



Media Notice

EMBARGOED UNTIL: 00:01 Tuesday 24 February 2015

**NEXT GOVERNMENT MUST PRIORITISE DISADVANTAGED CHILDREN
WHEN ALLOCATING £6.4BN CHILDCARE BUDGET, SAYS LORDS'
COMMITTEE**

The next Government should urgently review the way the budget for early education and childcare - forecast at £6.4 billion - is allocated, to ensure best value for money. The House of Lords Committee on Affordable Childcare believes that the budget should be re-prioritised to help disadvantaged children, as detailed in its report, published today.

The Committee believes that there are three main actions the new Government must take in order to get the best value for its investment:

- reprioritise spending in early education and childcare to focus on disadvantaged children – better value for money will be achieved by targeting those most likely to benefit;
- ensure that disadvantaged two year-olds access their free early education in settings rated good or outstanding by Ofsted no later than 2020; and
- address the under-funding of free early education places in the Public, Voluntary and Independent (PVI) sector.

Chairman of the Committee, Lord Sutherland of Houndwood, said:

“A large amount of money is spent on childcare and early education in England and we believe that better value for money could be achieved. The evidence clearly shows that high quality early education has a crucial role to play in helping disadvantaged children to reach their full potential. For this group in particular the impact can be substantial. They are also less likely to access early education in the absence of the government's policy. Therefore greater value for money in terms of child outcomes is obtained by investing in early education for this group, than for all children. We are not talking about increasing budgets – we are talking about a re-prioritisation of current spending to ensure that it targets those children who are likely to benefit the most. The Early Years Pupil Premium is one way of doing that.

“We know that early education alone cannot deliver better outcomes for disadvantaged children - the home learning environment is critical, and we recommend that the Government considers how programmes to support the home learning environment can be delivered alongside early education.

“The government already prioritises disadvantaged 2 year-olds by extending free early education to them. But currently over a quarter of those 2 year-olds are accessing their entitlement at a setting that has not been rated good or outstanding by Ofsted. And we know that quality matters in terms of outcomes. It is a poor investment to provide



resources for free early education for disadvantaged 2 year-olds but not to ensure that the early education they receive is of a quality that is likely to make a difference - to help them to develop and to catch up with their peers. That is why we recommend that all 2 year olds who are eligible for free early education should be accessing it at a setting rated good or outstanding. This should be achieved no later than 2020.

“Quality overall needs to improve. We know what constitutes good quality, we have a solid evidence base which draws on UK and international studies. There are indications that the characteristics of early education and care which are most likely to have an impact on child outcomes are not present across the board in the delivery of free early education. One key indicator of quality is the level of qualification of the staff. The presence of staff with a relevant degree involved in the planning and delivery of early education and care makes a significant difference to the quality and to the outcomes that can be achieved.

“The private, voluntary and independent sector employs far fewer graduates than the maintained sector. One reason for this is that settings in the PVI sector are not paid at a level to enable them to employ graduates. The PVI sector provides the majority of free early education places to 3 year olds and yet it is paid a much lower rate, on average, than maintained settings. This underfunding of free early education places leads to other practices - such as the cross subsidisation of free early education by charging parents more for additional paid-for hours in order to recoup the shortfall. This has other knock-on effects - private nurseries struggle to survive in areas where parents are less likely to require hours in addition to the free hours. This leads to a paucity of childcare provision in the most deprived areas, which impacts on the ability of parents to enter employment. So this really needs to be looked at properly and a solution found. We cannot continue with a situation where the Government's flagship early education policy is underfunded to such an extent, with such far-reaching effects for children and families.

“Part of addressing the under-funding of early education places will be to review the role of local authorities in the allocation of resources. There is legitimate concern about the uneven allocation of resources and we recommend that the Government looks at how local authorities are discharging their duties in this respect.”

Embargoed copies of the report are available to the media from the Lords Press Office. To request a copy, or bid for an interview with Lord Sutherland, please email lordspressoffice@parliament.uk or call [020 7219 8550](tel:02072198550).

Notes to Editors

1. The Committee's report, *Affordable Childcare*, along with written evidence and transcripts of oral evidence sessions will be available on the [Committee's webpage](#), from **00:01 Tuesday 24 February 2015**.
2. The Committee was appointed to consider childcare for children of pre-school age (0-5 years). As childcare is a devolved matter, this inquiry centred on England only, although it took note of relevant developments elsewhere, including the devolved



administrations. The Committee ceased to exist upon publication of this report. More information on the [Affordable Childcare Committee](#), including its membership, can be found on its webpage.

3. For interviews with the Chairman of the Committee, [Lord Sutherland of Houndwood](#), please contact Clare Ramsaran on [+44\(0\) 207 219 6640](#).