

# Early Childhood Education and Care: Policy Development Research Briefing

September 2019



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# Early Childhood Education and Care: Policy Development Research Briefing

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**Paper Overview:**

This briefing is the third in a series providing a quick guide to early childhood education and care (ECEC). The first two papers considered how ECEC services can be structured, organised and delivered. This final paper looks at the key policy questions around ECEC including who it is really for, how available and accessible it is, and how it is funded.

The briefing has been written by Dr David Dallimore from the School of History, Philosophy and Social Sciences at Bangor University under Senedd Research's Academic Fellowship Scheme to support Assembly Members in their scrutiny of the provision of ECEC.

Senedd Research acknowledges the support of Bangor University that enabled Dr Dallimore to take part in this fellowship.



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## Introduction

Early childhood education and care (ECEC) is the term widely used to describe any regulated arrangement that provides education and care for children from birth to compulsory primary school age. While ECEC is increasingly a policy priority in many countries, there is little consistency in how it is conceived and delivered.

As set out in [Briefing Paper One](#), (1.10 MB) the way that different countries approach ECEC often reflects their societies' underlying view of the child. Placed on a continuum, young children are seen at one end as 'future citizens' valued primarily as the adults they are to become. The focus of ECEC in such cultures is on preparing children for school. At the other end of the continuum, children are valued for who they are in the 'here and now'. In societies that hold this view, the purpose of ECEC is to support young children to develop at their own pace, utilising their innate capabilities. These views tend to dictate how countries approach ECEC policy-making and how it is therefore structured, organised and delivered.

As discussed in [Briefing Paper Two](#) (874 KB), the variation of approach impacts on the quality of services and the pedagogies used (the methods and practices of teaching and learning). These have been shown to be highly important in achieving policy objectives ascribed to ECEC.

This final paper looks in more detail at how policy approaches have defined who benefits from ECEC, and examines the variation that this has caused in the accessibility, availability and affordability of services. Finally, it sets out the key questions that need to be considered when examining and developing policies for early childhood education and care in Wales.

## Who should benefit from ECEC services?

Approaches to ECEC in different countries inevitably have historic roots, reflecting cultural ideas of motherhood, family, childhood, work and the role of the state.

These underlying views can be seen to underpin policy ‘rationales’ from which different individuals or groups are seen to benefit from ECEC. In Wales, these **have been summarised** as follows:

<b>Society and the economy</b>	ECEC reduces the expense of remedial action in primary and secondary schooling and results in greater adult productivity, and less anti-social behaviour.
<b>Schools and learning</b>	ECEC benefits all young children, enhances dispositions for learning and socialises them for starting school, especially children from poor or migrant families.
<b>Knowledge economy</b>	ECEC promotes education and lifelong learning, essential to a competitive knowledge economy.
<b>Welsh language</b>	Children who start learning Welsh early are more likely to become fluent Welsh speaking adults.
<b>Women</b>	ECEC supports women (who are the primary carers of young children) as essential contributors to a dynamic economy.
<b>The tax and welfare system</b>	ECEC supports working mothers who contribute to the tax system and lessen the need for social security payments; they make an important contribution to family income.
<b>Future population</b>	ECEC encourages parents to have more children, tackling birth rates below level of replacement.
<b>Mothers</b>	ECEC policies support mothers to be involved with their children; parents are a child’s first educators.
<b>Children in poverty</b>	ECEC can help parents work, which can play a role in addressing child poverty which impacts severely on children’s educational performance, their sense of self-worth and their subsequent societal contributions.
<b>Children’s rights</b>	Young children are rights bearers and all children have a right to protection, provision and participation.

Each rationale involves different approaches to ECEC policy. Since devolution, most, if not all these arguments have been used to explain the drivers for ECEC policy in Wales, even though some are contradictory or incompatible. They also span several policy areas which can make ECEC policy appear incoherent. The impact of such disjointedness is evident in the inconsistent accessibility, funding and quality of ECEC services.

## Access to ECEC services

The proportion of children enrolled in ECEC has risen considerably in recent years to a point where, in **2016**:

- an average of 33% of children aged 0 to 3 years were enrolled in registered services across OECD countries (32% in Wales); and
- participation by older children has become near-universal with over 90% of 3 year olds and almost all 4 year olds receiving some ECEC in Wales.

Yet despite growing participation, there is significant variation in ECEC in Wales depending on factors such as the age of children, where families live, what their economic circumstances are and what services are accessible to them.

### ECEC for children under three

The **dominant policy rationale** (631kb) for ECEC for this age group has been to support working parents – and mothers in particular – with a subsequent justification that this in turn can help tackle child poverty.

Provision for this age-group is currently referred to as ‘childcare’ and comprises a mix of full-time and part-time provision in day nurseries, pre-school playgroups, cylch meithrin and with childminders.

In 2018 there were **3,645 registered childcare settings** in Wales, with nearly two-thirds being childminders. The number has not changed significantly since 2008 and, compared with the other parts of Great Britain, Wales has the lowest level of pre-school childcare when set against the population of young children.

The main source of information about childcare in Wales is from the regulator, **Care Inspectorate Wales** (CIW). CIW register childcare provision as either ‘Childminders’, ‘Full Daycare’ or ‘Sessional Daycare’ and, according to their **latest published** (2MB) data, there are up to 62,303 childcare places in Wales.

Set against the population of young children, at face value this could be interpreted as up to 61 childcare places available for every 100 children aged under three. However, CIW data do not provide a definitive picture in that way. This is because data on registered places set out the maximum number that a setting can legally provide, but not all will be available depending on factors such as demand and staffing. Some settings may be registered but not currently caring for any children. Many settings are only open part-time, or restrict the number of children of a particular age that they can cater for. Because of high staff ratios, places for younger children and babies in particular are often restricted. ‘Sessional’ care settings also offer restricted places, with many play-groups and cylch meithrin only open for half-days, and catering only for children aged two to four years of age.

If sessional care is excluded, there are potentially just over 47 childcare places per 100 children aged under three in Wales<sup>1</sup>. A **survey of local authorities in 2018** found that just 35% reported having enough childcare for children under two across their area.

Around 25% of two year olds living in the most deprived areas of Wales receive ‘free childcare’ through **Flying Start** as part of a wider package of parenting and developmental support. Flying Start has a specific policy rationale. Its focus is on support for mothers, and has a compensatory programme of early intervention towards school readiness.

For eligible children, Flying Start childcare is available for 12 ½ hours per week for 39 weeks a year, from the term following their second birthday to the end of the term following their third birthday. However, it is an area-based initiative, and not all of the children receiving the service will be living in poverty. Similarly, this also means that **many children experiencing poverty in Wales will not be reached** because they do not live in a Flying Start area.

### ECEC for children aged three and four

Wales has followed the international trend and, over the last two decades, has increased universal ECEC entitlement for 3 and 4-year olds.

By law, a child in Wales does not have to start school until the term following their fifth birthday, but despite significant variations in admissions policies by area, almost all children in Wales are in primary school by the time they are four years old.

**1. A more detailed picture of local ECEC can be found in the local authority Childcare Sufficiency Assessments, but they are ill-suited to providing all-Wales intelligence as, despite statutory guidance, no common methodology is required.**

Every three year old child in Wales is entitled to a free part-time **Foundation Phase** (401kb) early educational place for a minimum of ten hours per week (although some local authorities and individual schools offer more), usually starting the term after their third birthday. Although often called ‘early education’, Foundation Phase provides ‘**developmentally appropriate practice**’ (546kb) where the rationale for it as a policy is often explained as providing school readiness, but with an emphasis on the individually paced development also resonates with a child-led right’s approach.

According to **ESTYN**, in 2018 there were 1,644 settings that could offer early education to three year olds in Wales. Of these, 1,051 were maintained schools and nurseries while 593 were non-maintained (down from 737 in 2010).

There is considerable variability in the balance of maintained and non-maintained settings across Wales that provide the Foundation Phase. This ranges from Monmouthshire, where 73% of settings are non-maintained, to Neath Port Talbot where there are none. This is important as non-maintained settings are better able to provide a **flexible ECEC offer** that includes both childcare and early education. Local authorities have a responsibility to ensure that all Foundation Phase provision is of good quality, but this means that non-maintained settings can be subject to oversight by up three bodies (**Estyn**, **CIW** and the local authority).

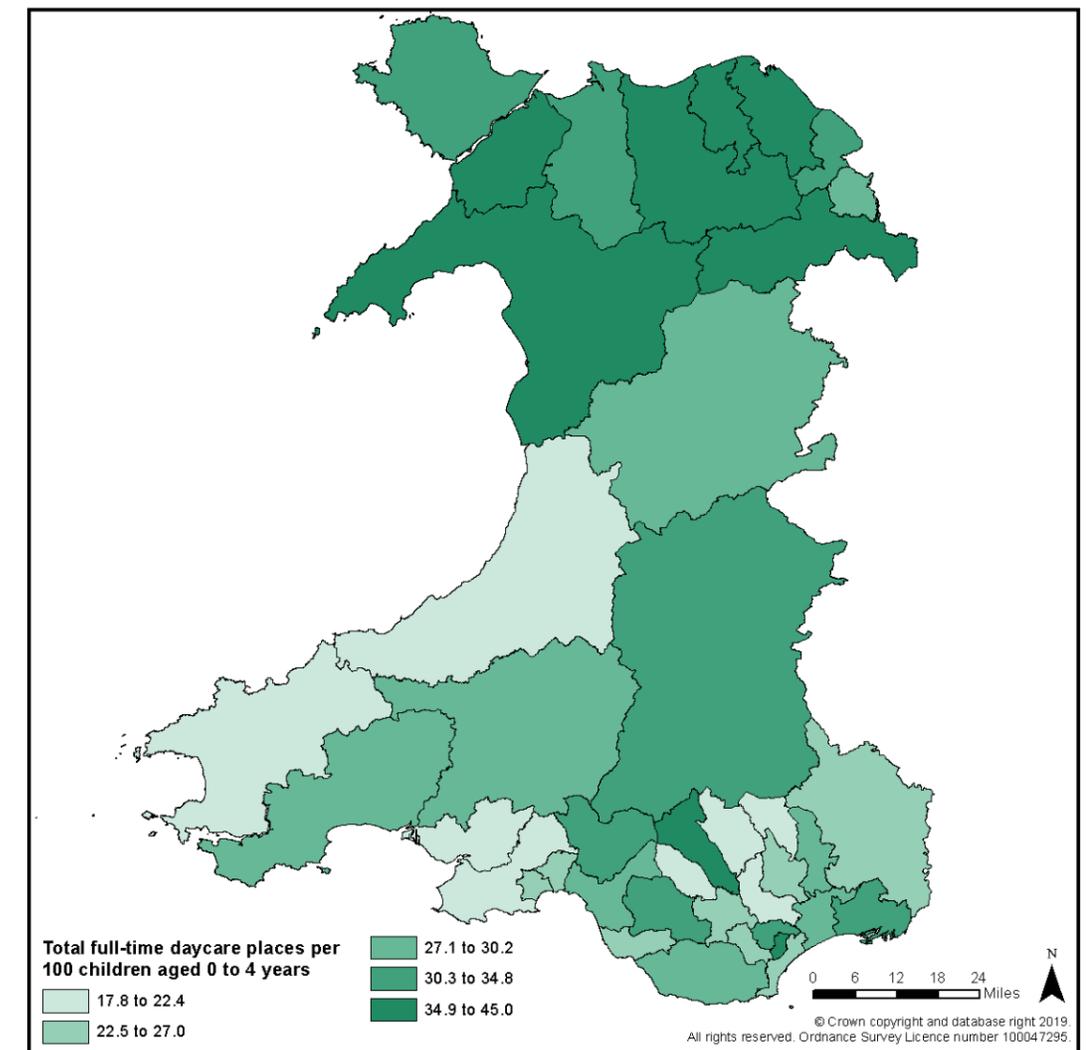
Since 2018, some **eligible 3 and 4 year olds** are able to receive up to 30 hours of ECEC per week with the Welsh Government’s **Childcare Offer**. This provides funded ‘childcare’ of 20 hours per week in addition to the 10 hours of Foundation Phase. The policy rationale for the Offer is to support working parents, although there have been **reports** that Welsh Government are considering broadening eligibility to some non-working parents.

Three and four year olds ineligible for the Childcare Offer can still pay for a place in childcare settings to complement their Foundation Phase entitlement. This is unusual, but more common are parents receiving the Offer and Foundation Phase, but requiring childcare for longer than 30 hours per week. In most cases parents will need to use more than one – **and as many as three or four** (3.3MB)- ECEC services to achieve this, highlighting a significant gap in ‘integrated’ ECEC for this age-group.

## Availability of ECEC

Within Wales, there are big differences in the amount of ECEC provision available as shown in Figure 1. In general, there is more childcare for young children in North Wales, with the Clwyd West constituency having the highest rate, at 54 places for every 100 children aged 0 to 4 years of age. Much of South Wales has limited pre-school childcare provision, with constituencies such as Merthyr Tydfil and Rhymney, Caerphilly and Gower having fewer than 25 places per 100 children.

Figure 1: Registered full-time pre-school childcare places per 100 children aged 0 to 4 years of age by NAW constituency (the same data by local authority is contained in the appendix)



Source: Childcare places provided by Care Inspectorate Wales, 2019. Population data obtained from Mid-Year Population Estimates, 2017, Office for National Statistics.

As **research** has found, the reasons for these disparities are highly complex, with demography, rurality, and local cultural, and economic traditions likely to play a part. Policy rationale also has a role, with both Welsh and UK Governments having followed a demand-driven approach to the childcare market with subsidies mainly given to working parents. Given the relationship between worklessness and poverty, it is unsurprising to find a link between levels of childcare and childhood deprivation in Wales (see appendix Figure 3). As a consequence of this policy, childcare providers have little incentive to develop services in the most economically challenged areas where there are fewer working parents.

As well as inconsistent availability of provision across many areas, local authority Childcare Sufficiency Assessments have also highlighted gaps in services for particular age-groups, for times of the day and in school holidays. The availability of Welsh Medium provision is also variable, yet ECEC is critical in achieving the Welsh Government's vision of a million Welsh speakers by 2050. Furthermore, as highlighted by the **Welsh Language Commissioner (1.1MB)**, making realistic judgements about the extent of Welsh Medium ECEC is hampered by inconsistent definitions and poor data.

## Funding and Paying for ECEC

State funding for ECEC in the UK has **been described** as a 'complex patchwork' divided into 'supply-side' support, where providers are paid directly by the state to provide free ECEC places, and 'demand-side' support, where the consumer (parent) is given a subsidy by the state to pay for services. The two funding systems can be seen to reflect different policy rationales for ECEC.

Supply-side funding often promotes universalism, where ECEC is seen as an investment by the state in the development or welfare of children through programmes such as Foundation Phase or Flying Start.

Demand-side funding usually works through the tax and benefits system via means-tested tax-credits or vouchers, and has been used in the UK to support parental employment and economic outcomes rather than being focused on meeting children's developmental needs. However, the introduction of the Childcare Offer in Wales has created a new paradigm and added complexity, with a means-tested, supply-side funding scheme.

The two approaches to funding also reflect differing economic approaches to ECEC. Supply-side funding is often linked to state-run or state-directed provision. Demand-side funding, on the other hand, is viewed by many as a means to stimulate private-sector provision as parents make rational consumer choices about care and early learning. Demand-side funding has been **shown to be problematic**, as parents' decisions about care can be emotive and driven by social norms rather than economics. This in turn might explain why there has been little increase in ECEC provision in Wales in over a decade. Complex means-tested schemes such have the potential to increase inequality, as disadvantaged children in non-working families are further disadvantaged by missing out on the early learning and development support that quality ECEC can provide. These themes were picked up by the Children, Young People and Education Committee in a recent **report (1.1MB)**.

For parents, the myriad funding schemes can make it difficult to understand what they are entitled to claim, and which would be best for them financially. Eligibility for free services or help with ECEC costs can depend on income, working status, the age of the child, residential status, nationality, marriage or partnership status and the status of the provider. To confuse matters further, some schemes are administered by UK Government, some by Welsh Government and others by local authorities.

“The complexity of the childcare system means many parents are missing out on the support they are entitled to and view childcare costs as an insurmountable barrier to work.” **Coram Family and Childcare, Childcare Survey 2019 (IMB)**

For ECEC providers, funding can also be complex. Non-maintained ECEC settings operate services in a highly regulated environment that sets minimum staff ratios, minimum qualifications and minimum wages. This effectively ‘fixes’ the bulk of operating costs. Income is also fixed both directly and indirectly. Directly, Government sets supply-side rates for places funded by the Childcare Offer (**currently £4.50 per hour**) and local authorities set varying rates for Foundation Phase (**averaging £3.13 per hour**)<sup>2</sup>. Indirectly, caps on supply-side funding through routes such as Universal Credit and Childcare Vouchers also restrict providers’ ability to set prices that on one hand parents can afford, but on the other, make them sustainable. Maintained settings face fewer inconsistencies, as Foundation Phase funding is given to schools indirectly via local authorities within the **Revenue Support Grant**.

Despite the plethora of funding schemes, the UK<sup>3</sup> is consistently found to have some of the highest childcare costs to the consumer in the world.

**2018 data** from the **World Economic Forum** shows that for a UK couple with average incomes and two young children, childcare takes up 35.7% of their net income.

**European Network on Childcare** has made the recommendation that the charges to parents for ECEC services should not exceed 15% of net monthly household income.

While **childcare costs in Wales** are on average 7% lower than the UK average, this reflects lower **average earnings**.

The present funding situation reveals a piecemeal approach to ECEC policy development in Wales over the past 30 years and highlights some of the competing policy rationales highlighted at the start of this paper. Maintaining this complex system of funding with a mixed-market of ECEC providers is challenging, with the ever-present danger that changes to one element of the fragile system will have implications elsewhere.

<sup>2</sup> Welsh Government is currently running a pilot project, in partnership with Flintshire County Council, to test the impact of a consistent funding rate for early education and childcare

<sup>3</sup> Childcare costs in Wales are slightly lower than the UK average. See [www.familyandchildcaretrust.org](http://www.familyandchildcaretrust.org)

## Key questions for Welsh policy makers

### Creating a positive policy environment

For many years, Wales has been at the forefront in developing a children’s policy agenda based on the rights of the child. Yet one of the challenges to developing ECEC policy is that the range of rationales for providing it can result in misappropriation by competing policy areas. ECEC may therefore be used as a vehicle for achieving aims that are not always necessarily in the best interest of the child.

As stated in the **first Briefing Paper**, in moving ECEC forward in Wales, policy makers need to be clear about the rationales for ECEC.

In Denmark, the government passed a **political agreement** in 2017 with cross-party support aimed at increasing the quality of ECEC facilities. The primary objective was that:

*“ECEC facilities shall promote the well-being, learning and development of children through safe and pedagogical learning environments, in which the notion of play is at its core, and the view of children is foundation.”*

A secondary objective was to provide ECEC flexibly to enable parents to balance work and family life, while a third aim was to ‘prevent the vicious circle of deprivation and exclusion’. Yet these objectives were subordinate to the first, making it clear that ECEC was always first and foremost for children, and that children’s right to be children was inalienable.

The rationales for ECEC in Denmark are not dissimilar to those used in Wales, including **the principles** that underpin Foundation Phase, or providing support to working parents through the Childcare Offer. Yet the clarity of purpose, greater understanding and cross-party, and cross-sector support for ECEC creates a unified sense of resolve that is currently absent in Wales.

Once the purpose of ECEC is clearly articulated a coherent way of delivery and funding it is far more likely to follow. This includes addressing the following key questions for policy makers that were set out in the **first Briefing Paper**.

### What types and quality of ECEC services should be provided?

At the root of many of the issues that hold back the development of a rational approach to ECEC in Wales is the continuing distinction that is made between education and care.

A unified approach, with equal status given to ‘care’ and ‘education’ **has been shown** to change attitudes and foster a whole-child approach across services. This goes hand in hand with equality of provision where, because funding follows the child, a plurality of quality ECEC providers can flourish to meet local needs.

A consistent regulatory approach to ECEC would create opportunities for public, private and voluntary ECEC providers to create coherent and continuous services that promote the well-being, development and learning of children, support the Welsh language, and help parents organise work and family-life.

In addition, there is **evidence** that a consistent curriculum across the age range, which combines a broad national framework with the flexibility to meet local needs, would help to raise quality.

### Who should benefit from ECEC?

In this and previous papers, an argument has been made that current ECEC policy is out of line with Welsh Government’s commitment to UNCRC which suggests a ‘whole’ approach to childhood, viewing each child as having rights, potential and competence.

While adopting this approach would require a rethinking of how current services are organised, it does not preclude other policy rationales. Addressing inequality and disadvantage **has been shown** to be intrinsic within high quality, integrated ECEC while, pragmatically, social and economic imperatives require ECEC to meet the needs of working parents. Nonetheless, most commentators agree that ECEC must be, first and foremost, for children.

### How much should be invested in ECEC?

In countries such as the Netherlands, Belgium, the United States and the UK, **it has traditionally been argued** that the market will meet the childcare needs of parents, and governments should only intervene if there is market failure. In many northern European countries on the other hand, ECEC is seen as an essential service for children, universally available to all and with provision mainly provided by the state or municipalities. These differences in values determine the overall resources devoted to ECEC and the division of funding between families and the state. They are also linked to accessibility, with **market-led systems shown** to create less provision, especially in less well-off areas.

**Societal values** also drive ECEC policy in the extent to which it only supports working parents and if not, the extent to which parents who (through choice, or economics) stay at home with their young children have access to ECEC, or are supported in other ways by the state. For example, **in many countries**, increasing ECEC provision has gone hand-in-hand with increases in leave entitlements for both mothers and fathers.

With evidence of the benefits of ECEC becoming more widely accepted, and with increasing demand from families, most countries are looking to increase ECEC provision towards universality. Yet during difficult economic times, investment in ECEC needs to strike a balance between the resources that can be invested by the state and the perceived benefits.

### Who should pay for ECEC?

Countries vary widely in the extent to which parents bear the costs of ECEC, but **international surveys** consistently find that UK parents pay a very high proportion of the costs. Nonetheless, no developed countries have a completely fee-free system of ECEC. Even the Nordic states adopt a means-tested system of contributions, with a cap related either to a maximum percentage of earnings (e.g. 25% of the cost in Denmark) or a maximum sum per month (around £300 in Norway). Such state subsidies are expensive, reflected in taxation rates that would arguably be unacceptable in the UK.

While reform is necessary, the principle of no-cost provision established by the Childcare Offer in Wales is one that is likely to be difficult to extend across all ages. Meanwhile, the current proportion of fees paid by parents of younger children can lead to financial pressures and limits access, a situation exacerbated by the complexity of funding arrangements. Devolution further requires a difficult balance to be struck between utilising Welsh Government funds to support ECEC and UK Government supply-side funding subsidies.

### How should ECEC be structured?

One of the most difficult policy issues of ECEC provision is related to governance. This includes both how strategies are planned and developed, and how services are delivered.

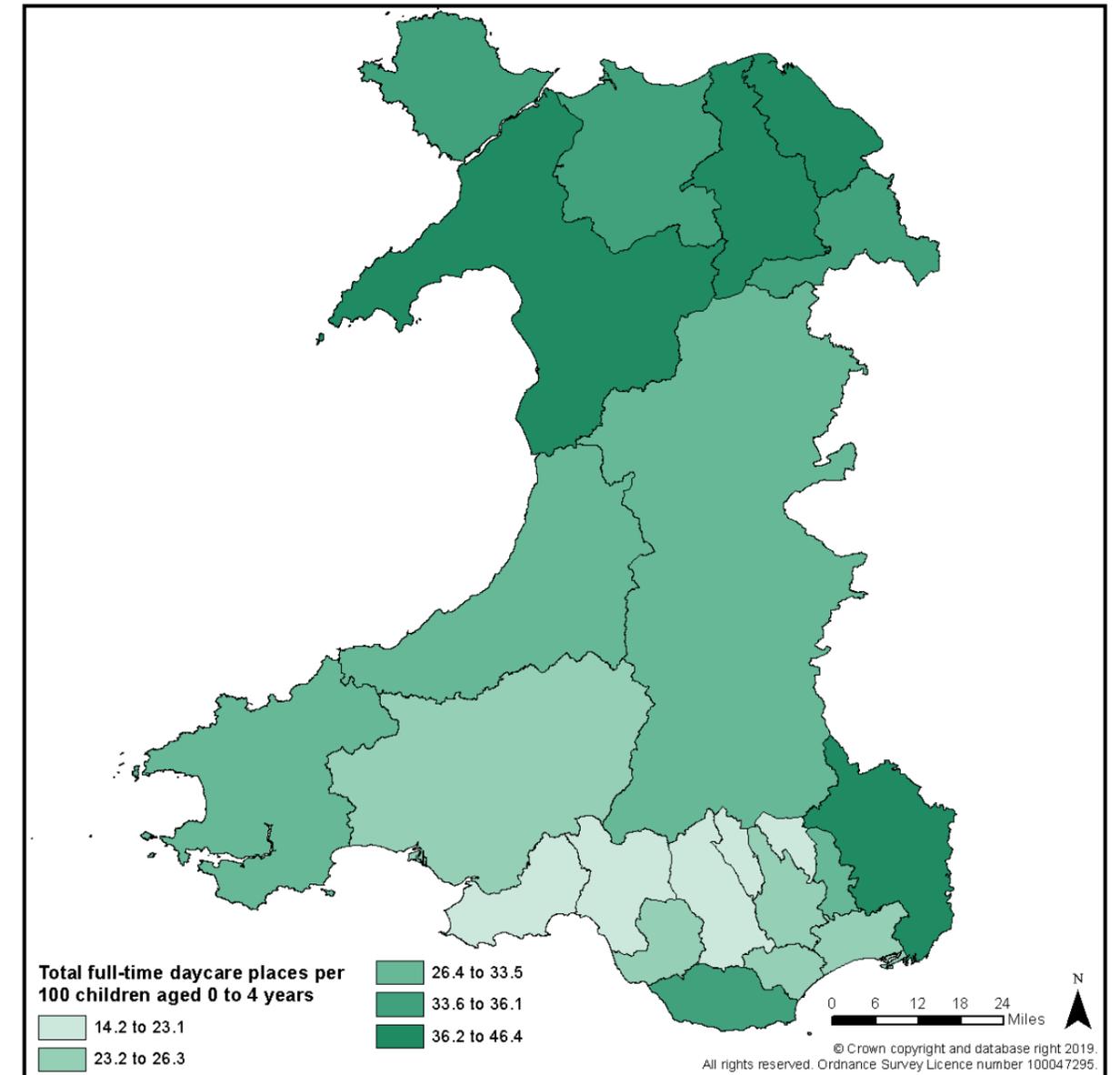
ECEC lies at the intersection of a number of Welsh Government departments (Health & Social Services, Education, Economy, Welsh Language) with a broad range of policy drivers and rationales in place. In addition, there are further layers of governance including national regulators and local authorities as well as a range of providers and interest groups. On the planning of strategy alone, it is essential to bring these various stakeholders together – since many of the decisions are based on societal value judgements.

While there is a good record in Wales of inclusive strategy development, co-ordinating different government departments, local authority departments and diverse providers and stakeholders is a major challenge for the delivery of coherent and consistent services.

One approach would be to provide integrated services under one government department (education is the lead in most countries). A unified system offers consistency across sectors in regulation, funding and workforce, while for children, there is not only greater consistency, but, particularly in the context of the new **Curriculum for Wales**, smoother transitions between ECEC and primary school. There are concerns around embedding ECEC within the education department, however, as it can lead to the ‘schoolification’ of ECEC, with a pedagogy that is concerned with readiness for school, rather than a focus on the more holistic needs of young children.

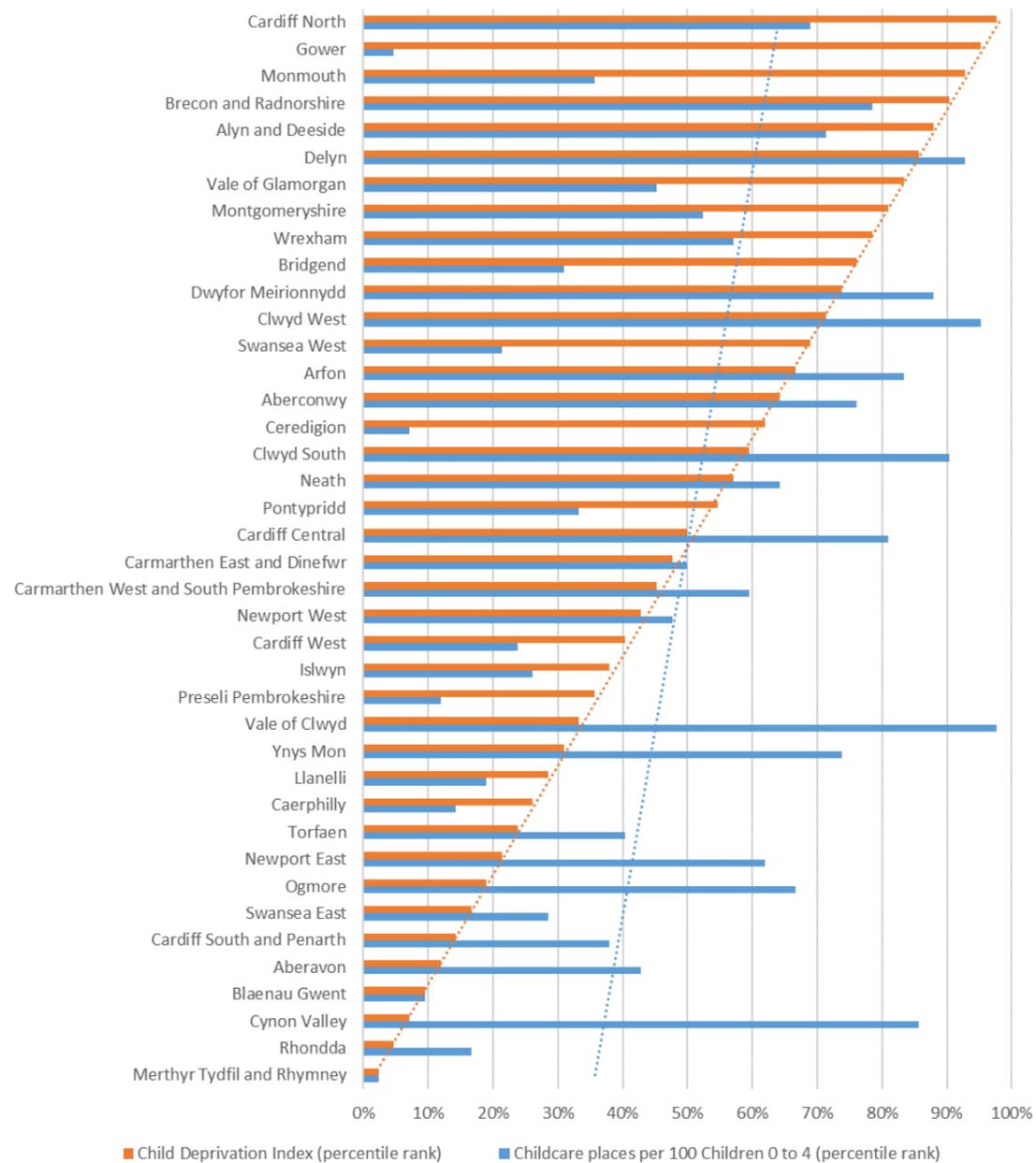
## Appendix

Figure 2: Registered full-time pre-school childcare places per 100 children aged 0 to 4 years of age by local authority



Source: Childcare places provided by Care Inspectorate Wales, 2019. Population data obtained from Mid-Year Population Estimates, 2017, Office for National Statistics.

Figure 3 Relationship between deprivation (child deprivation index 2011) and childcare (childcare places per 100 children) by NAW constituency



Source: Childcare places provided by Care Inspectorate Wales, 2019. Child deprivation index 2011 provided by Welsh Government, 2011.

*Note: Despite a number of outliers, the trend-lines show a relationship between low levels of childcare and low child index scores (high levels of deprivation affecting children). Some of the outliers are probably due to concentrations of childcare in travel to work and urban centres. This would explain the lack of childcare in relatively wealthy Gower (with more in neighbouring Swansea), and the large amount of childcare in the relatively deprived Vale of Clwyd (with Rhyl as an employment centre).*