

Education Committee

Oral evidence: [Life Chances](#), HC 1006

Tuesday 10 July 2018

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[Watch the meeting](#)

Members present: Robert Halfon (Chair); Lucy Allan; James Frith; Trudy Harrison; Ian Mearns; Lucy Powell; Thelma Walker.

Questions 84 - 217

Witnesses

[I](#): Bob Reitemeier, Chief Executive, I CAN, Dr Kitty Stewart, Associate Professor of Social Policy, London School of Economics and Political Science, and Dr Shirley Woods-Gallagher, Strategic Lead, Reform and Innovation, Manchester City Council.

[II](#): Nadhim Zahawi, MP, Parliamentary-Under Secretary of State for Children and Families, and Michelle Dyson, Director of Early Years and Childcare, Department for Education.

Written evidence from witnesses:

- [ICAN](#)
- [Greater Manchester Combined Authority and Greater Manchester Health and Social Care Partnership](#)
- [Department for Education](#)

Examination of witnesses

Witnesses: Bob Reitemeier, Dr Kitty Stewart and Dr Shirley Woods-Gallagher.

Q84 Chair: Good morning, everybody. Thank you so much for coming today. If you could, just for the benefit of the tape and for those watching on the internet, please give your positions and titles. Thank you.

Dr Woods-Gallagher: Hi, I am Dr Shirley Woods-Gallagher and I am here to represent Greater Manchester.

Dr Stewart: Hi, I am Dr Kitty Stewart and I am Associate Professor of Social Policy at the London School of Economics.

Bob Reitemeier: Hello, I am Bob Reitemeier. I am the Chief Executive of I CAN, which is the children's communication charity.

Q85 Lucy Powell: Thanks for coming. I am just going to start off with some broad questions to each of you. Obviously you each have a different area of specialism so I probably will not do the same questions to all of you, if that is okay. Kitty, I will start with you. From your point of view, do you want to just say a bit about how you think current Government policy is or is not helping the most disadvantaged get the help they need in the early years?

Dr Stewart: I have three broad concerns with the way that Government policy is moving in this direction. The first is that we are moving to a situation where early education is considered the policy to improve life chances in the early years, and although I think early education is a crucial plank of a strategy to improve life chances, there are other areas that are being squeezed and cut back to an extent that it makes it very difficult for early education to act as a magic bullet.

I would highlight in particular financial support for families with young children. We have very strong evidence about the importance of an adequate income for ensuring that children can thrive and that parents can do the best parenting they can. That is one thing and we know that benefits are being cut and poverty is rising. That is a really big concern.

Secondly, wider services for young children such as those provided through Sure Start—so, from nought through to five. We know Sure Start centres are closing. Again, I can say more about that, but that would be my second concern. That is the first thing: that we are just focusing on early education.

Secondly, within the area of early education I have concerns that the goal of trying to make childcare more affordable for parents, which is a laudable goal and important, is being pursued very much at the expense of providing high-quality early education for disadvantaged children. We know, for example, that the 30 hours policy—I know you have heard a bit about this already—is directly leading to reductions in the numbers of hours that children from more disadvantaged families are able to access



early education, and there are also concerns about closure of some settings as a result of that policy, voluntary sector settings, which are often very good at reaching out to disadvantaged families. There are also concerns about the impact on quality, given the funding available.

Sorry, I will shut up soon. Thirdly is just to say that quality really matters.

Q86 Chair: There is so much you can tell us and it is really important, but we have a lot to get to. If we could just ask all of you to be slightly more concise. I understand it is your opening thing, but thank you.

Dr Stewart: I apologise.

Lucy Powell: No, no. Do your third point.

Chair: Carry on, please.

Dr Stewart: The third area was just to say that quality really matters and that has almost disappeared from the agenda. There is not enough focus on improving quality and indeed developments have led to cuts in problems for quality. I would highlight other things that you have heard about already, also the way that local authorities have had their funding and ability reduced to support ongoing professional development in nurseries, for example. It is one thing you have not heard about yet that is important.

Q87 Lucy Powell: Thanks, Kitty. That is very comprehensive. Shirley, coming to you, given some of what Kitty has just said there, could you perhaps just explain for the purposes of the Committee—I must declare an interest in Greater Manchester, for the rest of the panel—what Greater Manchester is doing in terms of that nought to five and overcoming some of those challenges that Kitty has just outlined?

Dr Woods-Gallagher: Greater Manchester has a one-care pathway, an eight-stage model approach. We have been implementing it since we did a cost-benefit analysis on this approach in 2012-13. The approach is largely wedded around key points of assessment. We think there could be better midwifery screening at the booking-in stage. At the moment, you do screening around medical need and not necessarily around social need, unless it is imminent safeguarding risks, rather than unresolved adult trauma from their childhood or maybe just learning disability, relating to an adult who happens now to be pregnant. We can do a far more robust screening at that booking-in stage.

Then from two months onwards, we are using the Ages and Stages Questionnaire 3, Social-Emotional Version, at key assessment points all the way up to reception. At the moment we are using paper-based methods to do this, but when we have done a cost analysis with health visiting in Bolton, we know that we could increase health visiting front-line capacity by 44% if we were able to use a digitised solution for this. Also, at the end stage, if we did not have to deal with the landfill issue of



where all this paper goes, it could save an organisation like Oldham £750,000 annually in landfill. The digitised licence for the ASQ3 could measure the five domains of child development from two months, and if the UK had the digitised licence for this all the way up until the age of five and a half, which goes beyond the early years foundation stage profile, that is of greater significance than Greater Manchester and has cost efficiencies for potentially lots of at least English local authorities. We think that is something—

Q88 Lucy Powell: What is stopping that digitalisation?

Dr Woods-Gallagher: At the moment we have a paper licence that the Department of Health has negotiated with Brookes Publishing in America. Recently, the latest version of the CD-ROM was negotiated at Christmas. Anything that the Committee or anyone can do to support us around securing that digitised licence would be hugely beneficial.

At the moment, we have eight stages mapped out. If we had access to the digitised licence, there are potentially up to 60 opportunities where parents could self-assess. The actual domains of what it measures can give parents and carers a nudge into the sorts of things they could be doing to nudge their child's development along.

Q89 Lucy Powell: Bob, just a final question to you. Obviously your area is speech and language and communication. What is your perception in terms of what more can be done in terms of speech and language and do you think there is enough emphasis in terms of Government policy on speech and language in those early years before children even get to school?

Bob Reitemeier: Most recently there have been some encouraging signs. The social mobility action plan and the Centre of Excellence for Literacy Teaching have come out and they have an emphasis on language. Those are some encouraging signs, but overall, when you look at the nation and the needs and the importance of communication, a lot more has to be done.

In terms of the importance of communication, from our point of view, it is the most fundamental life skill. So much depends upon a child's ability to communicate, all the way through the early years, but beyond. In your inquiry on life chances, there is a direct correlation between language development, communication and life chances. For the children's workforce, for all the people that have contact with children—health visitors through to the academic world in terms of reception, nursery, primary—there is a greater need to educate the workforce more on the importance of speech, language and communication and then equip them with the ability to identify when a need is present and what to do about it.

Q90 Lucy Powell: Do you have data and evidence on where that has happened and that that has led to better outcomes?



Bob Reitemeier: That is right. I CAN, in partnership with the Royal College of Speech and Language Therapists, has just recently published "Bercow: 10 Years On", which is a state of the nation of speech and language communication, and that is full of examples of where it can work successfully. A lot of it has to do with local leadership. When you have people in a local area that understand the importance of communication, then it works its way through the systems. A lot of it is dependent upon how the nation is developing joint commissioning. Largely we are looking at education and health and how they work together. There are some good examples of that, but if you look at it nationally, there is a lot more work to be done.

Lucy Powell: I will leave it there.

- Q91 **Thelma Walker:** Thinking about the Government's work on life chances and supporting vulnerable families, there is not just the Government. There are an awful lot of other stakeholders that are supporting our families. Is there an overarching policy about how they all work together and communicate with each other? Kitty, can I start with you? Do you think that there is effective communication between the different stakeholders that are supporting our families?

Dr Stewart: I am not quite sure I fully understand. Could you give me some examples of stakeholders you have in mind?

- Q92 **Thelma Walker:** For instance, within a particular area, you have Barnardo's, for instance, as a charity working within it. What policy is there for what is in place and what is being delivered by local authorities or by the Government? What is the means of communication between the different stakeholders supporting our families?

Dr Woods-Gallagher: I am happy to take that question. I can certainly answer for Greater Manchester. We have a partnership board, and within that we have a voluntary and community sector representative, who then does the infrastructure conversations with other voluntary and community sector partners. Then we have a collaborative, co-production approach in terms of what would then work and make a difference in a particular neighbourhood within a part of disadvantaged Greater Manchester. Although in a modelled way you could say theoretically this may work, you do not know whether you could buy that particular intervention or anyone supplying it within that particular neighbourhood, and also the nuances of what might work in a particular community and why, so it is—

- Q93 **Thelma Walker:** It is that local knowledge?

Dr Woods-Gallagher: It is that local knowledge and intelligent data and that match-up in partnership working and that co-production with parents.

A big part of the GM approach and our commitment to roundtable two weeks ago was a real, strong emphasis on the importance of the home



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learning environment. Although families may come from areas of disadvantage, we know the enriched home learning environment is the big thing that can make a difference, not necessarily parental income or parental occupation. How can we enrich that?

Organisations such as EasyPeasy are doing interventions, which are being evaluated by the Education Endowment Foundation and Durham University, and they are currently being tested in the Opportunity Area in Oldham. We have a 98.9% uptake and retention rate for that intervention using app-based technology to think creatively around how to engage parents to try something different in the home learning environment, which is not so extraordinary that people feel like, "I have to do something completely different now". It is more thinking around, "It's bed-time"—or, "It's bath-time"—"I'm just going to talk to my baby and incorporate a story and something into that" or, "We're walking to the shops and we're going to talk about the street signs because we're going to see them on the way." It is not something different and weird; it is part of everyday life.

Q94 Thelma Walker: That sounds very positive. Kitty, you mentioned the cuts to Sure Start and the work that was going on there. Can you just expand on that and how that might have impacted negatively on early intervention?

Dr Stewart: It is really concerning, and Sure Start was providing—and still is trying to provide in the areas where it is hanging on—that sort of joined-up thinking and being a hub for all the different types of interventions that are happening in an area, addressing some of the problems of outreach, because families are there from birth, from pre-birth even. They are able to do their outreach over several years. Therefore interventions such as that one and other very positive interventions that have been very well and successfully evaluated are able to operate in that space. Otherwise, if you do not have something like that, if you do not have a children's centre or you do not have Greater Manchester doing brilliant work, where you have an intervention like that, where do you get started with it? How do you reach out to the parents that are going to benefit?

Q95 Thelma Walker: You talked about general budget cuts. The IFS has said funding on preventative and early intervention services for children, as well as youth services, has reduced by 60% since 2010. Do you think that currently we are managing to overcome or make adequate provision, thinking about those cuts that the IFS has identified?

Dr Stewart: No.

Bob Reitemeier: No. Your question was about is there an overall strategy. The Government's approach is very much devolution and decentralisation. That is a choice that has been made and that is what we are seeing looming out. The strategy, where it exists, or cohesion is at a local level. One of the things that I would argue is lacking is an overall



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strategy for children for this country, and that is a central Government responsibility, which then would permeate through to the local level. I do not think those are opposite factors or cannot work in unison. You can still continue with the devolution, decentralised strategy, but have an overall vision for children in the country. Because that is lacking, what you are seeing is a very different application of strategy at a local level. You mentioned charities. Charities work together at local level because of personal relationships that exist at local level. It is not because there is a strategy for it.

Dr Woods-Gallagher: In terms of budgeting, we did a big forensic cost-benefit analysis with an organisation called Social-Finance and the Early Intervention Foundation back in 2012-13. Looking at everything in forensic detail, it is really clear that the early years system does not break even until children are aged seven, which is key stage 1. The reception measure is a proxy indicator, and the ASQ3 scores and others I talked about are proxy indicators. The real measure for learning is key stage 1, which is the end of infancy, which does not fit with any electoral cycle or any grant-giving cycles, so it is like a perfect storm.

At the other end of the system at age 16, the biggest recipient of the early years system being effective is the Department for Work and Pensions, and of course currently it does not fund any parts of the early years system. My personal view is, do we want to have a narrative around a percentage of GDP being put towards early years because we know it is not going to break even until someone is aged seven? The rest of it is proxy indicators.

Q96 **Thelma Walker:** I think we are going to ask later about the key stage 1 curriculum and—

Dr Stewart: Can I just add very briefly to what Bob said about decentralisation? I think that is right, but the story is worse than that because it is decentralisation in a context in which local authorities have no money, they have had very, very severe cuts, and they have very limited tax-raising ability. They are being put in an impossible situation and having to choose their priorities within that. On top of that, they are having some of their responsibilities taken away from them. Some local authorities were continuing to do some really good work, for example, providing support to childcare workers and sharing best practice. They had very strong early years teams that were doing that work. Because of the new funding formula, that role has been very deliberately taken away from them. Some of the positive things that they are able to do are no longer possible.

Bob Reitemeier: I agree.

Q97 **Chair:** On the Sure Start issue that was raised, was there individual evaluation of individual Sure Start centres done in terms of showing whether or not they improved the life chances of children in the areas that they operate in?



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Dr Stewart: The evaluation of the original Sure Start centres was very robust and had a very high standard of evidence.

Chair: I have just been reminded by the Clerk that I should declare an interest. I am patron of a child charity called Home-Start in my constituency. Thank you.

Dr Stewart: It had a very high standard in the evaluation in the sense that they were looking to see whether having a Sure Start centre in your area, whether you accessed it or not, had an effect on the outcomes of children in that area. They found significant effects on some outcomes that are very hard to do something about, as we know, parenting outcomes. It led to more positive parenting and less harsh and negative parenting and improved the home environment.

Q98 **Chair:** This is an evaluation of every individual Sure Start centre, is it?

Dr Stewart: No. That is the other thing about it. Because it is so varied across the country, because it was locally very varied, the fact that you were finding these positive effects on average is very encouraging, though they did not then go on to find positive effects on children's outcomes.

Q99 **Chair:** That may have been that there were some excellent Sure Start centres and some may have been better than others.

Dr Stewart: Yes, absolutely.

Q100 **Chair:** We do not know for sure whether each individual Sure Start centre was really improving the life chances of children. That is all I am asking.

Dr Stewart: Every single one? No, we do not know that every single one was.

Q101 **Chair:** The local authorities did not do studies or the DfE?

Dr Stewart: They did do studies, but it is very difficult to have the standard of causal evaluation that can be confident. They did studies that found that it was popular, that more people were using the breastfeeding settings and so on, but the problem is, where is your counterfactual? How do we know for certain that that is better than it would have been without the Sure Start centre? That is the problem.

Q102 **Chair:** I will come on to you in a second because it is relevant to my questions. Some people say that in some areas where there were very good local charities doing similar work to Sure Start, what happened then was that the money was sucked out of those charities and put in the Sure Start centres. I am not saying that was a good thing or a bad thing, I am not making a judgment of it, but some charities say that. I also appreciate that not everywhere had excellent charities looking after parents who needed the help and so on. How would you describe that?



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Dr Stewart: That is exactly why they designed the evaluation in the way that they did. They could not just look at the Sure Start centre and see the impact that was having because it might have pushed out lots of other provision. They designed the evaluation in the way that they just said, "Let's look at this area in total, compared to an area that does not have a Sure Start centre," and does have the other sorts of provision you are talking about, "Do outcomes change?" They found that, yes, there was more positive parenting in areas that had a Sure Start centre across families across the area, not just families that were using the Sure Start centre.

Q103 **Chair:** No, but the Sure Start centres were put into some areas where there was good work done, so you would not know whether the Sure Starts were successful until they had been done.

Dr Stewart: You do, because you are comparing it to similar areas that do not have a Sure Start centre. That is how you are getting your counterfactual. Exactly the problem that you are highlighting is what the researchers designed the evaluation to overcome.

Dr Woods-Gallagher: To give you reassurance from the Greater Manchester model perspective and what we have upscaled, our learning was taken from in-depth evaluation of seven areas of Greater Manchester where we did total place pilots, where we looked at the children's centre as part of an integrated health and care offer before we even had devolution, so you created a one-care pathway that made sense to children and families. We evaluated the living daylights out of it because we wanted to know whether it worked or not. It is a published evaluation. We can certainly do a note on that for the Committee if that would be helpful.

We managed to turn the reach rate from that centre from 19% to 91% within 12 months by having a very different outreach model, and we had an over 80% retention rate for support to parents and parental interventions in the home from pregnancy onwards. For those particular areas of deprivation, look at the National Academy of Parenting Practitioners. You would have expected retention rates to be around 40%, but we had them up at 80%. I feel confident that using that offer of the children's centre, but within the context of a community and a one-care seamless pathway and information-sharing and lots of support around the home learning environment, made a massive, tangible difference, which is how we were then able to create a cost-benefit analysis where the data is robust enough to prove a return on investment at age seven and an actual contribution to Exchequer at age 16.

Dr Stewart: Can I add one other positive effect that I know Sure Start has had? It was a report that was briefly mentioned in your previous hearing. Someone raised a *Daily Mail* report about how not all low-income children were taking up the three and four-year-olds' entitlement. That is research that I and colleagues have just finished doing. To clarify, that is about the three and four-year-olds. I think people on the panel



interpreted it as being about two-year-olds' entitlement, but we know that although we think about the three and four-year-olds as being universal and that is a done deal, our research finds that there is quite a lot of non-take-up among the most low-income children. Up to a third of those children do not take up the full duration of their entitlement.

We want to know, is that just that parents do not want to use it? Or what is it? We look at the way provision varies across the country and we find that in areas in which there is a Sure Start centre providing some of this provision, there is much higher take-up among low-income families and much less inequality between lower and higher-income families. That is just one, and we think that that speaks to the way that Sure Start is doing outreach and the way that it is doing it from birth so that families know about it early on and do not have to just find out about it at age three. There is one example of one of the positive effects that Sure Start is having.

Q104 Ian Mearns: I am interested in developing this idea about the contradiction though between devolving responsibility down to a local area and having an overarching strategy. In your answers you have all given, you have all alluded to different areas of policy and of responsibility that have had an impact on children's policy across the period. For instance, I am wondering, has anybody done any significant work or a cumulative impact assessment on children with all policies from different Government Departments? For instance, you mentioned before benefits—so the Department for Work and Pensions. We know that some cuts and policies are the responsibility of the Department for Communities and Local Government; others are the Department of Health; others are the Department for Education. For instance, Health did away with health and maternity grants very early on after 2010, which had a greater impact in certain areas than others. Has anybody done an overarching strategic impact assessment on the impact of Government policy across different Departments on the lives of children?

Dr Stewart: I do not know if we can call it an impact assessment, but the team that I am part of at LSE has tracked policy in a range of areas and I have led the work on policy on young children back since 1997. What we do there is try to bring together both what is happening to policy on income, on benefits and on other areas—so, education, health and so on. We look at different age groups too, so we compare how young children have fared since 2010 with how other age groups have.

The headline from that is that young children and their families, in terms of the effect of austerity measures, have carried the very heaviest burden because they have experienced the most negative effects from tax benefit changes and they have seen their services cut and reduced.

Q105 Ian Mearns: I can probably list from the top of my head 15 different cuts impacting on children at different times in their lives. It is all very well having a broad brush, but if we wanted to remind ourselves of what worked and then was cut—should we put it back?—we need to know what



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had the biggest impacts in terms of the cuts that have taken place. I know the family income has to be the big one, but things like health and maternity grants, things like educational maintenance loans for older youngsters, creative partnerships, school sports partnerships, all of those have an impact in different times in children's lives. If we do not do an impact assessment of all those cumulative different cuts, how do we know which ones to be looking to replace or what?

Bob Reitemeier: We can all take turns on this, I suspect. I think there is a disconnect. If there is not an overarching Government strategy that brings those different Departments and different functions together, it is very difficult then to do an impact assessment of how it plays out on the ground. As we have said, in a decentralised world, it plays out very differently on the ground. That would be a tough research project.

A couple of things. We have mentioned Sure Start earlier. Sure Start is the original programme that started many years ago. What we see on the ground now in children's centres can be very different from what was the original Sure Start, but there was evaluation of Sure Start. You would know better than I, but people like Kathy Sylva and Ed Melhuish are people to talk to about that. They conducted that survey. That would be a source for you.

The other I would suggest is the Millennium Cohort Study, which has a very rich database, and you can go into it and you can look at what are the different factors that make a difference to children's lives. I represent a speech and language communication charity. One of the things that comes out of that so strongly is the fundamental importance of the development of language for a child, which then impacts on all the other parts of their lives—yes, educational attainment, that is absolutely clear, but it is more than that. It is about the social interaction, making friends, self-esteem, and all the way through to employment. The Millennium Cohort Study is a good source for you to look at in terms of what are the biggest factors that make a difference.

Dr Woods-Gallagher: In terms of research, we have Anne Longfield, who is the Children's Commissioner at the Department for Education. Arguably it could fit within the remit of the Children's Commissioner to look at the impact.

Q106 **Ian Mearns:** I asked a very similar question of the Children's Commissioner some time ago.

Dr Woods-Gallagher: The second point just to follow up on: there are also the unintended consequences of other Government policies, not just funding decisions, that could have a detrimental impact on children's learning—the implementation of the national curriculum and the way things like, for example, statutory spellings are taught in such an abstract way. If language and communication are the foundation stones of learning within schools, being in reception and year 1 and being given a list of five spellings to just learn the words, without understanding the



word product and the context or supporting parents around explaining what these five words mean, means that you are not really going to be able to layer on potential changes.

We know that those low language acquisition skills and reading skills at age five do not go away at age 10. You are six times more likely to be below national standards at age 11 and 10 times more likely to be below national standards for maths at age 11. As you move into the secondary curriculum, if you have not had that layered-on understanding of language and communication and literacy and being able to read, which is largely fiction-based, and a nurturing environment, that far less nurturing secondary environment, which is far more fact-based where you cannot fill in the blanks, where you need to have 95% comprehension, you will struggle to engage with the curriculum moving forward. There are unintended consequences of even what is going on within primary school settings in the way that they are being delivered. If it is allegedly going to meet maths outcomes, it will not in the way that it is being delivered at the moment.

Dr Stewart: Obviously what you are asking for would be brilliant. It is just what we want. It is very difficult to do that because what happens is a Government comes in and does a whole lot of different interventions. The Labour Government was doing a whole range of different interventions: the income benefit, income support, early education, Sure Start. We have robust evaluations of bits and pieces of that and we have wider evidence that tells us things such as that we know income matters, but it is very difficult to unpick which aspects of that strategy were the successful ones. It is hard to do and the outcome is that there is not one magic bullet policy. Many of these policies are having small effects. Similarly, when you start to unravel them, it is hard to know which bits are going to be the most damaging. We can be sure that, as a whole, children's outcomes were starting to improve under—

Q107 **Ian Mearns:** It is difficult, but it is not impossible to have an evidence-based policy development programme?

Dr Stewart: Yes. You need to look at the particular evaluations. You cannot assess an entire policy programme because you do not have a counterfactual for that, but we do have bits and pieces that tell us—

Bob Reitemeier: It would be fantastic if you did that. I would argue that you would have to do that over the long term.

Dr Stewart: You do not have counterfactuals, so how can you?

Q108 **Lucy Powell:** Also is it ethical to have a group of children who are not in receipt of any of those things for their lives in order to prove the model? Is it ethical to say, "We will take all your benefits away and we will not give you any learning at home," and everything in order to do that? Anyway, there is an ethical question about that.



Dr Woods-Gallagher: There are alternative ways of creating counterfactuals. I am not a statistician, but I am assured by people who are statisticians in Greater Manchester that you could create a synthetic California. If you are doing comparative work in America, there is no other state like California, so you create a deliberate statistical model as your comparator. You do not need to do randomised control trials. Certainly our experience in Greater Manchester is that it is really difficult to isolate and say that a group will not be contaminated as a control group as a public services contract. What is far more helpful is doing things such as data mining, rather than randomised control trials.

Dr Stewart: We do know lots of evidence from this type of thing. I am not saying that we do not have the evidence. I am just saying that overall the package is difficult to do.

Q109 **James Frith:** Good morning. Evidence is good, and clearly there is a lot in mind with what you are speaking about. In terms of the factors being the biggest influences on children's life chances, I saw a presentation at the GM Health and Wellbeing Board. I am an MP in Bury. There are eight, as I understand it. Is that right? Without incurring the Chair's timekeeping tendencies, could we just hear for the benefit of the record the eight areas that they concentrate on and any of the work that has happened to mitigate some of the cuts? That is the reality, whether we like it or not. It is the reality of what we are dealing with.

Dr Woods-Gallagher: Yes. The key stages model is a universal approach. There are eight points of assessment: midwifery, two months, six months, 12 months, and ideally one at 18 months. We know at 22 months that if you have a delay, later on in adulthood we know that there is a 1.5% chance of it having an impact on earnings compared to the top quartile, which goes up at 85. We even know for the two-year-old check, the children we are most concerned about. We have a health and care integrated partnership group within each locality.

One of the most mature examples would be in Stockport, where they have the Stockport Family, where they have integrated teams, where they have supervision around clinical practice, then you might have a generic manager who is managing health and care staff and free information sharing. The key things are around having key points of assessment and then care pathways related to that, whether it is to do with speech, language and communication or whether it is to do with parenting or attachment, or perhaps it is part of attachment and speech, language and communication and so forth. Within that, we then have the effective use of the targeted twos offer and the three and the four-year-old offer. The ambition is to have a schools systems leadership approach to drive performance around the early years.

The Ofsted inspection framework for early years and the two, three and four-year-old offer is perhaps not as robust as those you would have once you are into a primary setting. What can we think about in galvanising and working with schools that will retain or receive the disbenefit of



ineffective early years systems to help drive up some of those quality standards and perhaps mitigate some of the things we talked about earlier around quality?

Another area that we are considering at the moment is maximising the opportunity of digitisation. We have a piece of work called the GM Connect Team, which is looking at the digitisation of the ASQ tool that I talked about, but it is also looking at trying to then release capacity within the 10 local authorities around statutory returns for other children's data and evaluations. If that were automated, it would then free up capacity of those evaluators to do more robust evaluation around the early years. Certainly in terms of considering new investment models, we had an investment roundtable in Greater Manchester a couple of weeks ago, where we were beginning to have some exploratory conversations around that.

Manchester is in a good position because it is the home of the BBC. BBC Learning in its new charter has committed to doing a new project that is ordinarily known for being GCSE Bitesize, but it has committed to looking at early years and speech and language and what could make a difference, and to work with Greater Manchester to test some of that.

Q110 James Frith: Kitty, what would you identify as being the biggest influences on children's life chances?

Dr Stewart: As I said, there are three planks, but I think income poverty is crucial. Somehow in all the discussions that we have, thinking about how we can improve it, we focus on lots of important, smaller issues. It is very difficult for those to have an effect when families are really struggling. We have robust causal evidence that if you improve income for families who are living in poverty, it improves children's outcomes. We think that seems to operate through two mechanisms. One is that you can buy things with money that children need, such as healthy things, fruit and vegetables, books and such. More importantly, it links in to the emotional home environment and it makes it possible for parents to be engaging in other sorts of interventions, to be focusing on their children. We all know that if we are stressed ourselves about work or whatever it is, it is very difficult to be a focused parent and to be listening to your children and responding to them. I think the stresses of living in poverty make it very difficult for these other interventions to have an impact.

Q111 James Frith: Sure. Bob, do you think our school system has historically taken for granted the development of speech and language?

Bob Reitemeier: Yes. I think it is based on an assumption that it will just happen. You cannot take it for granted. Language is something that is developed. It is part of being a human being. Language and early language development is a factor in other things, such as language at age two being a predictor of where a child is when they enter school at age five, and language at age five is a predictor of where the child is



going to be in terms of their exams at age 11. These things are now all based on evidence and fact. When you appreciate that, the school and education system should be doing everything possible to promote language development and especially help identify where those children have a difficulty and provide the right support for them.

Q112 Lucy Powell: Bob, have you seen any evidence about the onset of new technologies either lowering language or increasing it, particularly the use of devices? Is that reducing conversations or is that helping children access more literacy?

Bob Reitemeier: I think it is doing all sorts of things, a lot of which we do not understand yet. One of the things that we do know is that the use of technology with parents is something that we need to focus in on. For example, 85% of a child's language—vocabulary, comprehension—is a result of their language environment, which you can call the family in most cases. It is not always the family. If 85% of it is as a result of that, then you have to look at ways in which you can help the family develop a language-rich environment, which makes a huge impact on the child later on. On your point about technology, one of the ways to talk to parents—especially when you are looking at the wide variety of parents and you do focus in on social mobility or social disadvantage—is the use of technology. Social media, the use of apps—these sorts of things should be part and parcel of what we are doing in terms of reaching out. Go to where parents are and where parents are is where their children are. You see the children are now very adept at swiping.

Lucy Powell: Absolutely. My kids used to swipe magazines.

Chair: We are going to finish at 11 am, so we need to gallop the pace a bit.

Q113 Ian Mearns: I think we have already covered this to some extent, but it is this question of communication and language development. How much of that is a disadvantage issue, do you think?

Bob Reitemeier: There are factors. Social disadvantage is not a cause and effect factor for language development in itself. What is a factor is that what we see in socially disadvantaged areas is often the communication environment is not as rich as it should be. That is what we think is more the factor. If you are a poor family or if you are in a socially deprived area, that does not mean your children will have poor language development. It is not a cause and effect. You can look at the language environment within the social disadvantage.

What we know—and some of the statistics are quite glaring—is that up to 50% of children from socially disadvantaged areas arrive at reception well behind their peers and well behind where they should be at their age group. Indeed, recent studies show that at the age of three, just at the age of three, a child from the poor part of the nation can be 17.4 months behind children from the richer part of the nation when you are looking at the social mobility factors. At the age of three, already 17 months



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behind—if nothing is done about that gap, it just widens year on year on year, but something can be done.

Q114 **Ian Mearns:** That then also reads through with the life expectancy because the life expectancy in the richer parts of the country is very different to the poorer parts.

Bob Reitemeier: If you look at all disadvantaged groups, just to give some examples, with those people who are suffering from mental health issues, excluded from school, in the looked-after system, in the youth justice system, you see a real correlation with all of those groups with speech and language communication factors.

Q115 **Ian Mearns:** Poor communication and language skills: are they an indicator of how well you will do later on in life or is it the cause of it or both?

Bob Reitemeier: I guess you would say both, yes. I do not know if you wanted me to elaborate, but yes, it is.

Dr Woods-Gallagher: There is evidence that reading skills are associated with a significant increase or decrease in gross hourly wages the older you get, in your thirties and forties. There is documented, referenced evidence on that. If it is helpful to the Committee, we can provide a note on that.

Q116 **Ian Mearns:** In the Government's Social Mobility Action Plan, the only ambition related to early years is closing the word gap, but is that the right focus?

Bob Reitemeier: I think that is a very accessible way to describe it. People get that. They understand a word gap. People have different understandings of the number of words. It is more than just words, but you do not have to change the terminology of "word gap". What people need to understand is that it is not just vocabulary. It is also listening skills, comprehension and articulation. There is a lot of sophisticated research underneath that, which is important. If the nation rallies around the word gap, I am happy with that.

Q117 **Ian Mearns:** You are happy with that, but what would your next thing be?

Bob Reitemeier: To have a more sophisticated understanding of what is underneath a word gap, what causes that and how you deal with it.

Q118 **Chair:** What does cause it?

Bob Reitemeier: The word gap comes from this study from the 1990s, which was Hart and Risley. They took 42 families with a seven-month-old child, and over the course of two and a half years, so between seven months and three years-old, they visited those families one hour a week and they basically recorded everything that that child was exposed to—yes, words that the child used, but all the words around the child within



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that environment. What they found is that with professional families, a child was exposed to over 2,000 words in that hour. This is the average over four years. With working-class families it was just over 1,000 words, and in welfare families it was just over 600 words. You see the gap there. Then you project that over four years. The professional family's child had access to 45 million words, and the welfare family had 15 million. You had a gap of about 30 million words. That is what that is based on.

The point I am trying to make is that that is helpful, let's approach that, let's address it, but it is not just vocabulary that is important. It is all the things that build the foundation of language and communication that go with it.

Dr Woods-Gallagher: At the heart of all this is what would you do about it? There is a big word gap. The "So what?" question, the next bit, would be we have to do things around pushing messages and supporting that home learning environment, whether it is through public health campaigns. People know about not smoking in pregnancy and not drinking in pregnancy. Does everyone know that it is really important that you talk to your baby even when they do not talk back? Do people know that when you play with building blocks with your child, it is not just building blocks? That also helps with the formation of language and sentence structure. Unless you know that and you work in an early years setting, it is not common knowledge. There is an awful lot more we can do as public campaigns supporting the home learning environment.

Then there is the prequalification and post-qualification routes for midwives and anyone who has those touchpoints: health visitors, early years workers, reception teachers, on to the PGCE curriculum. They should have a basic core competency and understanding around speech, language and communication and things that they can do themselves. It is more of a social model of delivery, rather than a medicalised model of, "You must go into a queue to stand over here, to then go in a different queue to stand over here for an assessment," and you can afford the assessment, but we cannot afford the treatment because you are so heavy-ended and we have waited seven years. That does not work. We need to upskill those universal workforces to be able to do fundamentally far more inclusive, sensory-aware things around speech, language and communication. It is almost like a dartboard. At the centre of it is the family, then at the outskirts of that is the universal, and then at the outskirts of that again is the specialist and targeted end.

Q119 **Ian Mearns:** How would you map the interactions though with professionals and families and children? How would you map those interactions? It is all very well to think this is what your workforce should be doing, but how do you know it is being done and how effective it is?

Dr Woods-Gallagher: The full opportunity of the apprenticeship levy. HMRC at the moment takes off each organisation a levy to use for apprenticeships. If we consider that pot of money as being for continued professional development, we would be able to take the best evidence of



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what we know around attachment, speech, language and communication, parenting and the home learning environment, create evidence standards and then go and do the market stimulation around who could be the potential providers of that training, rather than what we currently get at the moment, which is level 2 qualified staff doing most of the work from two onwards, and most of the assessments from pregnancy to age two are done by a level 7 qualification in health visiting. We have a mismatch of standards and a mismatch of what people are taught.

Q120 Chair: That is a really important point. Just say that again. You are saying that you should have a similar apprentice standard all the way through, is that right?

Dr Woods-Gallagher: Yes. What do we think is the best evidence at the moment? Colleagues may articulate in GM, but someone may come for a particular post in quality assurance around the two, three, four-year-old offer. They would not even get interviewed, but they may then pop up as the tutor in the local college teaching the level 2 qualification for the people whom they would not have been able to quality assure within those settings. We have a fundamental supply and demand issue around what is in the prequalification route, as well as the amount of money we are then having to spend in diminishing budgets in public services to retrain staff to do the things we thought they would be able to do once they came into post.

Q121 Trudy Harrison: Good morning. The "Bercow: 10 Years On" report, which you referred to, Bob, identified that the pupil premium should focus on communication and language. I wonder, is it too late? The question is when do the interventions really need to happen for babies and young children to be as effective as possible?

Bob Reitemeier: As early as possible. There is a pupil premium and then there is the early years pupil premium. If we can focus in on the early years pupil premium, you have a better chance as the child is that much younger.

One of the things we are looking at now in Public Health England, in collaboration with the Department for Education, is health visitors. Mr Mearns asked the question about how you get to these parents and children. The health visitor is one channel, where they are in the home. We are trying to look at how you train up health visitors so that they are able to first have a knowledge themselves about the importance of speech and language communication, but then also point out and identify when there may be a difficulty. If you wait until even two years, you can be too late.

Q122 Trudy Harrison: How much of this is cultural, perhaps not speaking to children as much as we could and should, compared to medical needs—tongue-tied, the need for speech therapists and not having those practitioners, particularly in coastal and rural areas like those I represent, where we just do not have medically trained professionals available?



Bob Reitemeier: It is both. The data now shows that 10% of children, one in 10, have a long-term, persistent speech and language difficulty that they will not grow out of on their own. That is important. It is not a delay, "Oh, he'll catch up," and, "That's okay, he's a boy." You hear things like, "Einstein didn't speak until he was six. It's okay." Ten per cent will not grow out of it on their own. That is a massive percentage of the population. That is 1.4 million children in the UK. There is an issue about a language disorder that needs either universal targeted or specialist help.

There are another group of children where maybe there is an issue about them just not living in a language-rich environment, and what they need is a boost to help them to catch up.

Q123 **Chair:** What you are talking about is some kind of district nurse system going to people's homes. First, they have to be allowed into the homes, which is not always easy. Given we are talking about very, very early on, how do you identify those parents who need the help in the first place?

Dr Woods-Gallagher: There could be two ways of doing it. We talked earlier about the midwifery booking into the system. You could do predictive modelling with families at the booking in, so not just asking questions around potential medical need in a pregnancy or current safeguarding. You could talk about potential speech, language and communication perceptions parents have around talking to babies, some key messages at that point in time, flagging any concerns. At that point, you do not have to wait for the baby to arrive to access your children's centre to come and start talking about Hanen principles and treasure baskets and things you can get involved with as soon as baby is born—"Don't be bored on a Friday in the house on your own, and if you're scared to come in, we'll come and get you and walk you into the centre." There is plenty you could do upfront upstream.

In terms of the assessment points we articulated in Greater Manchester using ASQ3, one of those is around speech, language and communication that is developmentally appropriate at each age point. Because we found it is not necessarily sensitive enough around speech, language and communication, the additional tool we are using is the WellComm tool. We feel confident that that has given us really good data. "At 18 months, these are the children we are concerned about for potential speech, language and communication delay, and let's do something about it right now." We know about them in the system. That should be a tool that we would recommend that is not just used in Greater Manchester. It should be used everywhere.

Lucy Powell: They are not just used anywhere else, so that is the point. A health visitor at 18 months would not ask you any of those questions unless you lived in Greater Manchester.

Q124 **Trudy Harrison:** This just sounds absolute common sense. As a mum of four, even 20 years ago there was a system of going to the midwife and



then you would have regular visits with the health visitor, who would highlight any problems. It seems absolute common sense. Why isn't it already happening? What do you feel the barriers are?

Bob Reitemeier: Over the last several years, everything gets intermixed. There is the austerity programme, which was raised earlier. There is the educational reform. There are the health reforms that have all taken place. Throughout that process, the actual mandatory collection of data around speech and communication has been disinvested in. It is just not what it used to be. What we are trying to promote now—and you mentioned the Bercow report a minute ago—is looking at how we get the early years, the reception and primary school to bring back more monitoring of language development. That is absolutely crucial. That has gone out of the system.

Q125 **Trudy Harrison:** We have had it, we have lost it, and the evidence shows we need it back?

Bob Reitemeier: Absolutely. The evidence has not changed.

Q126 **Lucy Allan:** I just wanted to follow up on the home learning environment, and we had some very helpful points in terms of how a strong home learning environment can be supported. I wonder if you could just tell us a little bit, any member of the panel, about the link between socioeconomic status and a home learning environment.

Dr Woods-Gallagher: Obviously disadvantage is evidenced as having an impact on school readiness measures, looking at that binary measure, but I would not want it to be seen as a foregone conclusion that if you live in a disadvantaged community, therefore you are not going to do well in educational environments.

Sir Kevin Collins, who is the Chief Executive at the Educational Endowment Foundation, clearly articulates that in areas of disadvantage, where you have settings where the leadership talks about parental engagement and where the leadership says, "D'you know what? You are here, it is fantastic, you are learning, we want the best for you" or you have a leadership model where people go, "D'you know what? You have done well. You have just turned up today and that's good enough," that shows in the statistics. It is really important that there is a supportive home learning environment and we encourage parents to potentially know what they just may not know. If they knew and had those tools, they would just crack on and do it. It is the access to those tools—not knowing about building blocks, not knowing about talking to the baby—which is why it is such a public health campaign around talking to your baby, talking to your infant, what an enriched home learning environment would be. We have it for fruit and vegetables. Why not for speech and language?

Lucy Allan: Yes, you are quite right. A good point.



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Dr Stewart: I agree, absolutely. Just to reiterate, we also know that it is difficult to do these things if you are stressed, and we know that there is a causal relationship between living in poverty and maternal depression, for example. You need also to be providing parents with the financial resources so that they are in a place where they can engage with this stuff.

Bob Reitemeier: Just two quick examples. The Communication Trust is a consortium of over 50 organisations in the communication field. It is now managing a health visitor project, where it is going to train 60 health visitors in communication skills and get them trained up to level 3. There is a target there looking at diverse levels of families, so looking at quite specifically how to help those families in difficult situations. There will be some evidence out of that.

I CAN is developing and piloting a thing called Tots Talking, which is aimed at families with two-year-old children. We have never really done this before. We are co-producing that with parents from socially disadvantaged areas and we are learning all sorts through the process. One is that there is a cultural issue. I think you were maybe alluding to it. It is a very simple example, but talking in public. When you take your child out, there is a view by some families that you do not want your child to talk in public, that that is not acceptable. Actually, from a communication point of view, that is exactly what you want. You want to talk as much as possible. You want the child to see the world around them and you build on their ability to talk. Contingent talk is when you are looking at whatever it is that is—

Chair: You said briefly.

Bob Reitemeier: I said briefly, didn't I? I am breaking my communication.

Q127 **Chair:** To conclude, I just have a couple of questions. We could talk to you for the next four hours, so I apologise for having to rush you a little. If there was suddenly a magic money tree that grew on the Commons terrace and there was money to put Sure Starts back in, would you create them in exactly the same way, or would you, as some people are suggesting, create more family hub-centric types of Sure Start centres? Could I just get your views on that?

Dr Woods-Gallagher: I could only speak personally. You would want to think about what would work in particular neighbourhoods and what would that wrap-around, integrated, place-based offer look like and how would it strongly link to the local schools leadership offer? That might vary from place to place, depending on areas of high deprivation and low deprivation. The key thing would be around that universal screening tool and that upskilling around the home learning environment and that use of the apprenticeship levy. That is the stuff that would make the difference.



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Dr Stewart: I think the importance of having a physical hub for families, whatever we call it, that is universal, everybody goes there, it is not stigmatised, but it is somewhere you are going to network with parents, your children are going to play, and that gives health visitors and other workers an ability to identify—

Q128 **Chair:** If it were in an area where there was a great charity doing some amazing things in a similar way, would you say you have to have a centralised system with Sure Start centres or would you say, “In that area it is well provided, so we can use this model”? In other words, letting a thousand flowers bloom, doing it in different areas, as you have suggested?

Dr Stewart: Yes. I do not think it needs to be centralised. If that were the case, you would work with that charity and you would co-produce in order to make sure that provision is there.

Bob Reitemeier: Yes, I would build from what exists locally. It does not matter if it is a charity or anything else. The key to it was the multidisciplinary approach, that a family could go and they could get support in whatever area they needed and that always there, signposted.

Q129 **Lucy Allan:** Just a quick question for you before we have the Minister coming in. If you could very briefly just explain what you think the impact of the 30 hours for working families has had on disadvantaged children.

Chair: As briefly, as concisely as possible.

Dr Stewart: First, we know that it has led to disadvantaged children in some areas having their hours reduced. It is not just that they always had 15 and now some other children have 30. There are children who were identified as being in need because of low income or other particular needs who were getting 30 hours and who now get 15 because those spaces are needed. That is one direct impact in terms of quantity of provision.

There are also concerns about the impact it is having on quality because of the funding levels, because it is not being adequately funded, according to the sector, which means that they cannot cross-subsidise as they used to. That means that their money is being squeezed and quality is being squeezed. That is the second thing.

The third thing is the effects that are still to play out, but I am already hearing reports of some settings closing, particularly voluntary sector settings, and our research is showing the effects of Sure Start in terms of managing to reach out to the most disadvantaged. The voluntary sector has also played a very important role in doing that.

Lucy Powell: Brilliant. Thank you, Kitty.

Chair: Thank you so much for your really valuable information. It is hugely appreciated. Thank you. We are just going to have a break for a minute.



Examination of witnesses

Witnesses: Nadhim Zahawi, MP, and Michelle Dyson.

Q130 **Chair:** Good morning. Thank you for coming. If you could just both introduce yourselves with your titles for the benefit of the tape and those watching on the parliamentary internet.

Nadhim Zahawi: Nadhim Zahawi, Children and Families Minister.

Michelle Dyson: Michelle Dyson, Director of Early Years and Childcare, Department for Education.

Q131 **Chair:** Thank you. Could I just ask you if it is okay to call you by your first names?

Nadhim Zahawi: Absolutely.

Q132 **Chair:** What are your top priorities for improving life chances?

Nadhim Zahawi: Early years I believe is probably the most important area to focus on, because if we can close the development gap and vocabulary gap in early years, we can make a real difference in terms of outcomes at the other end—i.e., into employability. The Government are investing £6 billion a year by 2020 into early years, but I think we can go even further. I can talk to you about we are doing in terms of the most disadvantaged two-year-olds, where in 2013 something like 750,000 of the most disadvantaged two-year-olds have been benefiting from the 15 hours a week of free childcare.

We are also investing in What Works, so we are putting £10 million into work with the Education Endowment Foundation to understand what really works in early years and how we scale it up, and a further £8.5 million into peer review of local government. Nine out of 10 local governments have responded to us to say that they are doing work in the early years with parents. What I would very much like to do is see what really works and then be able to focus on that to take it further.

Q133 **Chair:** Do you agree that a priority must be to help the most vulnerable children and families?

Nadhim Zahawi: It certainly is our priority, absolutely right.

Q134 **Chair:** The overall balance of expenditure on childcare is moving towards better-off parents. Just to give you a couple of figures, in 2016 a two-parent family on the national living wage with annual earnings of £19,000 received 6% more in childcare support than a two-parent family earning £100,000 a year. The former now receives 20% less in childcare support than the latter. Is that not a case of redistribution gone wrong?

Nadhim Zahawi: Chair, I think what you are getting at is the 30 hours free childcare for three or four-year-olds for working parents. Obviously 15 hours of that is universal for all three and four-year-olds.



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Q135 **Chair:** I am giving an overall figure.

Nadhim Zahawi: I hear you, but where your question is coming from is because of our 15 hours of additional free childcare for three and four-year-old for working parents. Your figures obviously skew towards that, but it is worth just remembering that of the most disadvantaged two-year-olds—we have invested £2 billion since 2013, which I mentioned earlier—750,000 are benefiting from this.

Chair: Can I just gently say—

Nadhim Zahawi: My answer to you is Parliament has already debated this when this was introduced and it was deliberately introduced as a work incentive. You only have to earn £6,400 as a single parent to take advantage of the additional 15 hours of free childcare for three and four-year-olds. As a couple, you only have to earn £13,500 to be able to take advantage. I saw parents first-hand as I travelled around the country. One lady is working in Tesco. She said the additional 15 hours of free childcare for her three-year-old has made a huge difference to their lives.

Q136 **Chair:** Let me just do another one. Just over 57% of parents in lower socioeconomic groups say they remain put off from working or working more hours because of the cost of childcare and yet we are giving major concessions to wealthy families on childcare. As you know, the upper eligibility threshold for both 30 hours of free childcare for three to four-year-olds and tax-free childcare is £100,000 per parent. How can that be right?

Nadhim Zahawi: As I said to you, it was—

Chair: If you say that your part is to help the most vulnerable, how can you justify that?

Nadhim Zahawi: That is because, taken in isolation, the three and four-year-old free childcare offer, you can make those sorts of arguments, but it is not just that offer that we have. We have the two-year-old disadvantaged offer. The focus of our work in terms of the 30 hours of free childcare for three and four-year-olds—and this has been the first year—we have something like 340,000 children now taking advantage of this offer. Our review into this is to look at how we can make it better and make it work better. That does not mean we are not delivering for the most disadvantaged children in our society.

Q137 **Chair:** Can it be right that a couple can earn £200,000—both parents are earning £100,000 each—and get the 30 hours free childcare when disadvantaged children need support and we know that the maintained nurseries, which we are going to come on to, do an incredible job in disadvantaged areas in comparison to the private and voluntary sector?

Nadhim Zahawi: They do.

Q138 **Chair:** How can you say that your priority is to help the most disadvantaged, when actually it is the wealthy who are benefiting from



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this more than those most disadvantaged groups?

Nadhim Zahawi: I would agree with you if it was taken in isolation. It is not. It is part of a strategy and that strategy is focused on the most disadvantaged two-year-olds. 150,000 of them now have been through that offer at a cost of about £2 billion, and the three to four-year-old offer is as a work incentive. It was devised as a way of getting people to take more hours, to go back to work.

One of the most startling statistics I heard is around 75% of children from workless families moved out of poverty when their parents entered into full-time work. It is a great work incentive. The idea that we dismiss it just because of where the threshold lies is wrong.

Q139 **Chair:** What I am saying to you is I completely agree that work is, in my view, one of the best routes out of poverty and has huge, incredible effects on families. There is no doubt about that. What I am not clear about is why we are helping families who can earn up to £200,000 get 30 hours of free childcare. I do not object to them getting 30 hours of free childcare. What I do find unfair is that a single parent in my constituency of Harlow, who may not be able to go out and work because of looking after their child, their child at three and four, will just get 15 hours. How can that be morally right? That is redistribution gone wrong, surely.

Nadhim Zahawi: If you go back to the debate, when this was debated in Parliament, this whole issue of whether this is a good policy for work incentives or otherwise was debated thoroughly. We are reviewing it, as I said to you, because this is one year in, and 340,000 children have taken advantage of it. From what I have seen, it helps the right parents. You only have to earn £6,400 as a single parent to be able to take advantage of this, or as a two-parent family, £13,500. It is working. We can always make it better. The faux outrage of "How can this be right?" I do not agree with, I am afraid. I think we are doing the right thing. We have a strong statute here for what I think will deliver the best outcomes to the most disadvantaged children and families.

Q140 **Chair:** I am disappointed that you have described what I have said as faux outrage.

Nadhim Zahawi: No, not you. Some of the stuff in the media.

Q141 **Chair:** I am not objecting to wealthier families and working families getting 30 hours. I am very happy. If you are looking to save money, you could reduce the threshold from £100,000 to £60,000. You would raise roughly £150 million-odd. You could pay for maintained nurseries for the transition money to continue past 2020 and so on. I am not objecting to that, but it is not faux outrage to say, "Why can't single parents or other parents who cannot work for whatever reason have that entitlement to 30 hours a week too?" To dismiss it as faux outrage is wrong because it is a completely unjust policy.

Nadhim Zahawi: If it was taken in isolation, Chair. That is my point.



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Chair: If you are saying you want to help—

Nadhim Zahawi: You have to admit that it is not in isolation.

Chair: I gave you figures at the beginning that suggested that the most vulnerable are suffering much more in terms of the redistribution of wealth in terms of early years and childcare, and you said yourself that it is the most important area to spend money on. I am sure many of us would agree with you.

Q142 **Lucy Powell:** Just to follow up on that, it is not in isolation. You talk consistently about £6 billion extra going into the early years, so let us have a look at that £6 billion. Most of that money, the biggest chunk of that money, is the tax-free offer and then also the extended three and four-year-old offer. For the tax-free offer, you have to earn over the universal credit threshold to qualify for that, so you are a higher earner, and the three and four-year-old offer. If we look at that £6 billion in totality, which the Government trumpet often as why we are focusing on that, that £6 billion would give me a sense of your strategy. Three-quarters of that £6 billion is going to the top 50% of earners. Three-quarters of that money is going to the top 50% of earners and less than 3% of that is going to the most disadvantaged in society. That is the context. You talk about context and strategy. That is the context.

Nadhim Zahawi: Michelle wants to come in, but before she does, I would add to that, respectfully, the context is also, when you talk about universal credit, that universal credit claimants can claim back 80% to 85% of their childcare. I am just saying let us put everything on the table. There is no point in us having a discussion about strategy when you just cherry-pick elements of this, rightly so, but you put it into context.

Q143 **Lucy Powell:** I am not cherry-picking. No, I am not cherry-picking. You used the £6 billion figure. It is used all the time, whenever we talk about early years—"We're the Government who are putting £6 billion extra a year than the last Government." I say to you, of that £6 billion, the vast majority of that money is going to the top earners, so how can that be right when you then in the same breath say, "Our strategy is tackling disadvantage and closing the attainment gap"?

Michelle Dyson: Can I just give you our figures? I do not accept that the vast majority of the £6 billion is going to the top earners. Of that £6 billion, the way in which it breaks down, £2.3 billion goes on the universal three and four-year-old 15 hours; £700 million goes on 30 hours, so a lot less than the universal; about £500 million goes on supporting disadvantaged two-year-olds; £1 billion goes on tax-free childcare. That is not for higher earners. That has the same thresholds as 30 hours, so you can get tax-free childcare when you are, as the Minister said, a lone parent earning £6,500 or a couple earning £13,000. The rest goes for universal credit, and universal credit—

Q144 **Lucy Powell:** I think we are talking at cross-purposes then, because I



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am talking about the £6 billion extra that is being committed over the course of this Parliament, of which the new policies, tax-free and the extension of 30 hours, are the main recipients. I am not talking about legacy things that were there already.

Michelle Dyson: No, I am not talking about legacy. I am talking about the £6 billion that we say that we are putting in. You are completely right, we say it a lot. By the end of this Parliament, we will be spending £6 billion a year on childcare, and the breakdown I have just given you is the components of that £6 billion.

Q145 **Lucy Powell:** Since this new Government, those extra policies are principally the tax-free and the universal. We know that tax-free obviously mainly benefits higher-income families and we also know that the main take-up of the extra hours—the extra 15 to make it 30 hours—is by higher-income families.

Michelle Dyson: We do not know. We do not yet have the breakdown of who is taking up the 30 hours—

Q146 **Lucy Powell:** I do not know why you do not have that breakdown.

Michelle Dyson: Hang on, let me just finish. We do not have the breakdown because that will come out in the year 1 evaluation that we are going to get in the autumn. What we do have is from the pilots that we carried out, and what that shows is that those who benefited most from the work incentives element of that were lower-income families. For those who increased their hours, what we saw was 23% of mothers and 9% of fathers increasing their hours as a result of 30 hours in the pilots and the people who did that were more lower-income families than they were higher-income families.

Q147 **Lucy Powell:** Yes, but that is a different issue because you are picking a different group. Let us look at it a slightly different way then, the point that was raised by Kitty Stewart just before we started, which is that there are many local authority areas that historically provided—Lewisham, Birmingham, Manchester, Salford, many others—30 hours free childcare universally, who are now prohibited from doing that by the changing nature of the formula. Therefore the disadvantaged families who were getting 30 hours are now only able to get 15 hours, but the working families are able to get the 30 hours. We know from those areas that the attainment gap is now growing significantly. The children who are coming in gaining 30 hours are meeting all the developmental goals and the vulnerable children, who are now going down to part-time, are making less developmental progress. Does that not worry you? Is that not alarming?

Michelle Dyson: Can I just—

Lucy Powell: I am asking the Minister.

Nadhim Zahawi: First of all, it depends how you are looking at the gaps. On cognitive—



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Q148 **Lucy Powell:** No, the whole range. All the assessment factors.

Nadhim Zahawi: There is evidence that there are adverse outcomes, other developmental outcomes, but let me take your point as being correct. You neglect to also add, which I say takes things in perspective, that the early years pupil premium is also targeted at the most disadvantaged children. If you take what I believe is our strategy and you dismiss Michelle's numbers about take-up, we do not have the full picture yet, but we do have some evidence to suggest that the people we are targeting are the ones who are benefiting most from this.

Q149 **Lucy Powell:** No, that is not what Michelle was saying.

Nadhim Zahawi: She was. She said 23% of women and 19% of men are taking more hours.

Q150 **Lucy Powell:** What she is saying is that of those who are taking more hours, they are more likely to be disadvantaged. That is not what I am talking about. I am talking about who is accessing the whole range of the money. That is a different measure. What I am talking about here is that as a direct consequence of this policy, there are fewer vulnerable children getting 30 hours than were previously, and that those children are now falling further behind children who are from better-off families who are accessing 30 hours. Does that not worry you?

Nadhim Zahawi: Of course it worries me if the evidence suggests what you are suggesting. I don't think the evidence is clear on this.

Lucy Powell: It is. I can send it to you.

Nadhim Zahawi: No, I do not believe the evidence is yet clear on this. The 15 hours for two-year-olds, if you look at the OECD evidence and all the other evidence from around the world, is the one that really matters in relation to development.

Q151 **Lucy Powell:** Is it not just obvious though that somebody getting 30 hours of early education compared with somebody getting 15 hours of early education is going to make more progress?

Ian Mearns: But also in the context where the youngsters who are benefiting from the 30 hours are already in a richer language environment within their own home compared with the youngsters who are not?

Lucy Powell: Exactly.

Nadhim Zahawi: This is where I respectfully would say to you that we are reviewing the first year of the 30 hours for three and four-year-olds for working families to be able to look at the evidence. At the same time, it was this Government that introduced the 15 hours for disadvantaged two-year-olds. It was this Government that increased the universal provision.

Q152 **Chair:** Can I come in on that? The take-up of the 15-hour, two-year-old



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offer for disadvantaged pupils is just 71%, while the take-up for other free-hours subsidies is over 90%, so 67,000 families are not taking up this offer. The take-up of all free-hours subsidies, including the three and four-year-old offers, also varies according to how deprived an area is. Is that faux outrage for me to raise this? Clearly there is a problem.

I go back to my original question. Too many disadvantaged families, for one reason or another, either because of the 30 hours or in terms of the two-year-olds, are not benefiting from this £6 billion that you talk about.

Nadhim Zahawi: Forgive me for being pernicky—72% of two-year-olds take advantage, not 71%—but your point is well made, Chair.

Q153 **Chair:** 30% roughly. Why even say that? It is a needle in a haystack response.

Nadhim Zahawi: What I am trying to say to you is that we think that the money is best targeted for the most disadvantaged two-year-olds and we think we are doing that. Where you are right, we could increase the numbers. What we are doing is working with local authorities to give them the data on which families they should be targeting for the two-year-old offer. Our intention is to keep pushing that and keep increasing the percentage.

Q154 **Chair:** But why are so many disadvantaged families less likely to take up these offers? Is it because of the complexity in the system?

Nadhim Zahawi: I do not think so. The website has had 2 million hits since last year. There are many reasons why parents may choose not to do that. Some of it is maybe that extended family can help with childcare and there are other reasons. What we are trying to do is make sure that local authorities have the data available to them to be able to target those families.

Michelle Dyson: This is of concern to us, but we are pleased that the take-up has gone up from 58% when it was first introduced to 72%. We get lists from DWP of everyone who is eligible for the offer, which we pass on to local authorities so that they can target the families. You are right, we do think that there is more that we should be doing and we do have some research that we commissioned in February to find out what is going on and why there is such a varied picture. This is work in progress.

Q155 **Chair:** You said you were doing a review. Are you reviewing the possibility of reducing the threshold from £100,000 to a fairer amount of salary?

Nadhim Zahawi: My interest is in making sure that we target as well as we can the help for parents of young children. We are looking at everything. I want to review—

Chair: Are you reviewing the threshold? Yes or no?

Nadhim Zahawi: I am reviewing everything.



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Q156 **Ian Mearns:** Honestly, Minister, I do not think you should be judging success or otherwise of a particular strategy by the number of hits you are getting on a website. I live in and represent communities where basically many households do not have an internet connection. That is not a good measure of how the disadvantaged families are best interacting with the Government policy.

Nadhim Zahawi: I do not disagree with you. All I would say is look at the numbers: 340,000 children, families, are taking advantage of the free 30 hours a week offer. That is a good thing.

Q157 **Lucy Powell:** Of course they are. It is free childcare. That is not the question. It is a good thing if we are very clear that as a Government we are subsidising childcare for working families and that is our strategy. Don't let's try to put a cloak around it, that this is somehow a strategy for the disadvantaged and for closing the attainment gap, because it is not; it is absolutely the opposite of that. It will exacerbate the attainment gap. If that is what it is, which is what it is, which is we are giving away free money to parents to help with what are very high costs for childcare, fine. Do not dress it up as something that it is not, because it is not that. You have to deal with some of the unintended consequences that are coming through already, which are pushing further down the track some of the things that you say are your goals.

Nadhim Zahawi: I respectfully do not agree with you and I have to push back on that because you keep falling into the trap of taking things in isolation rather than within the overall strategy. I go back and say to you look at the work we are doing with the most disadvantaged two-year-olds, the early years pupil premium; look at the work we are doing in the opportunity areas—

Q158 **Lucy Powell:** It is an absolute pee in the ocean, if you don't my saying so; it is a tiny amount of money. The disadvantaged two-year-old offer is a really good policy. The take-up is not good enough, partly because you now do not have enough places because there places are being taken up by the three and four-year-old offer as well, so places are not available. You do have to look at the intended and unintended consequences of policies as a whole and it is a huge amount of money that we are giving to already better-off families.

Nadhim Zahawi: We are in violent agreement on that point, Lucy—that we have to take the whole strategy, not just bits of it. Overall I think we have a really strong strategy for the most disadvantaged families and children in our society. You are taking aspects of it and saying this or this can improve. I hear you and we are saying look at stuff we are reviewing. We will go back and look at all these areas. However, to dismiss the whole the thing is unfair.

Q159 **Lucy Powell:** I am not dismissing the whole thing. It is a lot of money that could, in my opinion, have been more fairly distributed in terms of subsidised childcare, which is one objective, a good objective if it is those



very, very middle-income families that need it, versus another strategy around closing the attainment gap. The money is distributionally not going in that right direction.

Nadhim Zahawi: The attainment gap is coming down, not as fast as we would like to.

Lucy Powell: It will not though.

Q160 **James Frith:** You are right to highlight the journey of the child in terms of context, but if you listen to the nursery sector, they should not be expected to fund the shortfall of the Government's policies by you referring to what you are doing with the pupil premium, for example, when considering their experiences. The nursery sector has had to adjust to this funding by restricting places as an unintended consequence of the funding. What are you doing to address that? What can the nursery sector expect in terms of an increase in hourly rate once the budget is set in the autumn?

Nadhim Zahawi: If you step back and think, "Okay, is there enough sufficiency in the system? Are there enough nursery places?" the evidence of the 340,000 children who are taking advantage of the offer suggests that there are enough places in the system. We are in constant contact with the sector, including commissioning some economic work to look at the viability of the offer. I believe that the National Audit Office said that the previous work we have done on this, was "thorough and wide-ranging". If you look at the previous work, it is suggested that the cost will be about £3.72. That is the cost and we did raise the amount we give from £4.65 to £5.00. I would say, yes, of course we have to keep a close eye on the economic model of this, but in terms of placements—

Q161 **James Frith:** You say that about contact with the sector. To your point there, in figures released from the NDNA nursery survey, of those that responded, 54% say that funding for two-year-old places does not cover the cost, which is an average hourly rate of £4.99, as you say, or £5.00, as you said, an average of a £1.82 shortfall. If you consider the 87% that replied on three and four-year-olds—£4.25, higher than last year's £3.94, but an average of a £1.90 shortfall. Is it faux outrage to listen to the sector and then dismiss it when 87% disagree with you on the point you raise and 54% disagree with you on the two-year-old point?

Nadhim Zahawi: That certainly is a point, but we have also conducted our own survey and the important thing is we make sure we follow the evidence on this, and 80% of providers in our own survey do say that they are able to deliver the free childcare offer. We are conducting another piece of work at the moment and I am waiting for the results to come back. Let's just agree that we will follow the evidence and we will publish our evidence, as we have to, rightly so.

Q162 **Trudy Harrison:** In addition to the problems that we are hearing about, in a coastal rural location it is even worse. My constituency has 4,054 under-fives, but 1,345 childcare places, so that is just one in three



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children that can actually access high quality childcare and that is represented across Cumbria as well. In those areas, what is the Department doing to ensure that every town and village will have a high-quality, affordable and flexible childcare offer in future? Because that is the only way that we are really going to be able to address the gender pay gap and ensure that the young children are properly prepared for school when they go in at four years old.

Nadhim Zahawi: We work with Childcare Works, which works with every local authority. I get weekly and monthly reports on the confidence level of sufficiency in every local authority on this. Up until now, hand on heart, I would say to you that I think we are in a good place in terms of sufficiency. We have to keep monitoring the system. We have to keep talking to the sector to make sure—and I am sure we are going to get to maintained nurseries at some point during this evidence session—we want the best provision for our most vulnerable families and children to be available to them. The evidence before me at the moment is that, first, we have been thorough in our work in terms of the economic model, but also that the number of places available has been sufficient.

Michelle Dyson: Can I add that recent Ofsted data looking at the number of providers and the number of places every term shows a very small increase in the number of providers—but that is the first increase for a couple of years—and a significant increase in the number of places? I appreciate that that is a national picture, but it is pretty positive. It does fly in the face of what the NDNA survey is saying, but as the Minister was saying, we have been rigorous in working at local level on this. If there is anything we should be picking up in your area, however, we should do that.

Q163 **Chair:** You mentioned maintained nurseries and they are, as my colleague, Lucy Powell, said in the Chamber last week, the jewel in the crown—over 60% outstanding, the rest good—and particularly important in disadvantaged areas, so helping the most vulnerable, which is what you say is your priority. Does that mean therefore that they should get the transitional funding that you have kept to 2020 extended?

Nadhim Zahawi: As you say, we have guaranteed the additional funding of £60 million for 2018-19 and 2020. My message to local authorities is: do not make any premature decisions on maintained nurseries. We are working with the sector. I have visited three maintained nurseries—the Secretary of State was at one last week—in Manchester. I have seen first-hand, and I would not disagree with a single thing you have said or Lucy has said, the quality of the provision and the outcomes they get and I want to work with the sector so that as we come up to the spending review—

Q164 **Chair:** If they do not know about their funding, when they have to plan ahead and work out teaching—

Nadhim Zahawi: We have a spending review coming up.



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Chair: It is not far away, 2019-20.

Nadhim Zahawi: Right. We have a spending review coming up and I see my role as very much working with the sector to put our best evidence forward to fight for maintained nurseries.

Q165 **Chair:** Do you accept that they need that extra money?

Nadhim Zahawi: I do accept that they absolutely have additional costs. It is clear. It would be foolish and stupid of anyone to think otherwise. That is why I am working with the sector to try to make sure that we have all the evidence. You were a Minister, Chair. You know that when you go before the Treasury you want to make sure that you can answer all the questions so that you deliver and land the funding.

Q166 **Chair:** Would it be a disaster if the Treasury said no to the extra funding for maintained nurseries to go beyond 2019-20?

Nadhim Zahawi: I want to make sure that I put the best evidence forward to Treasury, including the incredible work that these nurseries do.

Q167 **Chair:** What are you doing as a fall-back plan in case Treasury says no? Will you use budget from other parts of the Department or other parts of your area?

Nadhim Zahawi: Let's cross that bridge when we get to it, Chair.

Q168 **Lucy Powell:** Can I come in briefly on that? I do know that you personally are very committed to them and you have said so on many occasions. We know we have an ally in you on that. However, the comprehensive spending review is going to come too late for many of the nursery schools because they are required to have three years of budget in place to function. That is a legal requirement of schools. Obviously they will not have anything like that. The funding ends as the CSR will end. That is a big cliff-edge that they will face and it is all very well to make a plea to local authorities, but could I ask you again to look at whether there is a possibility of extending that transitional funding or something so that we get beyond the CSR without losing them? I fear we could lose up to one-third of our maintained nursery schools by stealth, ahead of the CSR or during the CSR.

Nadhim Zahawi: One thing I can promise you is that I will keep a close eye on the situation. Local authorities have, on the whole, increased their spending on childcare and children's services to £9.2 billion. My message to them, and I think I can be much clearer, is to say, "Don't make any premature decisions when it comes to these wonderful maintained nurseries."

Lucy Powell: Just be careful using those sorts of figures, because you do know that local authorities do not now have the discretion they used to have to boost supplementary funding or to buy extra high quality. They do not have that, so while they are spending more money, that money is



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going on the provision of the three or four-year-old offer; it is not money at their discretion to boost maintained nursery schools. They do not have that money anymore.

Q169 Thelma Walker: Government seem to be doing an awful lot of reviews across the board at the moment. Could I ask if you are currently doing any impact assessment or review of cross-departmental working, so in terms of health, employment and housing?

Nadhim Zahawi: We are not doing a review.

Q170 Thelma Walker: How do you know it is working?

Nadhim Zahawi: I am about to tell you. I spent most of my life outside this place in the private sector and in building a business from very small beginnings to quite a large business. The amount of cross-departmental working that I have experienced in the last six months of being a Minister has made me feel very positive about how my officials work with other Departments. We have a work stream with Public Health England, training health visitors in speech and language and communication skills. I think it is really important. We are putting £1.8 million into that. We are working with DWP on life chances, where we are putting, I think, £39 million into that work. We are working with the Ministry of Justice.

The work that we are doing, certainly with the most vulnerable families in our country, very much depends on cross-departmental work. If you look at the troubled families programme, that began with a focus on 100,000 families, delivering wraparound, multi-agency work. I worked in Islington, where they showed me five typical cases that children's social services work with and I can say to you that all five cases—and they said these are typical of the portfolio of work they do—required more than just the Department for Education to intervene. They require multi-agency work and we are getting that from the troubled families programme. That has been expanded to 400,000 families.

Q171 Thelma Walker: We have increased child poverty and we have increased problems with mental health. How can you evaluate and what are you doing to evaluate the improvement in our children's—our future generations—life chances and the quality of their lives? The indicators across the board are that it is deteriorating, not improving. How are Government monitoring this? I mentioned in the earlier session the 60% cut in funding for early intervention and the recent Children's Commissioner's Report on Vulnerability: all these indicators are saying that life chances and quality of life are not improving for our vulnerable families. What are Government doing to address that?

Nadhim Zahawi: In our own Department we have the social mobility action plan, £800 million, of which £100 million is for early years and we can talk a bit more about how we are spending that money. This is where we might diverge in our views on this, in the sense that we strongly believe that if you get families into work, you do much better for the life



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chances of their children and that is evident in all the work that is done in terms of development, work gap, achievement gap—

- Q172 **Thelma Walker:** I am not in disagreement with that, but if I can quote the Local Government Association, it said, “An holistic approach to family support is key. Councils are well placed to integrate support around families, including public health, employment and housing”. Take my council, Kirklees, which has faced £200 million worth of cuts over the last few years. How on earth can it provide that holistic support for our most vulnerable families?

Nadhim Zahawi: My answer to you is that in this five-year spending period we have made £200 billion available for local government, including for their work with children’s services.

Thelma Walker: Not for my local council.

Nadhim Zahawi: Every council, across the country. Where I think it could work, rather than us getting into, “This is what my Government is doing; this is what you are not doing”—

- Q173 **Thelma Walker:** I am asking how Government are evaluating it.

Nadhim Zahawi: I am about to tell you. I have tried to explain to you what we are doing in the Department with our social mobility action plan, how we are working across Government with DWP, Health and other Departments. If we had another hour, I could lay all that out for you, exactly how we are doing all this work. There is a lot of cross-departmental work going on, including the troubled families programme, which has expanded and is going to be touching £1 billion for 400,000 families.

Where I think we genuinely have an opportunity—and I think your Committee is well placed to look at this—is through the new local government structures. I was with Andy Burnham last week. Someone like that, the Mayor of Greater Manchester, who has 10 local authorities, who is already getting more devolved powers in terms of health and social care, can then begin to really join up the dots. One of the things, for example, that Andy and I are going to work on is the care leavers covenant. He wants Greater Manchester to be the care leavers’ champion of how all these local authorities—

- Q174 **Thelma Walker:** This is all a strategic view and that is fine, but are the dots joined up now? That is what I want to know.

Nadhim Zahawi: I would say to you, yes, they are, at national level, getting better at cross-working. The best chance of us making it work is through devolution and through the mayoral infrastructure.

- Q175 **Thelma Walker:** If you are starving funds at local level, it is not going to work.



Nadhim Zahawi: This is where again, respectfully, we diverge. I have said to you that we are not starving funds; we are very much focused on this area. If we can make it work in say Greater Manchester, then it is much easier for me to talk to Andy Street or Sadiq Khan or any other mayor and say, "Look what we have been able to do here; let's try to replicate it." My interest, like yours, I think, is to deliver the best outcome for these kids and to scale it quickly, as quickly as I can. That is why we have the What Works stuff with EEF, to really understand what really works and how quickly we can get it out there and scaled.

Q176 **Ian Mearns:** Are you going to map it out so people can see what you are thinking, Minister?

Nadhim Zahawi: Absolutely. If you would like, I can write to you, Chair, about how we are going to do some of this stuff.

Chair: That would be very good.

Q177 **James Frith:** When the Minister for Schools came in, we asked him about the distinction of outstanding and good schools in disadvantaged areas and whether or not there needed to be more focus on the work that was done deliberately to engage with disadvantaged families, disadvantaged children. Do you think we need to revisit incentives for early years teachers to go into or stay within disadvantaged areas?

Nadhim Zahawi: That is a great question. It is a challenge for every Government. If you look at the history of this, I think since 2006 successive Governments have spent something like £600 million on trying to get more graduates into early years settings and the numbers stay stubbornly flat at 10%. The evidence suggests that the quality of training and professional development is the area that makes the greatest difference, rather than just being hung up on whether someone has a degree or does not have a degree. My focus is to spend that money—it is part of our social mobility action plan; we have £20 million earmarked—for professional development in the early years settings. I think that is the best way of doing it.

The other area, which I think is working well and I want to highlight it to your Committee, is the opportunity areas—so, a place-based approach, where you have the sort of holistic, whole-workforce approach, which we are putting some money behind—

Ian Mearns: You will not get me to support it.

Nadhim Zahawi: That is the best infrastructure I have seen, where it has a real chance of working.

Q178 **Chair:** You said you are not hung up about graduates and, as you know, you and I both have an incredible passion for apprenticeships, but just on the graduate issue, school-based nurseries, the maintained nurseries, employ predominantly graduate teachers and only around half of the private and voluntary sectors do so. In the poorest areas, 55% of three



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and four-year-olds are attending private or voluntary settings with no graduate teachers. Even though I am passionate about apprenticeships and would like to see a fully apprenticed programme, it does show that graduates in nursery schools do make a difference.

Nadhim Zahawi: Specialist graduates, certainly there is evidence that that makes a difference, rather than just a generalist degree level graduate. There is some work done in Scandinavia that suggests that does make a difference. My view—I know you are passionate about apprenticeships and obviously we have the Trailblazer programme in this area—is if we can get the professional element of this right, we can begin to succeed; we can get the workforce to a place where you and I are happy about it.

Q179 **James Frith:** So it is about developing those who are already in the system principally, is it?

Nadhim Zahawi: That is the strategy that I am pursuing. I think the best possible outcome that I can deliver is if we could develop the professional workforce. We are also obviously putting some money towards capital spend, £50 million into nurseries, into schools. That can also help the system get better.

Q180 **Chair:** Where are we with the early years workforce strategy? I think it was going to report in the spring, in March this year. Is that still going ahead? That was designed to look at all these issues.

Michelle Dyson: Most of it has been implemented. There is one big thing: you will all be responding to a consultation in the autumn about setting up a new set of criteria for level 2 people going into the early years system.

Q181 **Chair:** Has the feasibility study been published? It was going to be.

Michelle Dyson: No. There are two issues on graduates that we have yet to come back on, but the rest we have largely implemented.

Q182 **Chair:** Am I right in saying that you were going to publish it earlier in the year?

Michelle Dyson: We have not yet.

Chair: When is it going to be published? Do we know?

Nadhim Zahawi: I will come back to you.

Lucy Powell: You did say March.

Nadhim Zahawi: We did.

Q183 **Lucy Powell:** There was this whole issue of getting graduates in disadvantaged areas and you were going to publish a feasibility study in March 2018.

Nadhim Zahawi: Yes.



Q184 **Lucy Powell:** So you do not know where that is up to?

Nadhim Zahawi: I will come back to you. I do not want to give you a date—

Chair: Are you able to say anything about roughly the timing?

Michelle Dyson: No. We will come back to you on that. We do know that it is outstanding.

Q185 **Thelma Walker:** I am quite sad about the Nutbrown report and recommendations. It was 2012 and it was talking about that proposed early years specialist route to QTS. That seems to have fallen by the wayside in terms of professional development, having that quality workforce. The London School of Economics has said: “Recent developments indicate a shift in funding and policy focus away from quality early education for child development towards childcare affordability”. What is coming through to me, I am quite sad to say, is that it is just about making sure that children are looked after, but that is taking us away from high quality early years education.

Nadhim Zahawi: We still support early years education through the bursary system. We do still have support in place.

Thelma Walker: But that parity of esteem with key stage 1—

Nadhim Zahawi: Yes, and we are looking at that. We will respond.

Michelle Dyson: In answer to that, the early years foundation stage remains absolutely important for us. It is acknowledged across the world. It applies to all 30 hours of the new offer. We have not said that half of it is for childcare and half of it is for education. We have just announced some forms to the early years foundation stage profile, which children take at the end of reception—we are going to pilot that—and all of that is about enhancing early years education with a view to making children are ready for key stage 1.

Thelma Walker: But making sure that you have those professionals that are upskilled enough to be able to deliver quality.

Q186 **James Frith:** Coming back to recruitment, I absolutely agree that the professional development of the existing sector is absolutely right. You appear to have said that you are keeping in mind a review of pay incentives in terms of attracting early years teachers to disadvantaged areas. Before I move to my question, is that right?

Nadhim Zahawi: I come to this with an open mind, yes.

Q187 **James Frith:** Would you hope that on the other side of the spending review we would have an early years incentive for teaching in disadvantaged areas scheme—a kind of Teach First for early years?

Nadhim Zahawi: It is an area that we are looking at. I cannot make any commitments on the CSR because, as you and I both know, money is



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tight. Nevertheless, I think what we are putting into bursaries at the moment is good and we will continue to do that. I come to this with an open mind. I want the best possible outcomes for the most disadvantaged children in our communities.

Q188 James Frith: You talked about capacity in an earlier answer and I do think you are right on that. The problem is that as we head toward retirement age for our early years key workers, new people, new blood coming into the system is important.

Nadhim Zahawi: It is vital, hence the bursaries.

Q189 James Frith: Sure. So it is heavily bursary-reliant, you see, in the future. Is there anything else that we are missing? Anything else we should be doing?

Nadhim Zahawi: There are apprenticeships and the Trailblazer; there is obviously at the T level. I believe that once we get some of these things really motoring—I have a lot of hope for the apprenticeship programme in this area—we will begin to see a real difference, if people feel that there is professional development, a career path, if you like, not just a job.

Q190 James Frith: Do you think people will choose T level instead of apprenticeships and why would have a choice to do one over the other?

Nadhim Zahawi: My answer to that is that the more runways I can build, the better.

Chair: Don't tell Boris.

Q191 James Frith: You need planes of course to take off as well, don't you? It is not just the runways.

The T level point: I am quite sceptical, but I am supportive in principle of T levels. One of the plus sides of T levels is their closeness to the real economy of the first three sectors that have been chosen. Can you update us as to how you are feeding into in terms of the early years and childcare preparation for T levels?

Michelle Dyson: We are working very closely with our colleagues, not least to make sure that the way in which T levels are developed that they mesh with our statutory requirements around early years, because it is important that T levels count for ratio purposes in the early years. We are working very closely, just as we have done with our colleagues on apprenticeships as well.

Q192 Chair: We have the pleasure of your company again next week for an accountability session. It would be great if possibly you could come back with the data about early years funding. It also would be good to hear, following from what has just been said about apprenticeships, about how you feel that could pan out properly in terms of a really good early years strategy.

Nadhim Zahawi: I know you will hold me to account on it, Chair.



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Q193 **Lucy Powell:** A couple of quick final questions. On the quality workforce issue, in the last iteration of this, Government introduced the early years graduate scheme. How is that going?

Nadhim Zahawi: The numbers remain stubbornly flat.

Q194 **Lucy Powell:** I think they have fallen quite a lot—

Nadhim Zahawi: They have fallen.

Lucy Powell:—I think from 2,500 to 500 or something like that.

Michelle Dyson: You are talking about the numbers going into our early years ITT?

Lucy Powell: Yes.

Michelle Dyson: That is about the proportion of graduates in our early years workforce, which is flat.

Q195 **Lucy Powell:** Yes, but obviously one of the programmes that your Government brought in when they were a coalition was this new route in and that has basically just been a bit of a disaster, hasn't it?

Michelle Dyson: The numbers have fallen, but it is important to recognise that in our early years workforce we do have qualified teachers. Half of our graduates in the early years are qualified teachers, so they have come in through a different route. There are all sorts of different ways to be a graduate in the early years workforce.

Q196 **Lucy Powell:** They are coming through a different route because coming in through that route, you do not get paid the same, because you do not get qualified teacher status; you do not get paid NQT when you get in, so why would you? You need to look at that. This is why, earlier on in the conversation, when we were talking about having a strategy that is about narrowing the attainment gap—having quality in the areas of most need is a key part of that—you have to back those assertions up with action alongside saying, "We are going to provide subsidised childcare for working families." It does not feel to us, I think, as if that part of the strategy about narrowing the attainment gap is being followed through, is as comprehensive as the providing of subsidised childcare for working families.

Nadhim Zahawi: I agree to disagree on that.

Q197 **Lucy Powell:** There is a piece of work that is critical to this, that no one even knows when it is going to be published. It was supposed to be published in March of this year and you cannot even tell us that it is in train, so that means it has not even come across your desk. The other things about getting quality teachers in—

Nadhim Zahawi: Let me deliver the next sentence, which is that we have committed £20 million to professional development—

Lucy Powell: Yes, but it has to be the right professional development.



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Nadhim Zahawi—as part of our social mobility action plan.

Q198 **Lucy Powell:** £20 million out of £6 billion is what I would call a pee in the ocean. This is where we have to look at this.

Nadhim Zahawi: They are very different spending profiles.

Lucy Powell: They are, but it is about having—

Nadhim Zahawi: You can make £20 million go a long way in professional development. Obviously 340,000 kids—

Q199 **Lucy Powell:** You can make £20 million go a long way as long as it does not go the same way as the early years ITT, which is basically we had a good idea, we put £20 million behind that—probably more—and now we have hardly any take-up of it because we messed it up along the way. It is about having a comprehensive strategy, not a set of initiatives I can point to when I am on the radio that do not amount to any more than the sum of their parts.

Nadhim Zahawi: Lucy, I opened by saying to you that since 2006 successive Governments have spent £600 million looking at getting more graduates into early years settings and the numbers stay stubbornly flat.

Lucy Powell: Yes.

Nadhim Zahawi: So this is a challenge, you are absolutely right, and it is something that we are very cognisant of. Part of it is the professional development element. You are right to be probing this, but in the round.

Q200 **Lucy Powell:** I will continue to do so.

Finally, on the maintained nursery schools, one of the other challenges with their funding, just a smaller point, is that the transitional supplementary funding does not apply to the extra 15 hours for three and four-year-olds, so you need to look at that when you are looking at this.

Nadhim Zahawi: They made it very clear to me on my visit.

Lucy Powell: Good. I am glad that message has been understood.

Chair: I am heartened by at least your understanding of the maintained nursery issue and the problem and that you seem to be quite sympathetic. The impression we are getting is that you are lobbying the Treasury; you are putting your tanks on the Treasury lawn, as the saying goes.

Q201 **Ian Mearns:** Minister, Sure Start centres in disadvantaged areas are being disproportionately affected by either closure or mergers with services for older children. Why is that?

Nadhim Zahawi: Local authorities make different decisions when it comes to their provision for vulnerable families, disadvantaged families in their areas. Children's centres are very much key to that, part and parcel



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of it. If you look at those 2,300 children's centres, yes, you will say that some have obviously closed. The evidence I have seen—

Q202 **James Frith:** It is 1,200, not "some".

Nadhim Zahawi: Let me follow with the logic here for a second. You have Staffordshire, which had something like 80-plus children's centres. They took a very deliberate decision to close something like 60-plus centres because they felt they were not the ones that were targeting those families that they wanted to reach. They then used that resource to outreach, to go and knock on the doors of those families that sometimes, as you and I both know, do not really want to walk in through a Government building or a building that is sponsored by the local authority and their outcomes have been pretty positive. Newcastle has done a similar sort of thing and has done really well.

We need to step back and say, "What are we trying achieve here? Is it our obsession with bricks and mortar or is it outcomes for those children and those families?" Where local authorities have had a strong leadership and strategic view of how they deliver for those kids, they have done it really well and we continue to work with them and support them.

Q203 **Ian Mearns:** The thing is that is not a uniform picture across, in particular, the north of England. There is an element of chicken and egg about this. Government have unilaterally decided to withdraw revenue support grant from local authorities in a phased approach from 2010 to 2020. By 2020, my own local authority in Gateshead will have lost almost 50% of its revenue budget in the round. We have driven local authorities down that path because of the unilateral decision taken by central Government. That is understandable. Any Government can do that, but what Government have not done—and it is not your problem, it is a MHCLG problem—they have done nothing to rectify the other side of the local government funding equation by reforming council tax.

In other words, some local authorities in the south of England with a higher council tax base have much lower proportionate cuts than those in the north of England with a much lower council tax base. The trouble is that on the ground in the locality, the local authorities and the people have to deal with the consequences of that. Therefore we have a situation where in disadvantaged areas, many more Sure Start centres have been either closed or had their services merged with other local services for older children. What are we going to do about that?

Nadhim Zahawi: My answer to you is you take the example of Newcastle. They have delivered as well as they were delivering when they had more centres than they have now with a different strategy.

Ian Mearns: For some children.

Nadhim Zahawi: No, for more vulnerable children, because by knocking on doors and getting those families to open up and trust them, they work with them much more effectively. That is my point. You have to look at



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the overall strategy. If you place the child of a family that is vulnerable at the heart of the strategy, it works.

I disagree with you. I do not think it is about bricks and mortar; it is about what the overall strategy is. Local authorities have a responsibility and a duty, if they do close a centre, to be sure that they are still able to deliver to the most vulnerable families.

Q204 Ian Mearns: The process of making cuts though has not finished; it is still ongoing on a year-on-year basis. My own local authority has done a back of the fag packet arithmetical calculation and if my own local authority cuts out 100% of all their services—in other words, they do not mend a hole in the road, they do not mend the street lights, they do not have a leisure centre or a library, they do not cut the grass or empty your bin, they cut 100% of everything else out—they are still going to have to make cuts in adult social care and children's services by 2020 in order to balance the budget. That is not right. Government need to do something and I am pressing you, as the Minister for Children, to get Government to do something about rebalancing the local government funding equation.

Nadhim Zahawi: I work very closely with my colleagues at MHCLG. We have made £200 billion available to local government in the five-year spending period, including their spend on children's services. My very strong view is that we will continue to work together to make sure that whether it is the high needs budget or the overall children's services budget, we understand where the pressure points are and understand the value for money element of this.

To your point about children's services, I would say to you go and have a look at what other local authorities are doing in the north; they have done it really well.

Q205 Ian Mearns: My own local authority is doing the very best that it can, working hand in glove with Newcastle, in partnership. What I would ask you though, as the Minister for Children, because the improvements in provision for some have not been universal, is: will you be doing a mapping exercise to see exactly where the cuts have taken hold and show where this has benefited, and where children are falling through the cracks? I believe that sort of work is vitally important.

Nadhim Zahawi: Michelle has shown me some fascinating statistics. Of the 10 local authorities that have closed the greatest number of bricks and mortar Sure Start buildings, I think six have outperformed.

Michelle Dyson: Yes. We have been comparing which local authorities have closed the most children's centres and, a slightly different number, which have reduced their spending on children's centres the most, comparing those numbers against the data that we have of outcomes for children at age five and the gap between disadvantaged and non-disadvantaged children. What we see with the six local authorities that have closed the most children's centres is that four have done really well



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at closing the gap, one has a fairly flat profile and one is too up and down so that you cannot draw any conclusions. As things stand, we cannot see any relationship between the closure of children's centres and problems with reducing the gap at age five. That may change over time, but that is how things stand today.

Q206 **Ian Mearns:** The mapping of the 10 local authorities concerned would be interesting to look at. Is it a random sample?

Michelle Dyson: We chose them. It is the six that had closed the most children's centres.

Q207 **Chair:** Are you able to publish that?

Michelle Dyson: Yes, it is published data. We have just brought it together.

Chair: If you could send it to us, please.

Nadhim Zahawi: Absolutely.

Q208 **Chair:** What do you think of the proposal by Fiona Bruce MP, and the former MP for Enfield Southgate Borough, in terms of creating family hubs, revamped Sure Start centres with a focus on family and parenting?

Nadhim Zahawi: I think it is a great piece of innovation and I believe local authorities are best placed to decide, with the local characteristics of the community, what works best. What I want to do is look at what is working well. One of the advantages I have is that in the Department we are able to see the whole of England so I can see what works and where. What I am trying to do, through the What Works centre, is say, "What can we learn? How can we spread that knowledge very quickly?"

Q209 **Chair:** Are you basically saying it should be up to the local authorities to decide the best way of doing this?

Nadhim Zahawi: It has to be. Local authorities are best placed.

Q210 **Chair:** Does that include local authorities that might support great third sector charities doing very good work for children from vulnerable families if that worked better than a Sure Start centre or a family hub or whatever it may be?

Nadhim Zahawi: That is the whole point. There is innovation taking place at local authority level about how to deliver these services. They have a duty that they must maintain that support and those services, but we want to learn from what is working most effectively and spread that knowledge across the sector.

Q211 **Chair:** Do you have a view yet of what is the most effective? We heard from the previous session about how important visitors to homes are very early on, right from the very beginning, in terms of a child's life. Do you have a preference?



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Nadhim Zahawi: I know Lucy works with her colleagues in Greater Manchester on a really innovative programme, which starts before childbirth; a really important piece of work. In Luton I saw some work of the Peep programme, a 20-week programme with parents—

Chair: They engage with parents.

Nadhim Zahawi: They get the parents to be more confident. I saw one child, Chair—this is really incredible—this child walked into the nursery with his mum and could not communicate, could not speak. The initial assessment was that they were going to need an EHC plan. I think by week 6 or 7, he was the most communicative child you have ever experienced in your life.

Q212 **Chair:** There is remarkable work, I accept that, remarkable. I know about the Peep Learning Together programme. What I am trying to ask is once you have looked at what is best practice and also those local authorities that may be having significant difficulties, are you then going to produce a Government strategy that says, "This is the best way, we think, that we can help children in need and vulnerable families"?

Nadhim Zahawi: The answer is yes, in terms of I would not be as prescriptive, which I hope you were not being, as the question alludes to. What I would want to do is say, "Here are five or six different innovative ways that the evidence absolutely suggests are working. Now you decide what is correct for your community."

Q213 **Chair:** Then will you direct funding? The reason I am asking is because if you have a strategy, you then tend to have some kind of extra funding on top of the local authority funding. Would you then say, "We think these particular ways are really good"—whether it is a family hub, Peep, whatever—"so therefore we're going to put central Government funds into local authorities to build these programmes"?

Nadhim Zahawi: First of all, we do put central Government funds into local authorities, £200 billion in this five-year spending period.

Q214 **Chair:** I know that. You are saying you want to find the best practice across the country. Fair enough, a good idea, and you find out what works. If you find out what works, do you then develop a strategy and say, "This is where the funding is going to be directed"?

Nadhim Zahawi: There will be lots of levers that I hope we can pull to nudge local authorities, not that they would need it, because people on the whole—you know this better than anyone, Chair—humanity, human beings, do better and better because we are very good at mimicking and levelling up, not down. I think that is what will begin to happen. I see my role as very much being able to disseminate best practice and evidence. I think you will find human beings will change their behaviour because it is good practice for them and better value for money in the end if they can close that gap.



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Q215 **Chair:** You have directed Government interventions for other areas of education policy, like the apprentice programme, like school standards, and then the money goes towards those areas. Why not do the same for this kind of intervention?

Nadhim Zahawi: We are putting money into this. EEF is doing work with us, we have the peer review stuff—

Q216 **Chair:** At the moment you are saying whatever goes—

Nadhim Zahawi: Not whatever, no. I think we have to be evidence-based. Once we are in a place where we have the evidence, I would want to look at how to scale it up. What I am not going to commit to right here and now is to say to you, “This is how I would do it centrally” because much of this will change behaviour because people working in local government really want to do the right thing for their communities. They work really hard to do that. If you demonstrate to them, “Look at what is happening in Luton or in Newcastle or in Newham, where they have done really well on the work gap” then they are pretty like to change their behaviour towards it.

Michelle Dyson: I agree about Newham. I have been to Newham several times.

Chair: Thank you very much indeed for that long session. It will be Groundhog Day next week, I think, when you come back for general accountability.

Nadhim Zahawi: It will be. Twice in two weeks.

Q217 **Chair:** The final thing I would say is that we very much appreciate your answers. I would say that most of the Committee, if I can speak on behalf of the Committee, agree with the 30 hours policy for working parents and personally I think it is a fantastic policy, although I might want to look at the threshold. What I do want to make sure of is that people on low incomes who are disadvantaged get those advantages too; that they can get 30 hours too. That is the premise.

Nadhim Zahawi: I totally agree with you. Forgive me, when I said faux outrage, I mean sometimes in the media you get these headlines that suggest that—

Chair: Not in our Committee.

Nadhim Zahawi: Not in your Committee though.

Chair: Okay, thank you.