

Labour's record on the under fives

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When Labour came to power in 1997 it made commitments to reduce poverty and improve children's health, education and wider life chances. How far did it act on these commitments, at what cost, and with what impact?

- New **spending was split evenly between services and cash benefits**. Spending on early years education, childcare and Sure Start grew almost four-fold in England from £671 per child under five in 1997/98 to £2,514 in 2009/10. UK spending on cash benefits, including maternity benefits, more than doubled in real terms to £3,431 per child under five.
- Key policies included longer maternity leave, Sure Start Children's Centres, free early education for all three and four year olds, more affordable and higher quality childcare, and more generous financial support for families with children, both in and out of work.
- Average **maternity leave taken** doubled from around 18 weeks to 39 weeks. There was an increase in the use of **formal childcare and early education**, including among disadvantaged groups. The **quality** of these services improved with the Early Years Foundation Stage Curriculum and staff qualifications also rose, but there was only a modest increase in the number of graduate staff. Qualification levels in the private and voluntary sector remained lower than in maintained settings.
- There were **measurable improvements in parenting as well as children's health, behaviour, and other developmental outcomes**. Gaps narrowed between disadvantaged social groups and others in the levels of low birth weight, infant mortality and cognitive and social development, though considerable social gaps remained at the end of the period.
- **Child poverty fell**, with particularly strong improvements in households with a child under five.
- Research suggests that **investments in early childhood have long-lasting rewards**, so the full benefits of some of these changes may not yet have been felt.

All the main political parties now subscribe to the importance of investment in early childhood in reducing inequalities in life chances, and this fact in itself could be considered part of Labour's legacy. Future work will examine how services for young children have fared under the Coalition Government and conditions of austerity.

What were Labour's aims and goals?

The Labour Government took early childhood seriously. This focus was central to its strategy for addressing the long-term causes of poverty and disadvantage: research evidence demonstrates the importance of children's early years to later health, education and other life chances. Ensuring a more equal start for children was a repeated theme in Labour speeches and strategy documents.

Policies for young children and their families can be grouped under two overlapping major objectives: reducing income poverty by encouraging employment and raising cash benefits; and promoting child development through better services. In line with its philosophy of "progressive universalism" the Government sought to combine targeted support for the poorest with help for all families with children.

Financial support

Reducing income poverty in households with dependent children was a key Labour commitment. Targeted support for in-work families became increasingly important, accounting for 45 per cent of spending on cash benefits for families with children in 2009-10, up from 27 per cent in 1997-98. Child Tax Credit (CTC) also raised incomes for families out of work, while universal Child Benefit was raised substantially for first-born children. Other measures included a Baby Tax Credit in the first year of life, a Sure Start Maternity Grant of £500 for low-income mothers and the extension of Child Benefit, from 2009, to women in the final months of pregnancy.

While almost all households with dependent children benefitted from Labour's tax-benefit changes, those with younger children were given priority. CTC treated children under 18 alike which boosted the incomes of younger families relative to older ones.

Work incentives

CTC and Working Tax Credit, as well as raising family incomes, improved incentives to work for some parents. The New Deal for Lone Parents provided advice and support for lone parents thinking of going back to work, while subsidies made childcare more affordable. The National Minimum Wage, introduced in 1999, had a positive impact on wages for the low-paid, many of them women and part-timer workers.

Childcare

In 1998, Labour published a National Childcare Strategy promising "quality, affordable childcare for children aged 0-14 in every neighbourhood". As its time in office progressed, it aimed to improve the quality of childcare and early years education through an integrated framework and national curriculum for all providers, and made some attempts to raise staff qualification levels.

Financial support was mainly channelled through parents' pockets, with private and voluntary sector providers encouraged to meet increased demand. A childcare element in WTC enabled low-income working parents to claim up to 80 per cent of the cost of a childcare place. A 'salary sacrifice' scheme enabled parents working for participating employers to be part-paid in childcare vouchers. Additional supply-side funding supported childcare in disadvantaged areas, first through the Neighbourhood Nurseries Initiative and later through Sure Start Children's Centres, where childcare became one of the core services.

Early years education

Labour was committed to extending free part-time nursery education. From 1998 all four-year olds were given the right to 12.5 hours a week of free early-years education for 33 weeks a year, extended to three-year olds in 2004, and to 15 hours a week for 38 weeks a year by 2010. To allow parents flexibility to combine the entitlement with longer hours of childcare, children could take up the entitlement in the state, private or voluntary sector. To try to ensure that the free hours were high quality in all settings, a unified Early Years Foundation Stage Curriculum was introduced, covering all settings catering for under-fives. In addition, Ofsted inspections were extended to cover all settings; and there was some attempt to improve staff qualification levels in the private and voluntary sectors.

Parental leave

Parents of children under six were given the right to up to 12 weeks unpaid parental leave, and all parents the right to request part-time and flexible working. From 2003, mothers' entitlement to maternity leave was increased, in stages, from 18 weeks to a year, including nine months paid leave. Statutory maternity pay was made more generous, though it still only reached 25 per cent of average female weekly earnings. Fathers were entitled to take 2 weeks paternity leave paid at the same rate.

Sure Start

The flagship initiative for promoting child development after 1998 was the Sure Start programme, initially providing 250 Sure Start Local Programmes (SSLPs) in the most deprived 20 per cent of wards. This was expanded to 524 SSLPs by 2003. The programmes were run by local partnerships, but core services were specified nationally as: outreach and home visiting; parenting support; play and learning; healthcare; and advice and support for parents and children with special needs. From 2004, the programme was rolled out across England in three phases to create 3,500 Sure Start Children's Centres. Early education and childcare provision was given increased emphasis in centres serving disadvantaged areas, but those in other areas were often different in nature, operating on smaller budgets and from more than one set of premises.

How much did Labour spend?

Not all areas of spending on under fives and their families can be quantified¹. However, there is no doubt that Labour vastly increased the amount of government spending targeted at young children.

Spending on tax credits and other cash benefits for families with young children grew rapidly. The total spent each year in Britain on cash benefits per child under five more than doubled in real terms² from £1,539 in 1997-8 to £3,431 in 2009-10. Spending on maternity and paternity benefits were an important part of this total, rising more than six-fold from under £500 to over £3,000 per child born

Total spending in England on early education, childcare and Sure Start grew almost fourfold in real terms from 2.1bn in 1997-8 to 8.0bn in 2009-10. This represented an increase from 0.18 per cent to 0.55 per cent of GDP. The costs of early education for three and four year olds rose from £2.0bn to £4.4bn and overall annual spending per child aged 0-4 grew from £671 to £2,514.

¹ For example, health expenditure data for children under 5 does not exist, with the exception of services delivered as part of Sure Start.

² Expressed in 2009-10 prices.

What did Labour do?

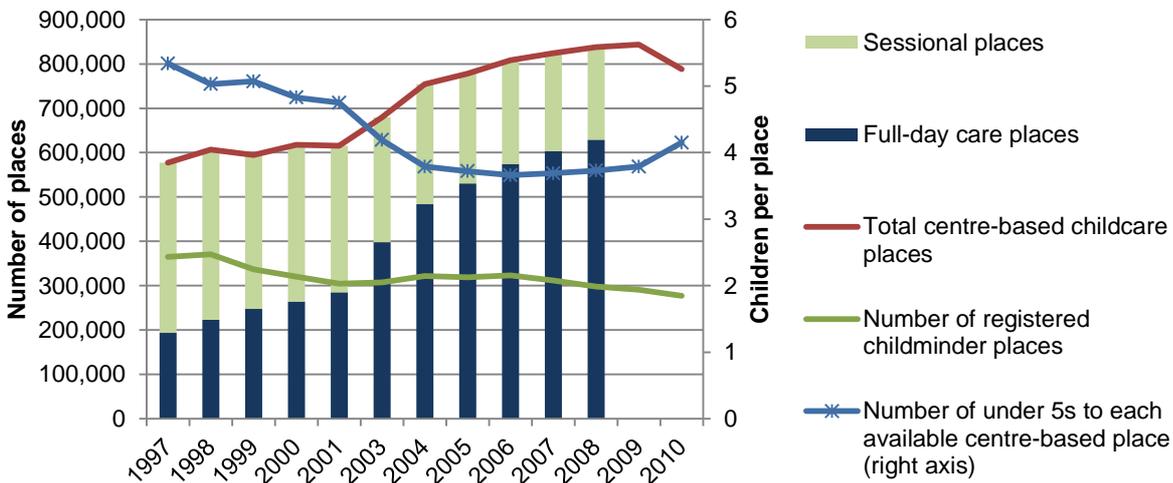
Availability and quality of childcare improved, but disadvantaged families remained less likely to use it

Figure 1 shows that the number of full-day places in centre-based childcare trebled between 1997 and 2008. However, the number of registered childminders declined somewhat, in part due to widening alternative employment opportunities for women, including in schools and centre-based provision.

By 2010, 59 per cent of children aged 0-2 were receiving some form of non-parental care, and 39 per cent were attending formal (paid) care. This compares with 25 per cent receiving formal care in 1997. However, the most disadvantaged families made relatively little use of formal care (15 per cent).

Qualification levels among the childcare workforce increased. Half of those working in childcare centres held at least a Level 3 NVQ qualification by 2008, up from 29 per cent a decade earlier. There was also a modest increase in the number with graduate-level qualifications, including Early Years Professional Status. The Graduate Leader Fund evaluation found that gaining a graduate leader with EYPS made a significant difference to the quality of provision for pre-school children (aged 2.5-5), although there was no effect on younger children. The introduction of the Early Years Foundation Stage curriculum also appears to have had a positive impact, and the proportion of childcare providers judged 'good' or 'outstanding' in Ofsted inspections grew from 56 per cent in 2007-8 to 68 per cent in 2009-10.

Figure 1: The absolute number of childminders declined slowly as the number of centre-based childcare places increased. The number of centre-based places also increased relative to the number of Under 5s.



Source: Department for Education and Employment; Ofsted

Average maternity leave taken doubled to 39 weeks, but there was little change for fathers

Increased entitlement to paid maternity leave led to mothers spending longer at home. The length of leave taken corresponds tightly to the length of the paid entitlement: the median leave taken jumped

from around 20 weeks in 2002 to 26 weeks in 2006 and 39 weeks in 2008. Women with higher pay continued to take longer leave than women in lower-paid jobs, but the gap narrowed.

Despite statutory paternity pay, the proportion of fathers taking time off around the time a child was born was no higher in 2008 (92 per cent) than in 2002 (90 per cent). However, there was a modest increase in the number of days taken, with 30% of fathers taking more than two weeks in 2008, up from 23%.

Almost all 3 and 4 year olds accessed early education – but the expansion was not in the highest-quality settings

By 2010, 98 per cent of all four-year olds and 92 per cent of eligible three-year olds received at least some free early education. A significant proportion of the extra money spent on this area funded places for children who were already attending a pre-school educational setting. But the high take-up rates suggest that the policy was more successful than targeted childcare subsidies in drawing children from disadvantaged backgrounds into early education. In 2010, it was estimated that 76 per cent of three-year olds from the most disadvantaged households and 95 per cent of four-year olds were making use of the free places provided.

In terms of quality, the policy led to only a limited expansion of places in state nursery schools and classes, despite evidence that these places deliver the highest quality of all pre-school learning experiences because of the presence of graduate teachers. The quality of places in the private and voluntary sector improved significantly, but staff qualification levels in these settings remained much lower than in the state sector.

There was a steady shift in educational provision for four-year-olds from nursery classes to reception classes in primary schools. The introduction of the Early Years Foundation Stage Curriculum appears to have allayed concerns that the use of more formal settings would prove detrimental.

Sure Start provided play, learning and parenting support, as well as outreach to the most disadvantaged improved over time. But the later Children's Centres were much less well funded than the original 500 Sure Start centres.

The original Sure Start Local Programmes were housed in new or especially converted buildings. These buildings were used to deliver a wide range of services meeting the core requirements, but with considerable local variation. A 2011 survey of almost 500 Sure Start Children's Centres in disadvantaged areas found that all offered 'stay and play' sessions and nearly all provided home-based services. The vast majority also provided family support groups (93 per cent), breastfeeding support (91 per cent), adult learning (87 per cent), parent forums (86 per cent), parenting programmes (84 per cent), Health Visitor clinics (82 per cent) and early learning and childcare (82 per cent).

Later Children's Centres received considerably less capital and current funding, making greater use of spare capacity in health or community centres, or even operating from mobile vans. A survey by the National Audit Office in 2009 found a clear link between the level of spending and the number of families using a centre. Costs per user were highest in the original Sure Start Local Programme (SSLP) areas, but these were providing more outreach services for high-need families.

Early evaluation data suggested that SSLPs were not effectively targeting those most in need, with worse outcomes for some of the most disadvantaged groups. In later evaluations these differences disappeared, and a survey of parents in 2009 found no evidence that sub-groups were being excluded. Nevertheless, a 2009 report by Ofsted on 20 Children's Centres concluded that engagement continued

to be a challenge: all centres had a clear commitment to reach out to the most vulnerable families, but none felt they were truly successful in doing so.

What was achieved?

Child poverty fell, especially for younger children

The proportion of UK children officially living in poor households³ fell from 27 per cent in 1996-7 to 20 per cent in 2009-10 (before taking account of housing costs) and from 34 per cent to 29 per cent (after deducting housing costs). Britain, which showed the highest levels of child poverty in a survey of 14 European countries in 1997, had moved to middle of the league table by 2011.

This improvement was entirely driven by a reduction in poverty among families with children under 11, and especially those with children under five. In 1997, families of children under five were more than twice as likely to live in poverty as those whose youngest child was 16 or 17. By 2009-10, although households with young children still ran a higher risk of poverty, age differences were much less stark.

Higher family income is linked to better long-term outcomes for children because it enables parents to spend more on food, goods and educational experiences that promote child development, and because poverty places parents under stress and this affects their parenting. A British research study in 2006 found that as income increased for low-income families with young children, these households spent more on books and fruit and vegetables, and less on alcohol and cigarettes.

Lone parent employment rates increased, partly due to childcare

Employment rates among lone parents increased from 45 per cent to 57 per cent between 1997 and 2010. Research studies suggest that as much as two-thirds of this change can be attributed to policy changes, rather than economic growth. It is not possible to separate the impact of investment in childcare from that of tax credits and New Deals. However, an evaluation of the Neighbourhood Nursery Initiative found that the extra childcare provision had a small but significant local impact on employment

Mothers breastfed for longer – but were no more likely to return to work after leave

Although mothers spent longer on maternity leave, Government hopes that more women would return to work once their leave ran out were not realised: more than one in five mothers who worked before a child's birth remain at home 12-18 months later. However, the majority who resume work are now more likely to return to the same employer, meaning a lower likelihood of occupational downgrading.

The increased length of maternity leave appears to be an important factor behind an increase in the length of time for which babies were breastfed. Breastfeeding has been linked by researchers to improved health for mothers and babies and positive effects on children's learning. Breastfeeding rates grew between 2000 and 2005, almost entirely because of an increase in breastfeeding initiation. Between 2005 and 2010 there was also a large increase in mothers breastfeeding for up to six months.

From 2008, Foundation Stage Profile results improved and gaps narrowed

Up to 2004, the increased number of children accessing early education appeared to have made little difference to children's 'readiness to learn' at the start of compulsory schooling. Between 2005 and 2007, too, there was disappointing progress in meeting targets for children 'working securely' in

³ Defined as households with 60 per cent or less of the median net income.

reception classes; likewise in reducing learning inequalities between the most disadvantaged children and their peers. However, as shown in Figure 2, there was eventually a marked increase from 46 per cent in 2007 to 56 per cent in 2010 in the proportion of Foundation Stage children showing a good level of development. Assessment scores for children in the most deprived 30 per cent of areas improved faster than average, also meeting revised Government targets. It seems likely that the improvements in the quality of provision brought about by the introduction of the Early Years Foundation Stage curriculum and the upgrading of staff qualifications helped secure these later improvements.

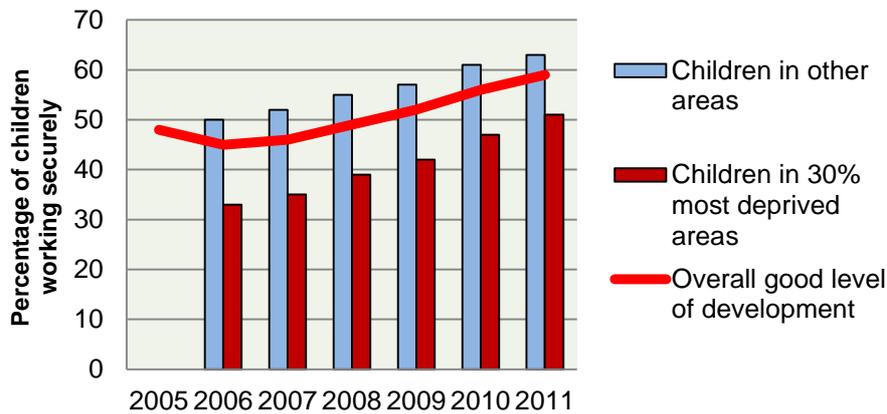


Figure 2: After 2007 the number of Foundation Stage children showing a good level of development increased by over 10% and inequality in results between the most deprived third of areas and the average was reduced.

Source: Department for Education

Sure Start Local Programme evaluations show small but significant impacts on parenting and home environment, but not on cognitive development

A national evaluation found that three-year olds living in Sure Start Local Programme (SSLP) areas displayed better social behaviour and greater independence and self-regulation than their peers in comparison neighbourhoods. Their parents were less negative in their parenting, and provided a better environment in the home for learning. When children were five, mothers in the SSLP areas described a more stimulating and less chaotic home environment, greater life satisfaction and less use of harsh discipline – although they also reported more depressive symptoms. Children in comparison areas had caught up on self-regulation, but Sure Start children generally experienced better physical health. Most recently, when children were seven, Sure Start area mothers continued to report less harsh discipline and a more stimulating home learning environment. Mothers of boys reported less chaotic home circumstances and life satisfaction was higher among mothers who were lone parents.

No statistically significant effects were found for children's learning skills or social development. This may be because of wider policies entitling all three and four-year olds to free early years education (see above), or because SSLPs did not have the focus on early education that later Children's Centres did. Nevertheless, the SSLP evaluation team concluded that better parenting and other improvements in Sure Start areas would produce later benefits in children's educational attainment and behaviour.

Improvements in low birth weight, and infant mortality, but not obesity

A number of health-related outcomes improved during Labour's time in office, though it is hard to link them confidently to particular policies. The proportion of women smoking during pregnancy continued on a long-term downtrend trend, but social class gaps narrowed more sharply between 2000 and 2010 than

in earlier periods. Consumption of alcohol during pregnancy also fell, and fastest among women from lower socio-economic groups. Low birthweight, which is linked to later health and developmental problems, increased between 1996 and 2002, but fell steadily after that, and the UK improved its ranking against other European countries. The gap between the proportion of low-birthweight babies born to mothers in higher and lower socio-economic groups more than halved between 2005 and 2010. Infant mortality fell from 5.9 deaths per 1,000 live births in 1997 to 4.6 per 1,000 in 2010; including a sharp fall among families in lower socio-economic groups. Yet even faster progress was made in some developed countries, so that the UK's ranking fell from 20th to 25th among 34 OECD members.

Meanwhile, one in five children are overweight by the time they start school and national measurements since 2006-7 have shown little improvement. There has been a small, but significant, decline in the percentage of boys classified as obese, but no equivalent change for girls.

Conclusions

Labour invested heavily in early childhood, transforming services for the under-fives. Longer maternity leave enabled mothers to stay home twice as long in the first year. Young families benefited from Sure Start Children's Centres, more and better quality childcare, and the extension of early education. Families with younger children saw the biggest increases from more generous tax credits and benefits.

Children's outcomes improved on a range of measures during this period. Child poverty fell from one in three to one in four in households with a youngest child under five. Low birthweight and infant mortality rates (IMR) fell, and Foundation Stage Profile results improved. In all three measures gaps between different social groups narrowed. But the share of five-year-olds who are overweight did not change.

These changes in outcomes are difficult to attribute directly to changes in policy. Research evaluations, where available, point to small but significant effects of particular policies, including Sure Start, the Neighbourhood Nurseries Initiative and the Graduate Leader Fund. In the absence of formal evaluation, outcome trends provide an indicator of how far positive changes were due to Labour policy. The decline in child poverty was a marked difference from the pre-Labour years. The fall in infant mortality accorded with longer-term downward trend, but the narrowing of the social class gap in levels of infant mortality and low birthweight was new. Learning and social skills among five year olds were only consistently monitored from 2005 and showed little change until 2008. Steady improvements since then suggest that changes to the quality of early education may have taken time to bed in.

The experience of Sure Start and the narrowing of social class gaps in infant mortality and low birthweight provide further examples of the way that policies in this area tend not to yield instant results. Politicians (and voters) who are eager for 'quick wins' may need to adjust their horizons. Since the full effect of Labour investments in young children may still lie in the future, there is a risk that political impatience will lead to some policies being scaled down just as they are starting to work well.

Further information

The full version of this paper is available at <http://sticerd.lse.ac.uk/dps/case/spcc/WP04.pdf>. This is one of a series of papers produced as part of CASE's research programme *Social Policy in a Cold Climate* (SPCC). The research, concluding in 2015, examines the effects of the major economic and political changes in the UK since 2007, focusing on the distribution of wealth, poverty, inequality and social mobility. *Social Policy in a Cold Climate* is funded by the [Joseph Rowntree Foundation](#) and the [Nuffield Foundation](#), with London-specific analysis funded by the [Trust for London](#). The views expressed are those of the authors and not necessarily those of the funders.