that assessment area.
2. The figures are based on children for whom it was possible to establish an area of residency.
3. The figures for 2009 and 2010 are based on the areas identified as being the 30% most deprived using the Index of Multiple Deprivation 2007. Figures prior to that are based on the areas identified as being the 30% most deprived using the Index of Multiple Deprivation 2004.
4. The Problem Solving, Reasoning and Numeracy area of learning was known as Mathematical Development prior to 2009. The figures for 2006 are derived from the child level sample. The figures for years 2007 to 2011 are derived from full child level data reported by local authorities.
5. Conclusions

As soon as the Coalition took office in May 2010 the government began to show an interest in the importance of early childhood. Appointing Frank Field as poverty tsar in June 2010 Prime Minister Cameron argued that a better understanding of “the importance of families and the pre-school years is vital if we are going to make Britain a fairer society in which opportunity is more equal.” The Spending Review of 2010 said it had social mobility “at its heart”, while a series of independent reviews were commissioned to look at different aspects of children’s services. Reviews by Field, Graham Allen and Eileen Munro all emphasized the importance of early intervention and called for greater investment in services for young children.

Yet in practice, despite the rhetoric, families with young children have been asked to carry perhaps the heaviest burden of austerity measures, hit on one side by reductions in financial support and on the other by cuts in funding for childcare, early education and children’s centres. It is striking that children are the only age-group to have been negatively affected overall by the Coalition’s tax-benefit reforms. Among families with children, it is those with a baby who have been asked to make the biggest sacrifices of all: in combination, the abolition of the Health in Pregnancy Grant and Baby Tax Credit and the restriction of Sure Start Maternity Grant to first-borns only have meant significant drops in income in a child’s first year, especially for low-income families. These three cuts together take £1,230 out of a family’s budget between the sixth month of pregnancy and the baby’s first birthday.

The Coalition made it clear from the outset that they believed Labour’s child poverty strategy had relied too much on cash benefits, and indicated that their approach would work more through services and rely less on financial support. Yet services too have suffered substantial budget reductions. Sure Start children’s centres have taken the biggest hit, with a one-third cut in funding between 2009-10 and 2012-13, but there have also been reductions in childcare subsidies for low-income parents, the abolition of financial support for professional development for childcare workers (the Graduate Leader Fund), and a reduced budget for early education in real terms, despite a rising population of young children. Late in the day the government pledged new investment in an early years pupil premium, but the main new source of funding, the new ‘tax-free’ childcare scheme, will be regressive, channeling more support to those who can afford to spend more.

To some extent delivery has held up well in the face of these cuts. While children’s centres have suffered closures and cutbacks, there is evidence that many local authorities are prioritising children’s services to the extent possible, and that children’s centre staff are working harder, being creative with delivery and drawing in more volunteers to continue to deliver a wide range of activities and support. There is also evidence that centres are following the government’s statutory guidance to target services on more vulnerable families. But there are concerns about how sustainable these approaches are, about increasing diversification across local authorities in what is on offer, and about the impact targeting may eventually have on children’s centre’s position at the heart of their communities and on their ability to draw in vulnerable families. The 50% drop in the number of children’s centres providing childcare is also troubling.

Reliance on volunteers, more user charges and more targeting could all be seen as ways that children’s centres are delivering better value for money, appropriate responses under austerity conditions. The
new Early Intervention Foundation aims to do the same, seeking to enhance effectiveness by facilitating partnership working and greater use of tried and tested interventions. However, other attempts to improve spending efficiency have been fairly shambolic. The plan to introduce a system of payment by results in children’s centres was quietly dropped when pilots suggested it was not working. Pilots of new parenting programmes have gone the same way.

Meanwhile, attempts to improve childcare quality have been incoherent at best. Proposals to relax staff:child ratios in childcare settings were abandoned in the face of opposition. The decision to introduce tougher entry requirements for vocational childcare courses in response to the Nutbrown review was generally positively received, but Nutbrown herself (among others) was fiercely critical of the decision to relaunch Early Years Professionals as Early Years Teachers without attaching Qualified Teacher Status. The justifications for abolishing the Graduate Leader Fund (which had been positively evaluated) and the Childcare Workforce Development Council were never well explained, and the same is true of the removal of the requirement for children’s centres to have a qualified teacher. The decision to make Ofsted the ‘sole arbiter of quality’, with a reduced role for local authorities in providing ongoing professional support and development, has also been widely criticised. In practice, the qualification levels of childcare staff have continued to rise since 2010, but it seems likely that this reflects the impact of prior strategies and funding streams and the trend may not continue.

The Coalition’s single expansionary policy for under fives was to roll out Labour’s pilot early education programme for disadvantaged two-year-olds, reaching 13% of two-year-olds in 2013-14, although these places appear to have been achieved by squeezing other parts of the early education budget. There is also some concern about the quality of the places: only 45% of children attend settings where an adult with a specialised graduate qualification works directly with the children. Certainly it is a lot to ask of these places that in 15 hours a week they offset the wider effects of falling family income and broader service reductions.

It is too early to judge the impact of these developments on children’s outcomes, but not too early to be greatly concerned. We know very well from wider evidence that both family income and high quality services are crucial to children’s development. The Labour years saw substantial investment in both cash and services for young children, which was reflected in improved health and cognitive and social outcomes and narrowing social class gaps (Stewart, 2013). Rolling back this investment cannot be expected to take place without consequence. The most recent data for infant mortality and obesity are reassuring, but progress in closing socio-economic gaps in both low birth weight and child development at age five has stalled, while recent increases in the share of children assessed to be ‘in need’ or subject to a child protection plan could be treated as an early warning indicator of the pressure families are facing. By the time the impact of austerity measures on today’s young children becomes fully clear, the Coalition Government is unlikely to be in office and the children will be much older. Making up the gaps for these children later will be difficult and expensive, as all the government’s independent reviewers reiterated. The fact that this is now so well understood and yet has been effectively set aside by policymakers is a disturbing indictment of a government that professes commitment to improving children’s life chances and promoting social mobility.
References


DoH [Department of Health] *


