

The UK government has expanded the popular ‘free entitlement’ to part-time early education and care from a universal 15 hours per week to 30 hours per week for working parents. But research by **Jo Blanden** and co-authors reveals that the original policy was less beneficial for children’s development than might have been hoped.

Nursery attendance and children’s outcomes

The potential for early education to be beneficial for children’s development has led many countries to invest in universal provision in the pre-school years. In the UK in 1998, for example, the Labour government announced that it would introduce an entitlement to free part-time early education for all 3 and 4 year olds in England. This followed a similar policy announced by the Conservative government in 1996 for all 4 year olds.

Our research is the first to use administrative data on all children who go through the state school system to assess the impact of the free entitlement on their outcomes. We take two approaches to this issue. First, we consider whether children who were in areas who received free places before the full rollout of the policy did better in the first years of school (Blanden et al, 2016).

Second, we use the fact that children are only eligible for a free place the term after they turn 3, so that children who were born just a few days earlier receive

an extra term of free entitlement than those who were born just a little later. This second approach (Blanden et al, 2017a) enables us to consider the impact of the free entitlement once it was fully up and running.

When the free entitlement was being introduced in the early 2000s, some local authorities saw the availability of free places for 3 year olds increase considerably. This was not the case where councils were already providing nursery schools and classes. In addition, there was variation in the timing of the build-up among those

areas that funded new places.

If the free entitlement has an impact on children’s development, we would expect new places to be associated with educational outcomes some time later, controlling for other factors varying at local level, such as investment in Sure Start (an important early intervention policy at that time) and local economic conditions. We look at children’s performance in the Foundation Stage Profile (FSP) at age 5 and their key stage 1 and 2 results at ages 7 and 11 respectively for children who joined reception classes in the academic years 2002/03 to 2007/08.

The rules on eligibility mean that children who are born between 1 September and 31 December receive five terms of free early childhood education and care before they start school; children born between 1 January and 31 March receive four terms; and those born between 1 April and 31 August receive three terms. Our analysis makes use of this arbitrary entitlement rule, which generates a sharp difference

The free entitlement to part-time early education and care has failed to live up to expectations

in entitlement for children only a few days apart in age.

To pick up the effect of the additional term of the free entitlement, we compare only those children who are born within four weeks of either the December or March cut-off. Within these samples, the children who are eligible will be older than the others at the time of their FSP assessment, so we take care to control for differences in age, even within these narrow windows. Studying children who started school in the academic years 2008/09 to 2011/12 gives us a sample of more than 600,000 children born in 16 weeks of the year.

To understand our results on educational outcomes, we also need to examine the extent to which families change their behaviour when the free entitlement becomes available. Our investigations reveal some striking results.

Between 1999 and 2007, the percentage of 3 year olds in England receiving a free early education place rose by about 50 percentage points –

from 37% to 88%. But the number of children receiving any kind of formal early education increased by much less: from 82% in 2000 to 96% in 2007.

An area-level analysis relating places taken up to the number of free places available reveals that for every four children given a free place, only one child began to use early education. For the other three children, the policy effectively gave parents a discount on the early education and care that they would have paid to use without the policy.

In a similar vein, the Family Resources Survey for the period from 2005 to 2013 indicates that children are 10-12 percentage points more likely to be attending eligible childcare in the terms they are eligible for a free place than they were prior to entitlement.

If the only way that children's outcomes are affected by the policy is through attendance at nursery, our results imply that the impact of the policy is likely to be smaller than it would be if more families responded to the policy

The pre-school experience delivered by the free entitlement is not leading to sustained benefits



by enrolling their children. But this is not the only route through which the free entitlement could affect outcomes: it could also influence parental employment (which increasingly became a clear objective of the policy). Reductions in childcare costs might also help parents feel less stressed or enable them to spend money on other things that would benefit their children.

We therefore think about our results as a consequence of the policy as a whole and then attempt to understand the different mechanisms that might explain them.

Our analysis of the rollout of the policy reveals that the increase in free places improved the outcomes of children at age 5 by less than two percentage points on average. In levels, the policy as a whole shifts the average from a score of 87.5 in the FSP to a score of 89.2. (The FSP has a maximum value of 117 and allocates up to nine points for each of 13 areas of learning.)

We find evidence that new free places affect outcomes more strongly in areas where attendance rose the most as free places became available, implying that attendance matters. If we assume that all the benefits of the policy were felt by children who only took up a place because it was free, we find that the introduction of the policy meant that children who would otherwise have had no pre-school experience achieved an additional six points in the FSP. Disappointingly, there is no evidence that these effects were maintained through to age 7 or 11.

When we make use of eligibility rules to consider the benefit of an extra term, we find (at best) a very small positive effect. Some of this is doubtless explained by the fact that most children do not start to attend at the point of eligibility.

But even allowing for this, the effects of an extra term in nursery are substantially smaller than the benefits of

an extra term in the first year of school found by Cornelissen et al (2013) using the same outcome measures and making use of staggered school starts by month of birth (a more common policy in the mid-2000s than now). It might be that schoolteachers concentrate their efforts on children who begin school at lower levels and are therefore closing gaps between children with different nursery experience.

Nonetheless our results suggest that the pre-school experience delivered by the free entitlement is not leading to the sustained benefits we might have hoped for.

International research indicates that some systems do better than others in generating developmental gains. There is also some evidence showing that some settings have characteristics that are more successful than others. A consensus has therefore developed that 'high-quality' early education and care is important. So perhaps places offered through the free entitlement are not high-quality enough to benefit children?

In further work (Blanden et al, 2017b), we match the administrative data on outcomes to information on the settings that children attend in order to understand if some types of nursery characteristics lead to better educational outcomes. Our findings suggest that some of the observable measures of 'quality' are not strongly associated with early educational outcomes. Although outcomes are associated with the nursery a child is sent to, this appears to be only weakly related to having staff with graduate-level qualifications or an Ofsted rating of 'Outstanding'.

Our research therefore opens up a debate about whether and how we can better design the free entitlement to ensure that it promotes child development more effectively, as well as supporting parental employment and helping parents with childcare costs.

This article reports work by Jo Blanden, Emilia Del Bono, Kirstine Hansen, Sandra McNally and Birgitta Rabe published in the first three studies listed below. The results of this research are summarised in 'Evaluating the Impact of Nursery Attendance on Children's Outcomes' by Jo Blanden, Kirstine Hansen and Sandra McNally, published by the Nuffield Foundation (<http://www.nuffieldfoundation.org/news/early-childhood-education-has-had-little-impact-outcomes-inception-free-entitlement-and-politic>).

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Further reading

Jo Blanden, Emilia Del Bono, Sandra McNally and Birgitta Rabe (2016) 'Universal Pre-school Education: The Case of Public Funding with Private Provision', *Economic Journal* 126(592): 682-723.

Jo Blanden, Emilia Del Bono, Kirstine Hansen and Birgitta Rabe (2017b) 'The Impact of Free Early Childhood Education and Care on Educational Achievement: A Discontinuity Approach Investigating Both Quantity and Quality of Provision', University of Surrey School of Economics Discussion Paper No. 06/17.

Jo Blanden, Kirstine Hansen and Sandra McNally (2017a) 'Quality in Early Years Settings and Children's School Achievement', CEP Discussion Paper No. 1468 (<http://cep.lse.ac.uk/pubs/download/dp1468.pdf>).

Thomas Cornelissen, Christian Dustmann and Claudia Trentini (2013) 'Early School Exposure, Test Scores and Noncognitive Outcomes', University College London mimeo.

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