

Ofsted's Chief Inspector, Sir Michael Wilshaw, introduces the 'Unknown children – destined for disadvantage?' report.

A child's earliest years, from their birth to the time they reach statutory school age, are crucial. All the [research shows that this stage of learning and development matters more than any other.](#)

If we get the early years right, we pave the way for a lifetime of achievement. If we get them wrong, we miss a unique opportunity to shape a child's future.

We know from the outcomes of Ofsted inspections that the overall quality of provision for this age group in England is better now than it has ever been. In March 2016, [86% of all registered early years providers](#) (that is, nurseries, pre-schools and childminders) were judged as good or outstanding. That is a 14 percentage point increase in just 5 years. We are also finding that the quality of early years education in our primary schools is at least as high.

This raising of standards means that many more parents have a much better chance of finding a high-quality provider in their local area. At the same time, there are more children meeting the government's standard of a 'good level of development' at the end of the Reception Year. In 2015, [66% of five-year-olds achieved this national expectation](#), an improvement of 15 percentage points since 2013. For many of these children, the future is likely to be promising.

The uncomfortable truth, however, is that although early education is better than it has ever been, it is still not benefiting our poorest children as much as their peers.

We know that nearly half of the children from disadvantaged backgrounds have not secured the essential knowledge, skills and understanding expected for their age by the time they finish Reception Year. Around a quarter are unable to communicate effectively, control their own feelings and impulses or make sense of the world around them to ensure that they are ready to learn.

Yet we also know that it is the poorest children who have the most to gain if they are given the opportunity to master these basic skills before they reach statutory school age – and the most to lose if they

are not. By this point, the odds of these children catching up are stacked against them. In 2015, [only 44% of children who had not reached the expected level at the age of 5](#) went on to securely achieve the national benchmark in reading, writing and mathematics at the age of 11. This compares with 77% of children who had achieved the good level of development.

One reason too many disadvantaged children get off to a bad start is that, in too many local areas, they are less likely to access high-quality early education.

In the most prosperous areas, only 8% of children are in early years provision that is less than good. For children living in the most deprived areas, [this figure more than doubles, to 18%](#).

I commissioned '[Unknown children – destined for disadvantage?](#)' to gain a better understanding of how local authorities, schools and registered early years providers were tackling the issue of disadvantage and lower standards for those children in the most deprived communities.

The role of local authorities is paramount. They are charged with meeting the needs of young children through the [Childcare Act 2006](#). This places a duty on councils to improve outcomes for all young children, reduce inequalities and ensure that there is sufficient, high-quality early years provision and childcare for parents locally.

All this demands joined-up thinking. When learning, development and health are so inextricably linked for the under-5s, tackling all forms of inequality should be integrated across the range of local children's services.

This, in turn, requires strong and effective leadership at every level from the council cabinet to those leading early years provision.

When carrying out this survey, inspectors did indeed come across strong leaders who understood the importance of prioritising the early years. They were bringing services together to support disadvantaged families in a way that stood every chance of changing children's destinies for the better. [These leaders were removing the existing barriers between health and educational professionals that impeded them working together seamlessly and effectively.](#)

One council had an elected member whose single designated responsibility was to address the needs of disadvantaged children. Unfortunately, this commitment was by no means widespread. More

than half the local authorities we visited did not take a coordinated, strategic approach to tackling the issues faced by disadvantaged children and their families.

For too many councils, ensuring that pre-school children from poorer homes were being given a good start was low on their list of priorities. 'They will catch up later' was a common and complacent refrain that inspectors heard.

Even where a strategic plan was in place, around a third of those authorities did not have any specific targets or ambitions for improving the outcomes of disadvantaged children in the early years.

Inspectors encountered local authorities that were hampered by silo-working and unnecessary duplication of effort. Education and health teams within the same council did not know that the other was completing the same assessments for the same children. This poor information-sharing often stemmed from a culture of professional distrust across the different children's services.

### **Tens of thousands of poor children losing out as over £200 million set aside to fund free places for 2-year-olds goes unspent**

The government has introduced a number of recent measures to try to reduce levels of inequality and narrow the pre-school educational gap between disadvantaged and better off children. These include funded places for the most disadvantaged 2-year-olds and the new [early years pupil premium](#) for 3- and 4-year olds.

Local authorities have been handed responsibility for checking which children in their area are eligible for these different funding streams, as well as for directing the funding to early years providers in their area.

It is encouraging that there has been a [10 percentage point increase in the number of disadvantaged 2-year-olds taking up the government offer of free education](#) since I highlighted this issue in my last early years annual report a year ago.

However, there were still around 80,000 children – nearly a third of all those eligible – whose families did not take up a funded place in 2015. That equates to a staggering £200 million worth of potential investment that has failed to reach the children for whom it is intended.

The situation is particularly bad in 2 local authority areas where the take-up of funded places for 2-year-olds was as low as 34%.

I am concerned that, as things stand, no one is being held to account for this scandalously poor performance. As a result, the opportunity to directly influence the future path of thousands of poorer children is being lost. Our survey found that the most effective local authority leaders had recognised that bureaucracy too often prevented funding getting to those that needed it most. They had, therefore, adapted national systems to make it easier for parents to access these entitlements. They were also working closely with schools and early years providers in their area to ensure that there was a sufficient number of high-quality places available in the most appropriate settings for disadvantaged children.

In other areas, however, local authority leaders said that finding enough early years providers willing to offer sufficient places for funded two-year-olds was a constant challenge. This was partly because many pre-school providers do not want to reduce the number of children whose parents pay a higher rate for their provision to accommodate a greater proportion of children on funded places that provide a lower return. Indeed, only 6 of the 27 nurseries and childminders we visited prioritised admission for funded or disadvantaged children. It was also partly because not enough primary school headteachers in their area were willing to show the necessary ambition or take the necessary steps to make this happen. Just five of the schools we visited were taking 2-year-olds into their early years classes, despite their premises often being situated in the most deprived parts of the borough.

This is worrying. As I have made clear before, I firmly believe that schools are best placed to lead on the necessary help needed by very young children from disadvantaged homes who are at risk of falling behind.

I say this because we know that a growing proportion of primary schools are already succeeding in reducing the disparity between poorer children and their peers in reading and other core skills between the ages of 5 and 7. They also have more access to specialist support and are better able to ensure a smooth transition into Reception from Nursery for those children who often find it a struggle to adapt to new routines and a new environment.

Schools have already been given the right to prioritise the poorest children when drawing up their admissions criteria. Furthermore, bureaucracy on schools has been reduced: they are no longer required to register separately with Ofsted to take 2-year-olds.

However, it is clear from our survey that obstacles still remain. While in some places, school leaders are stepping up to the plate in increasing numbers, there was a notable reluctance in other areas to do so.

In some local authorities, leaders were thinking of increasingly creative and flexible ways to encourage and incentivise more headteachers to take funded two-year-olds and disadvantaged 3-year-olds. One council, for example, was providing a top-up to hourly funding as well as free training for staff and a one-off 'start-up' fee to help providers purchase new equipment or reorganise the learning environment.

It is clear from our survey that some local authorities, schools and early years settings are making effective use of the funding available to them to give poorer children the good start they so desperately need. Strong leaders at the town hall level, as well as in individual schools and settings, are demonstrably strategic, innovative and committed to making a difference.

However, there was a discernible lack of such ambition in a number of the local authorities we visited. Any potential for improving the prospects of the most disadvantaged young children was too often thwarted by weak leadership, ineffective managerial oversight, duplication and inefficiency. In these councils, government funding was not being used in a sufficiently targeted, coordinated way to make a difference.

It is clear from our findings that action is needed on a national and local level to address these variations and to ensure that the weakest places learn from the best. Early education has the potential to drive social mobility and improve outcomes for the next generation. We should not let them down.

Sir Michael Wilshaw

Now read [‘Unknown children – destined for disadvantage?’](#).