

**Transforming futures: levelling up through early years education & care.**

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# TRANSFORMING FUTURES: LEVELLING UP THROUGH EARLY YEARS EDUCATION & CARE

**Professor Sally Pearse**

## SUMMARY

High quality early years education and childcare provide a strong foundation for the future educational success of children and these benefits can be transformative for disadvantaged children. Research conducted by Sheffield Hallam University suggests there can also be considerable benefits to the parents of these children, which in turn improves children's home learning environment too. Yet for these benefits to be fully realised, the sector must overcome challenges posed by inconsistencies in the funding, quality, affordability, and accessibility of local provision; issues that are amplified for disadvantaged families and which require a paradigm shift in policy to make quality childcare available to those that will benefit most. Here, we put forward Sheffield Hallam University recommendations, supported by Save the Children UK, for tackling the challenges in early years, informed by our own expertise in this important field.



## OUR RECOMMENDATIONS

1. Government should invest in capital funding to expand existing provision in disadvantaged communities and to support the creation of new community or school-led nurseries in disadvantaged areas without provision for under-fives.
2. Funding must be targeted towards the poorest families and to incentivise providers to operate in disadvantaged communities.

## CONTEXT

The UK government currently funds three entitlements to early years education and childcare in England, paid directly to providers:

1. A **universal entitlement**: 15 hours per week for ALL 3 and 4-year-olds (since 2010)
2. A **disadvantaged entitlement**: 15 hours per week for eligible 2-year-olds (since 2013)
3. An **extended entitlement**: a further 15 hours per week for working parents of 3 and 4-year-olds (since 2017)

A cornerstone of the government's headline 'levelling up' policy was the 2017 plan for improving social mobility through education (DfE, 2017), which pledged to tackle development gaps and improve access to high-quality early years provision for disadvantaged families by creating more school-based provision and improving access for disadvantaged children. However, the intervening years saw the challenges faced by the early years sector exacerbated by the Covid pandemic, which impacted children's development (Ofsted, 2022) and widened inequalities in access to childcare (La Valle, 2022).

In 2023, the government announced investment of £4.1bn by 2027/28 to expand the free 30-hour entitlement, making it available for working parents of children from 9 months old by September 2025. Sandher and Stephens (2023) from the New Economics Foundation argue that by focusing on working parents, the entitlement inherently favours middle and high-income parents to the detriment of children from poorer families who would benefit the most. They demonstrate that the long-term social and economic returns of funded childcare decline as family income increases, yet analysis by the IFS (Drayton and Farquharson, 2023) estimates that over 80% of spending on the new entitlements will be used to pay for childcare that parents would have paid for themselves anyway and that families in the bottom 30% of the income distribution will see almost no direct benefit from the expansion. This is undoubtedly a situation that risks deepening inequalities further.

## Insights from the Sheffield Institute of Education at Sheffield Hallam University

### Effective partnerships

Recognising the potential of early years education to transform the lives of disadvantaged families, in 2021 Hallam opened a new nursery in an area of social and economic challenge in Sheffield. The nursery is a unique partnership between the university, Save the Children UK and the local community, focused on delivering two-year funded early learning (FEL) as the area had no provision for this age group since this entitlement was introduced in 2013. Qualitative research with parents from the nursery in 2022 highlighted that in their view, access to the nursery had positively impacted on all aspects of their child's development and as importantly, had supported parent mental health, created support networks within the community and had a positive impact on the home learning environment. The research demonstrates that nurseries have the power to build trusting relationships with parents that support their aspirations and leads to long-term positive changes within the family. This transformational aspect of quality early education and care is missing in a narrative of 'childcare for working families', although it does often lead to parents entering the workforce.

### Empowering parents

At Sheffield Hallam, we believe that harnessing the transformative potential of high-quality early education and care in areas of disadvantage not only supports children's development and learning, but with sufficient funding it can also support parents with their own aspirations and build their confidence to support their children throughout their education. Holistic approaches that integrate support for the needs of caregivers with the design of early education policy and practice are supported by evidence (Shonkoff and Fisher, 2013) as nurseries have contact with families each day and are often the first source of support for parents who are struggling. The Capabilities Approach has been used within social policy studies to measure and understand quality of life. This broad framework is rooted in a social justice perspective and aims to understand the meaningful opportunities that individuals have to live a good life and to develop, the freedom that individuals have to achieve wellbeing, while valuing pluralism in aspirations and ways of living (Robeyns, 2017). Crucially, this framework reflects The Meadows' guiding principles by favouring a relational perspective, emphasising the input required to overcome structural barriers and allow individuals the freedom to achieve their goals.

### Case Study #1

'Roxanne' had experienced homelessness and struggles with mental health as a young woman. She became pregnant during lockdown and her mental health deteriorated to the point that she was considering giving up custody of her child to her mother. After being offered a nursery place and starting to access the support of the staff and peers at the nursery Breakfast Club, Roxanne started to play an active part in her community and is now employed on a research project on homelessness and advises homeless charities.

*"I'm a peer support co-worker because I've been through that stuff, but we've been going across the UK talking to people aged 16 to 30 about how they were criminalised. I wouldn't have known about the job if it wasn't for the nursery, and I've got the time and opportunity to do things."*

### Case Study #2

'Lisa' has her own young child and custody of her grandchild. Through the support of the nursery and the opportunities it offers to parents she has become a peer support to other parents and has trained as a community researcher. Lisa describes what her having access to a nursery place made to her situation:

*"It means I get time on my own, because I'm a single parent and I've got two children, and Molly is my granddaughter, but I've got her full time, so obviously I've had no time whatsoever. Nobody takes them overnight or anything, so I don't get a break. So having this nursery place earlier, for Molly, is just- it's made me feel better, and I'm not on high alert 24/7."*

## Sustainable funding

Funding these nurseries adequately to provide both high quality education and care for children and support for parents is cost effective in the long-term, as it can prevent issues from escalating and placing demands on higher tier services. Our community nursery demonstrates the transformative power that emphasising the role of families in children's early care and education can have, and we have seen the positive impacts that can be achieved through partnership working, linking parents to decision-makers, and building strong relationships with children's families.

For these benefits to be achieved across the country, we recommend:

## **1. Targeted funding to improve access to early education and care in areas of disadvantage:**

Policy makers should target capital and revenue funding towards providers already serving disadvantaged communities, and to support the creation of new community or school-led nurseries in disadvantaged areas that do not currently have provision for children under five. Lessons from the Neighbourhood Nurseries initiative (Smith, 2007) could be used to develop a 'pump prime' funding model for startup grants and to subsidise initial running costs for new/expanded provision serving areas of deprivation. Pump prime funding would likely need to be tapered over a longer period than the three years tested in the Neighbourhood Nurseries model, which was found to be insufficient for sustaining provision in the most deprived areas. Targeted increases to supply-side funding via a reformed funding system as described below would further improve the accessibility of quality childcare in areas of disadvantage. There may be existing facilities that could be brought back into use by a range of providers at relatively low cost as exemplified at Sheffield Hallam's own nursery, which revived a former Sure Start centre that had been closed due to government cuts.

## **2. Funding reform to ensure quality of early education and care in areas of disadvantage:**

Hallam supports the funding reform proposals developed by Kindred Squared and Ark Start (2023), which put forward an alternative allocation of the £8bn investment in early years (announced by the government at Spring Budget 2023) to better support children from the poorest families. The options below are summarised from their 2023 paper, based on DfE breakeven costings from 2020.

### **At a cost of £7.9bn (i.e. within the government's current projected envelope):**

- Instead of expanding 30 hours of childcare for working parents, it is proposed to target the 40% of bottom earning households (based on household, rather than individual parental income) with an entitlement of 30 hours childcare from age 1. Households in the 40-60% income distribution bracket would get 15 hours funded childcare from age 1, which they can choose to top-up.
- Alongside this, a differentiated funding formula is proposed, whereby children from lower income households attract the highest funding rate to incentivise providers to operate in disadvantaged areas. In the absence of a national pay scale, this increased funding would enable nurseries serving disadvantaged families to offer salary enhancements to recruit and retain highly qualified staff.
- Given the proposed removal of support for families with household earnings in the top 40%, this change could be politically unpalatable, so Kindred Squared and Ark Start have proposed options to go further with additional funding:
  - £2.8bn - 30 hours of funded childcare to all households earning up to £60k
  - £4.5bn - 30 hours of childcare to all households earning up to £100k

If there is scope for further investment beyond the £7.9bn, government should allocate funds to raise the qualification level for early years practitioners, through accreditation of prior learning for existing practitioners and through modular courses for those entering the workforce. This will improve overall quality of provision and support the recruitment and retention of staff in the long-term.

## **CONCLUSION**

Focusing on areas of socio-economic challenge, prioritising parental involvement, and joining up support systems have been fundamental to the creation of Sheffield Hallam's own nursery and our partnership with Save the Children UK. We strive to be a model of transformative early years education and care, research and best practice and community partnerships. Applying the Capabilities Approach to work with families at The Meadows helps our understanding of the ways that this resource improves lives and opportunities, as well as highlighting the barriers that families

face. Our place-based practice is contributing new evidence about the benefits that family-centred approaches can have on children's outcomes and underlines our commitment to continue addressing the long-term social issues of the South Yorkshire region collaboratively.

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## **SUMMARY OF THE WIDER EVIDENCE**

### **Accessibility of childcare**

The overall picture in England shows a clear association between disadvantage and lower take-up of the government funded entitlements. The National Audit Office (NAO, 2020) latest assessment of how effectively the entitlements are supporting disadvantaged families found that whilst overall take-up of the universal 15-hour free entitlement for 3- and 4-year-olds in England was 93% in 2019, children from disadvantaged families are the least likely to be accessing it. Furthermore, the entitlement for 2-year-olds which specifically aims to improve outcomes for disadvantaged children, had a lower take up of 68%.

NAO also found wide geographical variation with take-up ranging from 39-97% in different local authorities (LAs). Using the Index of Multiple Deprivation, NAO found a 17-percentage point gap between the proportion of children achieving a 'good level of development' in the 10% most and least deprived areas in 2019. The more recent 2022 EYFS profile data (Gov.uk, 2023) indicates that regional disparities persist, with just 53% of children in Manchester assessed at a good level of development, compared with 73% in more affluent Surrey.

Access to early years education for families living in disadvantaged areas can be limited by the availability of quality providers. New analysis by the National Day Nurseries Association (Priestly, 2023) found that at a time when nursery closures are increasing nationwide (up 87% between April and December 2022, compared to the same period in 2021), more of these closures (30%) happened in the 20% most deprived areas of England. Coram's Childcare Survey (Jarvie, 2023) found that workforce challenges are impacting the financial sustainability of providers with a knock-on impact to the availability of funded entitlement places they can provide. Furthermore, Coram's latest survey (Hodges, 2024) found that the challenges associated with workforce recruitment and retention were identified by Local Authorities as the most significant barrier to the successful delivery of the Government's expanded childcare offer.

### **Affordability of childcare**

The UK is now the second most expensive country in Europe for childcare, and the sixth most expensive in the world according to OECD (2023) data, with households spending on average 19% of their income on childcare. UK childcare costs are so prohibitive that one in five parents in households earning below £50k told a recent survey that they are leaving the workforce, and more than three quarters reported reducing their hours at work due to childcare costs or availability (Pregnant Then Screwed, 2023). Parents of children aged 0-4 are finding it increasingly difficult to meet their childcare costs (DfE, 2023), yet a shortfall of ~£2bn government funding means providers must ask parents to top-up, creating yet another barrier for poorer families and disincentivising providers from operating in disadvantaged areas where fewer families can afford to make these top ups (Kindred Squared, 2022).



## **Childcare quality**

It is widely accepted that early years education and childcare can lay the foundations for future educational success and other long-term benefits but only when that provision is high quality. The flagship longitudinal EPPSE study (Taggart, 2015) explored the benefits of children's attendance at pre-school and found that quality was positively associated with a range of academic outcomes stretching into secondary school and beyond. However, children who had attended a poor-quality setting were found to be no better off than those who had not attended at all. EPPSE also highlighted the 'protective' nature of high-quality pre-school attendance for disadvantaged children, which was found to reduce the effects of risk factors associated with disadvantage on children's educational progress and attainment. However, the quality of provision varies considerably across the country with disadvantaged families less likely to have access to high quality provision for example, fewer providers rated as 'outstanding' by Ofsted operate in disadvantaged areas (16% vs 23% in affluent areas), (Kindred Squared, 2022).

A key feature of high-quality early years provision is strong leadership and skilled, dedicated staff, but this is increasingly difficult for the sector to maintain amidst a staffing crisis caused by an 'underpaid, undervalued and overworked' workforce (Early Years Alliance, 2021). Funding shortfalls mean providers cannot offer competitive salaries to recruit qualified staff and lack of professional development contributes to high turnover of existing staff.

High-quality early years provision also prioritises parental engagement, as reflected in the Teachers' Standards for early years (Gov.uk, 2013), which states that involving parents and regularly providing them with feedback promotes good outcomes for children. Early years professionals can facilitate parental involvement and help overcome their anxieties about supporting their child's learning by providing information, guidance and training, and supporting access to formal/informal networks that 'foster partnerships and boost confidence and autonomy within the home' to ensure children 'thrive from the outset' (Clark, 2023).

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