



**Nadhim Zahawi MP**

Minister of State for Children and Families

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Rt. Hon. Robert Halfon  
Chair, Education Committee  
House of Commons,  
Westminster,  
London,  
SW1A 0AA

Dear Robert,

18 July 2018

## **EDUCATION SELECT COMMITTEE: LIFE CHANCES INQUIRY**

Following my appearance before the committee on 10 July 2018, I am writing to you to provide additional information. I committed that I would write to set out:

- How the Government is assessing the impact of changes in local authority funding and its early intervention programmes on children's life chances, and how this work is joined-up across government.
- Analysis of the correlation between new children's centre models and the disadvantage gap at age 5 on the Early Years Foundation Stage Profile (EYFSP).
- An update on the commitment in the Early Years Workforce Strategy to conduct a feasibility study into developing a programme to grow the graduate workforce in disadvantage areas to narrow the quality gap between settings in disadvantaged and more affluent areas.
- To confirm government's apprenticeship strategy for the early years sector.

Government has a wide range of indicators in place to measure those factors which drive a child's later life chances - this includes the nine indicators set out in *Improving Lives: Helping Workless Families*, published by the Department of Work and Pensions (DWP), which include two statutory indicators (on worklessness and education); the Public Health Outcomes Framework (PHOF) published by Public Health England (PHE); and the indicators published in the Department for Education's (DfE) Single Departmental Plan. These frameworks provides the basis by which Government tracks the life chances of children across the key areas of education, health and work.

This Government is committed to making a lasting difference to long-term outcomes for poor and disadvantaged families and children. This goes beyond a focus on income, to tackle the root causes of poverty. It is clear that work offers people the best opportunity to get out of poverty and to become self-reliant.

Children in workless households are around 5 times more likely to be in poverty after housing costs than those where all adults work. Children living in a household where no one works are almost twice as likely as children in working families to fail to reach the expected attainment level at all stages of their education. But we know that around 75% of children from workless families moved out of poverty when a parent entered into full-time work.

This is why we are undertaking the most ambitious reform to the welfare system in decades - so that it supports people to find and to stay in work. Universal Credit is at the heart of these reforms and, through it, we are supporting working people to progress in work with smoother incentives so that they can increase their hours when they are able to. Claimants who are self-employed will have access to mentors to improve their businesses so that they can increase their earnings. We have seen good progress - compared with 2010, there are over 800,000 fewer workless families in the UK and around 600,000 fewer children in such families.

More widely across government, we are carrying out an ambitious programme of work to improve the life chances and social mobility of our disadvantaged children. In the early years, we will be investing around £6bn per year by 2019/20 in childcare support and early education. Three departments are working together to deliver this work: DfE, HMRC and DWP, and as I said in the committee session, I think we are in agreement that the first year of 30 hours, which supports working parents with the cost of childcare and incentivizes work, has been a success. The Government's support *is* reaching disadvantaged families - for example, since its introduction in 2013, nearly three quarters of a million of the country's most disadvantaged two-year-olds have benefitted from the entitlement to 15 hours of free early education a week, backed by over £2 billion of Government investment.

In December, we set out our plans to narrow the gap in unlocking talent, fulfilling potential, backed by £100m of investment. As part of this programme of work we are partnering with PHE and the Department of Health and Social Care (DHSC) to improve early identification and support for speech, language and communication needs. This includes trialing an early language assessment tool and training for health visitors. We recognise the important role parents play too, which is why we are also expanding the Troubled Families programme, to up to 400,000 families, and investing £39m in reducing parental conflict.

Any discussion of life chances is not complete without considering how we are working to improve the outcomes of the most vulnerable groups of children. Local authorities are receiving £200bn to deliver local services, including children's social care, up to 2020. In addition, we are supporting the system by investing in the professional development of social workers at all stages of their careers. This includes providing employers with around £5.6m per year to support newly qualified social workers in their first year of employment, establishing a £3m programme to support newly promoted practice supervisors, and supporting the development of the next generation of senior leaders in child and family social work. We are also supporting the system to improve practice, through encouraging collaboration across local authorities and stepping in to turn around failing services where necessary. This includes investing £270m in our Innovation and Partners in Practice programmes to enable local authorities to test more efficient ways of supporting vulnerable children and building and sharing what works.

Clearly government, both central and local, can only be most effective when it grows and employs the evidence base for what works. That is why the DfE, DWP, Ministry of Housing Communities and Local Government (MHCLG) and PHE will contribute nearly £2m in 2018/19 to support the Early Intervention Foundation's (EIF) programme of work and research. And why DfE is investing £10m in partnership with the Education Endowment Foundation to grow the evidence base for what works in settings and in the home in the early years, as well as £8.5m working with the Local Government Association and the EIF to identify and spread best practice in local government in the early years. We are also establishing a new Children's Social Care What Works Centre to support practitioners and decision makers to inform their work with the best possible evidence.

I firmly believe that devolution provides excellent opportunities for improving children's life chances. Devolution deals have enabled the Government to strengthen local leadership and institutions – through the establishment of mayoral combined authorities; and devolving powers and funding away from Whitehall, so that they are exercised at the right spatial geography by those who understand their areas best.

For example, MHCLG recently agreed a new funding model as part of Greater Manchester's devolution deal, to give the ten councils across the sub-region their Troubled Families funding as part of a single pot – the Reform Investment Fund, established in April 2017. Troubled Families funding forms the largest part of this investment fund which drives service reform by bringing together a number of different funding streams including from DWP and Department for Culture, Media and Sport. We agreed ambitions for the Troubled Families funding which include investing earlier and where appropriate, at a pan-Greater Manchester scale, to develop sustainable delivery models that support vulnerable residents and manage future demand.

Turning to the correlation between new children's centre models and the disadvantage gap at age 5 on the EYFSP, please see Annex A to this letter where I enclose a copy of the analysis which was referenced in the Committee.

As requested, I would also like to update the committee on two of the graduate-related commitments in the Early Years Workforce Strategy we published last year. The first was a commitment to undertake a feasibility study into developing a programme to grow the graduate workforce in disadvantaged areas, to narrow the quality gap between settings in disadvantaged and more affluent areas.

By way of context, we know that the quality of early education continues to improve. Importantly, Ofsted data confirms that the proportion of 'good' and 'outstanding' providers is now almost identical in the least deprived areas compared with the most deprived, the difference having decreased by seven percentage points in the last four years. Similarly, evidence from the DfE Study of Early Education and Development (SEED) also tells us that children in disadvantaged areas are now just as likely to be able to access high quality education as children in more affluent areas.

As I outlined at the hearing, it is clear that recruiting graduates into the PVI workforce remains very challenging, despite significant investment by successive governments since 2006. In response, it is important we consider alternative but complementary approaches to continuing to improve quality through workforce development. At the earlier oral evidence session, Professor Ted Melhuish pointed to the huge potential of investment in professional development across the wider workforce to lead to rapid improvements in quality and children's attainment.

With this in mind, I can confirm that after careful consideration we have decided not to proceed with the graduate feasibility study. Instead, as announced in the social mobility action plan, we will be investing £20 million in professional development activity focused on disadvantaged areas. We will announce further details on this significant new investment in due course. Alongside this, we remain committed to ensuring there are routes to graduate level qualifications in the early years sector.

The second workforce matter I would like to update the committee on is the commitment to consult on amending regulations to enable those with Early Years Professional Status (EYPS) and Early Years Teacher Status (EYTS) to lead nursery classes in maintained settings.

Last year, we delivered this commitment by consulting on this issue in writing with the relevant stakeholders the department regularly consults under the relevant section of the Education Act 2002 – including HMCI, unions and bodies representing the interests of governing bodies of schools, school and college leaders. After careful consideration, I can confirm we have decided not to proceed with amending the regulations to enable those with EPYS and EYTS to lead nursery classes.

I realise this may cause disappointment for some in the sector. We have heard concerns about lack of parity between those with EYPS/EYTS and those holding Qualified Teacher Status, particularly in relation to the pay and conditions. However, amending the regulations would not in itself address this issue, as those with EYPS/EYTS would still not be subject to teacher pay and conditions.

Finally, I would like to confirm our apprenticeship strategy for the early years sector. We know that apprenticeships offer an excellent employment-based training route for those that want to enter work and train on the job. The new apprenticeship level 3 Early Years Educator standard developed by a trailblazer group of employers has now been approved. Over time, our strategy is to work with the trailblazer group to develop additional apprenticeship standards to ensure there is a clear progression route up to degree apprenticeship in the sector.

I would also like to take this opportunity to clarify a few points from the proceedings:

- The funding rate which we provide to local authorities through the Early Years National Funding formula increased in April 2017 from £4.56 to nearly £5.00.

- Nearly three quarters of a million two-year-olds have benefited from the entitlement for 15 hours of free early education since it was introduced in 2013.
- In our evaluation of early delivery pilots, over 80% of providers already delivering free entitlements said that they were able to deliver the 30 hours free childcare offer.
- A lone parent only has to earn around £6,500 a year to be able to access 30 hours of free childcare and a couple just over £13,000.
- By 2019-20 we will be spending around £6 billion per year on childcare support. The initial allocations for the early years entitlements for the 2018/19 financial year were as follows:

£2.323m for the universal 15 hours;  
£694m for the additional 15 hours; and  
£482m for the 15 hours for disadvantaged 2 year olds.

Since the hearing, updated figures have been published. They can be found at the following link:

<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2018-to-2019>

The forecast costs for Tax Free Childcare are as follows:

£0.2bn 2018/19  
£0.5bn 2019/20  
£0.7bn 2020/21  
£0.8bn 2021/22

Tax Free Childcare forecasts were reduced last year to reflect slower than planned TFC rollout and pausing the communications campaign whilst HMRC made improvements to the service.

Thank you for another productive session of the committee.

Yours sincerely,



**Nadhim Zahawi MP**  
**Minister of State for Children and Families**

## **Annex A - Analysis of the correlation between new children’s centre models and the disadvantage (free school meals) gap at age 5 on the Early Years Foundation Stage Profile (EYFSP)**

This analysis is based on published EYFSP data:

<https://www.gov.uk/government/statistics/early-years-foundation-stage-profile-results-2016-to-2017>

The table shows that of the six local authorities who closed the highest proportion of their children’s centres (as at March 2018), four (Camden, Bromely, Oxfordshire, Staffordshire) continued to demonstrate a reduction in their disadvantage gap, while West Berkshire demonstrated considerable volatility.

### ***Free school meals (FSM) ‘gap’ (FSM eligible vs non-FSM eligible children) achieving a ‘good level of development’ on the EYFSP at age 5, by selected local authority.***

<b>Local Authority</b>	<b>Year</b>				
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
England	19	18.9	17.7	17.3	17
West Berkshire	21	32	28	19	24
Camden	19	18	13	14	
Stockport	23	26	24	24	25
Bromley	25	19	23	20	18
Oxfordshire	23	25	23	21	21
Staffordshire	21	22	18	17	17

N.b. A correlation, whereby there is an association between for example a high proportion of children’s centre and a reduction in the disadvantage gap, does not imply causation, whereby the high proportion of children’s centres has resulted in or caused a reduction in the disadvantage gap.