



Early Learning and Care and School-Age Childcare  
Towards a New Funding Model

Working Paper 6:  
Funding Models Addressing Early Childhood Disadvantage

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## Table of Contents

<b>Glossary .....</b>	<b>5</b>
<b>Executive Summary .....</b>	<b>6</b>
<b>Introduction.....</b>	<b>6</b>
<b>Methodology .....</b>	<b>7</b>
<b>Types of approaches .....</b>	<b>7</b>
<b>Evidence on effectiveness .....</b>	<b>8</b>
<b>Key policy trade-offs .....</b>	<b>9</b>
<b>1. Introduction .....</b>	<b>10</b>
<b>1.1 Background and objectives .....</b>	<b>10</b>
<b>1.2 Methodology .....</b>	<b>11</b>
<b>1.3 Caveats on the evidence .....</b>	<b>12</b>
<b>1.4 Report structure .....</b>	<b>13</b>
<b>2. Approaches to enhancing provision for disadvantaged children .....</b>	<b>14</b>
<b>2.1 Overview of approaches .....</b>	<b>14</b>
<b>2.2 Flexible additional funding.....</b>	<b>15</b>
<b>2.3 Conditional additional funding.....</b>	<b>19</b>
<b>2.4 Grants .....</b>	<b>21</b>
<b>2.5 Additional staff.....</b>	<b>24</b>
<b>2.6 Other in-kind support .....</b>	<b>25</b>
<b>2.7 Specialised provision.....</b>	<b>26</b>
<b>2.8 The relationship between approaches and disadvantage characteristics.....</b>	<b>27</b>
<b>3. Evidence on the effectiveness of approaches .....</b>	<b>30</b>
<b>3.1 How additional funding is spent .....</b>	<b>30</b>

3.2	Impact of additional funding on provision quality .....	31
3.3	Impact of classroom-level interventions on learning outcomes.....	34
3.4	Conclusions on the effectiveness of different approaches.....	35
4.	Policy trade-offs and lessons for Ireland.....	36
4.1	Additional funding vs. grants .....	36
4.2	Additional funding vs. in-kind support.....	37
4.3	Direct provision of additional staff vs funding for additional staff .....	38
	References .....	39

## Glossary

Childcare	Broadly used to mean ELC and/or SAC.
Early Learning and Childcare (ELC)	All regulated arrangements to provide care and education for children under compulsory school age, regardless of setting, funding, opening hours or programme content. Includes ISCED 0 and ECEC services without a defined educational component. Also called Early Childhood Education and Care (ECEC).
Enhanced provision	See quality.
Free hours or places	Use of ELC or SAC service free of charge for parents. The resulting costs for free access are typically covered by (government) subsidies.
Parent-paid fees	Fees paid by parents to providers of ELC and SAC. Also called provider fees.
Quality	Characteristics of ELC and SAC which have effects on children's development, learning and wellbeing. Includes process quality (the nature of the daily experiences of children) and structural quality (distal factors that are typically regulated, such as children-to-staff ratio, group size and staff training/education, and create the framework for the experiences of children).
Regional authorities	Any sub-national level of government with responsibility for ELC or SAC funding and administration: including local authorities, municipalities or regional governments.
School-Age Childcare (SAC)	Arrangements to provide childcare outside of normal school hours for school-going children, whether provided in formal or home-based settings. This includes before school, after school and school holidays, but excludes weekends.
Special Educational Needs (SEN)	A child is commonly recognised as having special educational needs if he or she is not able to benefit from the education made generally available for children of the same age without additional support or adaptations in the content of studies.
Special Educational Needs and Disabilities (SEND)	Special needs children are those for whom a special learning need has been formally identified because of mental, physical or emotional issues. Also called Additional Needs.
Teachers (in ELC)	Teachers are contact staff with the most responsibility for a group of children in ELC. They may also be called pedagogues, educators, childcare practitioners, core practitioners or pedagogical staff.

## Executive Summary

### Introduction

As part of the First 5 Strategy to improve outcomes for children in Ireland from birth to age five, a commitment has been made by the Irish Government to at least double public spending on Early Learning and Childcare (ELC) and School-Age Childcare (SAC) in Ireland by 2028. An Expert Group was tasked to deliver a report containing proposals for a new funding model which will help ensure that this additional funding can be used in the best way to deliver safe, high quality, affordable and accessible ELC and SAC. This report is the sixth in a series of working papers delivered by Frontier Economics in the role of Research Partnership to provide research support to the Expert Group.

A core objective of the new funding model is to provide additional funding or support to services to mitigate the impact of early childhood disadvantage, supporting children with additional learning needs, children for whom English or Irish is not the first language, and children who are at risk of poverty or other forms of disadvantage.

In order to provide a range of options for how such mechanisms might be developed, Working Paper 5 considered how such children or settings might be identified for additional funding support, and how these identification approaches could be applied in the Irish context. Following on from this, this paper now sets out how provision quality for identified children or settings might best be supported. Specifically, the aims were to:

- Review the policy approaches used to target funding or support enhanced provision for disadvantaged children.
- Assess the available evidence on how well these approaches work in practice.

It should be noted that this paper does not directly consider the wide range of policies used to increase access and affordability for disadvantaged children.<sup>1</sup>

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<sup>1</sup> These policies are covered to some extent in Working Paper 2 of this series, which considers the international approaches to funding ELC and SAC to reduce costs for parents.

## Methodology

Relevant international and country-specific information on policies that target funding or support to enhance provision quality for disadvantaged children were reviewed, along with evidence on the effectiveness of these policies. Key informant interviews were conducted with experts to validate the information collected in the desk review and identify additional policies and studies. The identified policies were then categorised into broad “approaches”, evidence on their effectiveness was synthesised, and key trade-offs between the approaches were considered with reference to the Irish context.

## Types of approaches

The review identified more than 30 examples of policies to enhance provision for disadvantaged children. These policies can be grouped into six broad approaches:

- **Flexible additional funding** provides settings with additional funding for disadvantaged children with a degree of discretion regarding how these funds are spent. This approach is generally justified by the need to compensate settings for the additional costs associated with disadvantaged children.
- **Conditional additional funding** provides additional funding for disadvantaged children conditional on meeting a set of prescribed structural or process quality standards such as child-to-staff ratios or staff qualifications.
- **Grants** provide funding to settings on a case-by-case basis, generally to address specific individual or setting needs. Such approaches are generally used to fund supports above those provided in automatic funding formulae.
- **Additional staffing** policies involve the direct provision of staff, including those with specialist qualifications, to reduce child-to-staff ratios and enhance the provision quality in targeted settings.
- **Other in-kind support** includes government-provided in-service training, mentoring and advice services, pedagogical resources and teaching materials for settings.

- **Specialised provision** includes the delivery of focused curricula to disadvantaged children and provision serving disadvantaged children in designated settings separate from mainstream provision.

There is some relationship between the approaches used and the disadvantage characteristics they aim to address. **Economic disadvantage** was generally addressed by additional funding and grants. Children with **special educational needs and disabilities (SEND)** were targeted by a wide range of approaches, but the most common approaches were grants and in-kind support, reflecting that the costs associated with serving children with SEND are highly variable and are often best addressed on a case-by-case basis using centralised resources. Children from **migration or ethnic minority backgrounds** were targeted by all six approaches, but most notably by in-kind support and specialised provision policies. **Family composition** and **extreme need** characteristics were generally not the focus of targeted approaches.

### Evidence on effectiveness

There are three sets of literature on the effectiveness of these policies: evidence on how flexible additional funding is spent; evidence on whether the portfolio of policies used by a given country results in disadvantaged children having access to higher-quality provision; and evidence on the impact of targeted classroom-level interventions on child development.

Three conclusions stand out:

- Evidence from New Zealand and England suggests that flexible additional funding is often spent to cover existing expenses and facilitate access and affordability, rather than to specifically enhance provision.
- In the Netherlands, England and Portugal, disadvantaged children attend settings with higher-quality provision than non-disadvantaged children, although the effect is largely driven by the types of settings these children attend rather than policies for targeting funding and support.
- There is a range of empirical evidence demonstrating that classroom-level interventions are effective for disadvantaged children, but limited evidence that these interventions close disadvantage gaps.

However, the evidence is limited and generally focused on a single programme or country, which means that strong conclusions cannot be drawn about the effectiveness of the different types of approaches.

### Key policy trade-offs

Nevertheless, there are three sets of trade-offs that should be considered in assessing the use of different approaches in the Irish context:

- **Additional funding vs. grants.** The key advantage of grants is that they allow for the funding of specific, costly supports that are often difficult to account for using standardised funding formulae. Grants can therefore help minimise the risk of unexpected costs falling on individual settings or regional authorities. In the Irish context, a combination of additional funding and grants is likely to be appropriate to address some disadvantage characteristics where additional costs vary substantially between individuals or settings (such as SEND).
- **Additional funding vs. in-kind support.** Decisions about which objectives to support, the type of support needed to meet those objectives and how (or by whom) the support should be delivered are assigned to government rather than settings to an increasing degree as the approach moves from flexible funding to conditional funding to in-kind support. Whether government or settings are best placed to make these decisions depends on the context. A second consideration is that the burden of monitoring compliance may be greatest for conditional additional funding. Consideration of these trade-offs in the context of Irish ELC and SAC should account for the existing supports that settings draw on to help them enhance provision.
- **Direct provision of additional staff vs. funding for additional staff.** Additional staff approaches are better suited to systems where staff are employed by the government rather than settings. The prevalence of private-sector provision in Ireland implies that funding settings to hire additional staff is likely to be more appropriate.

## 1. Introduction

### 1.1 Background and objectives

As part of the First 5 Strategy to improve outcomes for children in Ireland from birth to age five, a commitment has been made by the Irish Government to at least double public spending on Early Learning and Childcare (ELC) and School-Age Childcare (SAC) in Ireland by 2028. A new funding model is required to help ensure that this additional funding is used in the best way to deliver safe, high quality, affordable and accessible ELC and SAC which meets families' diverse needs. An Expert Group was tasked to deliver a report containing proposals for a new funding model which includes the costs, risks and implementation plans for different options.<sup>2</sup>

Frontier Economics was appointed as the Research Partnership for this Expert Group to provide research support and advice to the group. This report is the sixth in a series of working papers summarising the evidence in several key areas.

A core objective of the new funding model is to provide additional funding or support to services to mitigate the impact of early childhood disadvantage, supporting children with additional learning needs, children for whom English or Irish is not the first language, and children who are at risk of poverty or other forms of disadvantage.

In order to provide a range of options for how such mechanisms might be developed, Working Paper 5 considered how such children or settings might be identified for additional funding support, and how these identification approaches could be applied in the Irish context. Following on from this, this paper now sets out how provision quality for identified children or settings might best be supported. Specifically, the aims were to:

- Review the policy approaches used to target funding or support enhanced provision for disadvantaged children.
- Assess the available evidence on how well these approaches work in practice.

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<sup>2</sup> The terms of reference for the Expert Group are available at <https://first5fundingmodel.gov.ie/wp-content/uploads/2020/01/Terms-of-Reference-1.pdf>

It should be noted that this paper does not directly consider the wide range of policies used to increase access and affordability for disadvantaged children.<sup>3</sup>

## 1.2 Methodology

The study was conducted in three stages:

- **Desk review.** Relevant international evidence sources on approaches to support disadvantaged children in ELC and SAC were reviewed, including Oberhuemer and Schreyer (2018) and European Commission (2019). Information on policies used by a range of comparator countries was identified from government and regional authority websites, along with country-specific evidence on the effectiveness of these policies. Non-English language sources were translated using online translation applications or by native-language speakers where appropriate.
- **Key informant engagement.** Seven interviews with key informants were conducted, covering England, France, Germany (Bavaria), Ireland, the Netherlands, New Zealand and Norway. The interviews lasted between 45 and 60 minutes and were used to validate understanding of individual policies, identify additional policies not captured in the desk review and identify evaluation evidence on the effectiveness of policies.
- **Analysis.** The identified policies were categorised into broad “approaches”, together with the key variations and considerations for each approach. The approaches were then mapped to the target characteristics of disadvantage to highlight any common patterns. The evaluation evidence on policy effectiveness was synthesised and key trade-offs between approaches considered with reference to the Irish context.

Although policies used to increase access and affordability for disadvantaged children were not explicitly considered, policies supporting sufficient provision to disadvantaged communities are included when they overlap with policies to enhance provision quality. In addition, although the paper excludes regulations which enhance provision, it does include policies which provide targeted funding to facilitate compliance with regulations.

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<sup>3</sup> These policies are covered to some extent in Working Paper 2 of this series, which considers the international approaches to funding ELC and SAC to reduce costs for parents.

While the focus of this paper is ELC<sup>4</sup> and SAC settings, evidence was also drawn from the Delivering Equality of Opportunity in Schools (DEIS) programme in Ireland because of the similar policy context. Limited evidence was available on SAC: examples were only identified in Australia and Ireland. This is likely to reflect the fact that programmes supporting SAC for disadvantaged children generally focus on access and affordability rather than on improving the quality of provision.

The paper draws on examples from a range of comparator countries and jurisdictions, as well as from Ireland. Seven comparison jurisdictions (Australia,<sup>5</sup> England, France, Germany (Bavaria), Netherlands, New Zealand and Norway) were selected on the basis that the ELC in the jurisdiction includes some form of childcare market. They were also selected to cover a range of contexts including public and private provision; split and integrated systems; centralised and decentralised governance structures; and levels of public funding and regulation. Relevant examples were also drawn from other European countries including Austria, Luxembourg, Hungary, Austria, Denmark and Malta.

### 1.3 Caveats on the evidence

It should be noted that the research for this report was undertaken prior to and during the COVID-19 pandemic and that some information may have subsequently changed as a result.

The examples of policies are not intended to be a comprehensive summary of the full range of policies used in a given jurisdiction, but rather to present alternative implementations of each approach. Most examples are based on current practice, but some policies have been updated or superseded since sources were published.

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<sup>4</sup> The term ECEC (Early Childhood Education and Care) is widely used in the international literature, but the term ELC (Early Learning and Care) is used here in place of ECEC in the original sources. Where the term ELC is used alone, it does not include SAC. The terms “childcare” or “child care” are widely used in the international literature to mean ELC and SAC and the use of the term “childcare” is maintained from original sources in order to avoid any confusion with the meaning.

<sup>5</sup> Other papers in this series considered Canada (Ontario) rather than Australia, but Australia was considered here because of its diverse range of programmes for targeting support to disadvantaged children.

## 1.4 Report structure

The remainder of this report is structured as follows. **Chapter 2** summarises the broad approaches that are used to provide additional funding or support to disadvantaged children in ELC settings, SAC settings and schools. The chapter discusses the variants and considerations relevant to each approach and presents examples of how these approaches are implemented in practice in a range of comparator countries. The chapter concludes with a discussion of the approaches that are most commonly used to address each disadvantage characteristic described in Working Paper 5. **Chapter 3** presents the available evidence on the effectiveness of these approaches in targeting disadvantaged children with respect to enhancing provision quality and improving child development. **Chapter 4** concludes with a discussion of the trade-offs between respective approaches and their relevance to the Irish context.

## 2. Approaches to enhancing provision for disadvantaged children

This chapter summarises the policies that are commonly used to provide additional funding or support to disadvantaged children in ELC settings, SAC settings and schools. The first section provides an overview of approaches. Subsequent sections then discuss the variants and considerations for each approach, together with examples of how the approach is implemented in practice. The final section concludes by considering how the approaches are most commonly used to address the different characteristics of disadvantage identified in Working Paper 5.

### 2.1 Overview of approaches

ELC settings provide additional support to disadvantaged children in a range of ways. These include:

- Providing additional staff to reduce child-to-staff ratios, increase non-contact time and allow for engagement with parents.
- Providing more qualified staff, including language, coaching and leadership qualifications.
- Providing additional in-service training for staff.
- Facilitating mentoring and advice services to support staff.
- Offering tailored teaching approaches or specialist curricula.
- Providing additional pedagogical resources and teaching materials.
- Providing ELC in underserved areas or during atypical hours.
- Covering other costs associated with accepting disadvantaged children.

To facilitate these activities, governments need policies to target funding to settings that serve disadvantaged children. In general, these policies vary on a number of dimensions according to:

- Whether settings receive funding to facilitate the provision of targeted support or receive in-kind support directly from governments or regional authorities.<sup>6</sup>
- Whether settings have the flexibility to determine how additional funding or support is used.
- Whether the funding or support is provided automatically or is allocated on a case-by-case basis.
- Whether the support involves the delivery of focused curricula to disadvantaged children or provision serving disadvantaged children in designated settings separate from mainstream provision.
- Whether the support or funding is channelled through regional authorities or is provided directly by national government.

These policies can be grouped into six broad approaches: flexible additional funding; conditional additional funding; grants; additional staff; other in-kind support; and specialised provision. The following sections explore each of these approaches in turn.

## 2.2 Flexible additional funding

A common approach used to address early childhood disadvantage involves providing settings with additional funding for disadvantaged children with a degree of discretion in how these funds are spent. This approach is generally justified by the need to compensate some settings for the additional costs associated with serving disadvantaged children or for a lack of alternative funding sources such as parent-paid fees or community fundraising. The approach is often used to top up the rate the government pays settings for each child-hour of ELC and is most common in ELC systems with substantial private provision.

There are a number of variants of this approach:

- Additional funding may be provided as a higher capitation rate (per child per hour), or as a fixed amount per setting. Higher capitation rates, in turn, may be provided for

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<sup>6</sup> The term “regional authority” is used to refer to municipalities, communes, local authorities or regional governments that are involved in administering ELC funding and support.

each disadvantaged child enrolled or for every child enrolled in a setting which meets set criteria for serving disadvantaged children.

- The amount of funding may be a function of the degree of disadvantage of each child or setting, or may be a fixed amount for all children or settings meeting a certain threshold.
- The government may place some restrictions on how settings use the funds or may allow the settings complete discretion.
- The national government may provide funds directly to settings or it may channel the funds through regional authorities.
- Settings may need to report to parents, local communities and government agencies on how additional funds have been spent or retain records in case of inspection.

Examples of this approach include the following policies in the comparator countries.

**New Zealand: Targeted Funding for Disadvantage.** New Zealand operates a “Targeted Funding for Disadvantage” programme which provides a higher capitation rate for disadvantaged children, defined as those who have spent the majority of their lives as the dependent of a welfare beneficiary (New Zealand Ministry of Education, 2018a, 2020a). The programme is accessible to licensed ELC settings where at least 20% of children are classified as disadvantaged.<sup>7</sup> Targeted Funding must be used to improve the early learning experiences of disadvantaged children, but a wide range of spending is permitted around four broad themes: working with families; removing barriers to participation; enriching learning environments; and tailoring teaching approaches (New Zealand Ministry of Education, 2020b). Spending on rent, property maintenance, debt repayment, marketing and other operating expenses is proscribed. Settings must report how funds were spent to

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<sup>7</sup> Casual education and care settings, hospital-based settings and certificated playgroups are not eligible, nor are settings with fewer than six children (to protect the privacy of disadvantaged children). Each December, the Ministry of Education calculates the amount of Targeted Funding each settings will receive in the coming academic year (January to December) based on estimated future attendance. Settings are notified of their Targeted Funding entitlement and payments are made in three instalments: March, July and November.

parents and the Ministry of Education (although settings receiving small amounts of funding are excluded from Ministry reporting requirements).

**New Zealand: Equity Funding Components A/B.** The Equity Funding programme also provides higher capitation rates to settings that support disadvantaged children, based on the residential addresses of children (New Zealand Ministry of Education, 2020c). The increase in the capitation rate depends on a four-band equity index. Settings catering for the most disadvantaged children (EQI 1) receive an additional 1.44 NZD (EUR 0.81) per funded child-hour and settings catering for fewer disadvantaged children (EQI 4) receive an additional 0.40 NZD (EUR 0.23) per funded child-hour. Unlike Targeted Funding for Disadvantage, the higher capitation rate applies to all children in the setting, not just disadvantaged children. Equity Funding must be spent “with the equity objectives for participation and quality in mind” and settings must report to parents and the community on how it has been spent. Suggested spending themes include: allowing for additional staff time with disadvantaged children; purchasing specific learning resources; providing professional development for staff; engaging specialist staff; improving staff-child ratios; subsidising learning experiences outside the setting; meeting children’s nutritional, transport or health needs; improving learning spaces; and recruitment or retention initiatives (New Zealand Ministry of Education, 2020b). **Equity Funding Component D** provides a grant of up to NZD 290 (EUR 163) per month to isolated settings (New Zealand Ministry of Education, 2020c).

**England: Early Years Pupil Premium (EYPP).** The EYPP provides settings with additional funds to support disadvantaged three- and four-year-olds (Education and Skills Funding Agency, 2018). Eligibility is based on whether the child’s parents are in receipt of one or more government benefits. The programme pays settings an additional GBP 0.53 (EUR 0.59) per eligible child-hour, up to GBP 302.10 (EUR 333) per year. The funding is provided indirectly by local authorities and is pooled with other ELC funding. There are no restrictions on how the additional funding can be spent and no record-keeping or reporting requirements for settings.

**England: Early Years National Funding Formula (EYNFF).** England uses a detailed formula for allocating funding for free places to local authorities, which in turn distribute funds to

settings (Education and Skills Funding Agency, 2018). This process allocates higher capitation rates to disadvantaged children in two ways:

- The government pays a higher capitation rate to regions with high concentrations of disadvantaged children, meaning that average capitation rates in these regions are higher than those in advantaged regions (all else being equal). The amount of additional funding is calculated using local measures of the receipt of free school meals, the receipt of disability living allowance and the proportion of children with English as an additional language.
- Local authorities are encouraged (and in some cases required) to offer higher capitation rates to settings with high concentrations of disadvantaged children, including on the basis of deprivation, isolation and additional language requirements. Up to 10% of total funding can be used for targeted funding (including funding targeting disadvantage). Evidence from 2016 shows that approximately 4% of regional authority funding was used to target disadvantaged children, but this varied substantially by region (Noden and West, 2016). Regional authorities determine how to allocate funding between settings, with some focusing on settings with high concentrations of disadvantage and others allocating a fixed amount per disadvantaged child. There are no nationally mandated reporting requirements or restrictions on how the additional funding can be spent by settings.

**England: Disability Access Fund.** This fund provides settings with GBP 615 (EUR 679) per eligible child per year (Education and Skills Funding Agency, 2018). Funds may be used to support providers in making reasonable modifications to their settings and/or helping with increasing capacity. Funds can be targeted at the specific child with disabilities or used for the benefit of all children at the setting.

**Netherlands: Equity Funding for Schools.** The Netherlands provides higher capitation rates to disadvantaged children aged four to six in school-based ELC settings (kindergartens) (Rijksoverheid, 2020). The additional funding is provided directly to schools (not via regional authorities), based on a compound disadvantaged measure that accounts for parental education, mother's birthplace, time in the Netherlands, whether parents are in debt restructuring and the average education of all mothers in the school. Schools must meet a

certain disadvantage threshold in order to receive the funding. Schools have significant flexibility regarding how they spend additional funds, and there are limited monitoring and reporting obligations.

**France: Bonus Funding.** France provides additional funding to settings to support provision for children with special educational needs and children from unstable or low-income households through the *Inclusion Handicap Bonus* and *Mixité Sociale Bonus* programmes (Caisse des Allocations Familiales, 2018). The programmes support higher capitation rates for all children in settings with disadvantaged children. Additional funding increases with the share of disadvantaged children in the setting up to EUR 1,300 per year for children with special educational needs and up to EUR 2,100 for children from low-income households.<sup>8</sup> The funding compensates settings for the additional costs associated with accepting disadvantaged children (including costs associated with staff training, parental engagement and equipment) and account for the fact that attendance by these children is often for shorter periods and more irregular. Settings have discretion on how additional funds are spent. Certain settings in receipt of these funds are resourced for additional non-contact time to facilitate staff meetings and parental outreach.

**Ireland: DEIS Grant.** DEIS schools receive higher capitation rates to support them with developing and implementing their plan to improve education quality for disadvantaged children (Department of Education, 2017, 2020). The higher capitation rate is scaled according to the level of disadvantage of the school. DEIS schools also receive a larger book grant, but these are primarily used to reduce parent-paid costs, rather than enhance provision quality.

### 2.3 Conditional additional funding

An alternative to providing flexible additional funding to settings involves providing funding which is conditional on the setting meeting a set of prescribed structural or process quality standards. Under these approaches, the additional funds are generally tied to improving the quality of provision for disadvantaged children (or are provided to settings that serve

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<sup>8</sup> Higher capitation is provided when parent fee contributions are below a set threshold, a proxy for low-income status.

disadvantaged children), rather than compensating settings for the additional cost of serving disadvantaged children.

As with flexible additional funding, conditional funding can be provided as a higher capitation rate for disadvantaged children or for all children at eligible settings, or as a fixed amount per setting. It can be a function of the degree of disadvantage and may or may not be channelled through regional authorities.

Examples of this approach include the following policies in the comparator countries.

**France: Priority Education Networks.** Some *écoles maternelles* in socially disadvantaged areas are provided with additional funding to reduce child-to-staff ratios and accept children from the age of two (European Commission, 2019). Normally, only children aged three and over are entitled to access these settings (Ministère de l'Éducation Nationale, 2020a).

**Bavaria: Migration Bonus.** The funding rate paid to settings varies by the age, attendance and migration status of children (Scholz et al., 2019). Specifically, the rate is 30% higher for children with a migration background. The additional funds must be used to hire additional staff to provide additional language support. The staff may or may not have language development qualifications. Munich provides a top-up to the Migration Bonus, which is calculated on the basis of the migration status of children in a particular neighbourhood rather than in a particular setting in order to reduce funding volatility.

**Bavaria: Sprach-Kitas.** Germany operates approximately 6,000 *Sprach-Kitas* or Language Day Care Settings, which have an above average number of children with additional language requirements (Bundesministerium für Familie, Senioren, Frauen und Jugend, 2020). These settings are allocated an additional half-time specialist staff member, along with additional funds to cover related material expenses and overhead costs, equivalent to EUR 25,000 per year. Larger settings may be entitled to additional staff time. The additional staff member advises, accompanies and supports the ELC staff in the further development of everyday language education. The specialist staff members all receive the same standard of pre-service training. *Sprach-Kitas* are grouped into networks of 10 to 15 settings, with each network having an additional half-time specialist advisor who continuously supports quality development in the language day-care centres.

**Netherlands: Equity Funding for Municipalities.** The Netherlands provides higher capitation rates for disadvantaged two- to four-year-olds in ELC. Additional funding is provided to regional authorities based on a compound disadvantaged measure that accounts for parental education, mother's birthplace, time in the Netherlands and whether parents are in debt restructuring (Rijksoverheid, 2020). Regional authorities in turn pass on these additional funds to settings using the same compound measure of disadvantage. Targeted settings are mostly, but not exclusively, in areas of concentrated disadvantage. Funding is conditional on a range of structural quality standards including, but not limited to: using an approved curriculum; lower child-to-staff ratios; higher staff language requirements; having staff qualified to coach other staff members; continuing professional development; and additional contact with parents (Leseman and Slot, 2020). There are a range of private organisations that settings can contract to support them in meeting these requirements. Settings are subject to additional monitoring by the education inspectorate.

**New Zealand: Equity Funding Component C.** New Zealand provides a grant of NZD 411 (EUR 232) per month to settings that provide the majority of instruction in a language other than English, including sign language (New Zealand Ministry of Education, 2020c).

## 2.4 Grants

A related set of approaches provides settings that serve disadvantaged children with recurring or one-off grants. These approaches are distinct from the additional funding approaches in that money is provided on a case-by-case basis to address specific individual or setting needs. Such approaches are generally used to fund specific supports above those which can be accounted for by automatic funding formulae. They help to mitigate the risk of unexpected costs, such as the cost of building modifications for a child with a disability, falling on individual settings or regions.

There are a number of variants of this approach:

- Grants may cover the full cost of a project or may require match funding from the setting, regional authority or other organisations.
- Settings may be required to apply for the grant proactively or may be provided with the grant automatically on the basis of their circumstances.

- Settings may be required to enter into contractual agreements with the grant provider or keep records on how grant funds were spent.
- Grants may aim to ensure sufficiency of provision to underserved communities; to compensate settings for the additional costs associated with providing ELC and SAC to disadvantaged children; or to facilitate an increase in quality of provision for these children.
- Grants may be tied to a specific project or initiative or may be spent at the discretion of the setting.

Examples of this approach include the following policies in the comparator countries.

**France: *Fonds Publics et Territoires*.** The Fund distributes EUR 300 million over a four-year period to support disadvantaged young children, including by improving provision at ELC settings (Caisse des Allocations Familiales, 2019). Funds are distributed to regional authorities (*Caisse des Allocations Familiales*) using national criteria and expressed needs. Regional authorities then provide settings with specific grants on a case-by-case basis for projects that support children with disabilities and children from unstable or low-income households. Distribution of the additional funds to settings is at the discretion of the regional authority and may cover no more than 80% of a project's total cost. There are seven broad themes and a particular focus on innovation, experimentation and evaluation. For example, grants may be used to support settings to remain open during atypical hours, to prevent a setting in an underserved area from shutting down or to pilot a programme that combines ELC with enhanced parental contact. Grants over a certain monetary threshold are formalised by a contract between the setting and the regional authority.

**Norway: *Special Projects Funding*.** ELC settings in Norway can apply to regional authorities for grant funding for special projects to provide additional language or inclusion support to disadvantaged children on a case-by-case basis (Norwegian Ministry of Education and Research, 2010). Regional authorities receive funding from the national government which is earmarked for supporting disadvantaged children, including through grants to settings or holistic measures across multiple settings. Grant funding may be used to hire additional staff, to purchase learning resources and books or to improve cooperation with parents.

**Australia: Community Child Care.** The Community Child Care Fund provides funding to ELC and SAC settings that cater to disadvantaged communities in regional and rural Australia (Department of Education Skills and Employment, 2020a). The fund aims to address barriers to participation in disadvantaged communities, support settings experiencing viability issues, and increase the supply of ELC and SAC places in geographic areas with high, unmet demand. The most recent round of competitive grants distributed AUD 115 million (EUR 68 million) to more than 700 ELC and SAC settings in priority areas, and a further AUD 156 million (EUR 92 million) of non-competitive grants to 150 settings in indigenous communities (Department of Education Skills and Employment, 2018). The fund also provides support on a case-by-case basis to settings at risk of closure due to unforeseen events (e.g. natural disasters) or to settings at risk of closure where that closure would result in the lack of suitable ELC for the community.

**Australia: Inclusion Development Fund.** The fund provides funding to ELC and SAC settings on a case-by-case basis to help them address barriers to inclusion for the most vulnerable and disadvantaged, and children with additional needs (Department of Education Skills and Employment, 2020b). Funding can be used to cover the cost of an additional staff member to increase child-to-staff ratios, to provide top-up funding to compensate for lost revenue associated with serving a disadvantaged child, or to facilitate other “innovative, flexible and responsive solutions” to inclusion barriers. Funding is also available to representative organisations, disability organisations and other inclusion entities to support strategic or collaborative projects to increase inclusion.

**England: SEN Inclusion Fund.** Local authorities are required by the government to have Special Education Needs (SEN) inclusion funds for all three- and four-year-olds with SEN taking up free places (Education and Skills Funding Agency, 2018). These funds support regional authorities to work with settings to address the needs of individual children with SEN.<sup>9</sup>

**England: High Needs Block Funding.** Settings serving children with SEN are eligible for grant funding on a case-by-case basis, in addition to the support they receive through the SEN

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<sup>9</sup> SEN funds can also be used by regional authorities (local authorities) to directly commission SEN services.

Inclusion Fund (Education and Skills Funding Agency, 2017). The grants are provided by local authorities, drawing on the high needs block of the dedicated schools grant they receive from the government.

## 2.5 Additional staff

Distinct from additional funding, government or regional authorities may directly provide settings with additional staff (one type of in-kind support). Child-to-staff ratios and the qualifications of staff are considered key drivers of provision quality, and disadvantaged children often benefit from specially qualified staff to support language development, address SEND and engage with parents.

There are a number of variants of this approach:

- Staff may be required to have special qualifications or may be regularly qualified staff intended to reduce child-to-staff ratios.
- Staff may be dedicated to a single setting or may work part time across a number of settings.
- Staff may be employed by the national government or by regional authorities.

The direct provision of staff is not common in comparator countries, as settings are generally responsible for hiring staff. The exception was the DEIS programme for schools in Ireland. Additional examples from Luxembourg, Austria, Hungary and Denmark are also described below.

**Ireland: DEIS staffing.** The Irish Government provides additional staff to schools in disadvantaged areas.<sup>10</sup> Specifically, “Urban Band 1” DEIS schools are allocated additional teachers to facilitate a lower class size as per the staffing schedule (Department of Education and Skills, 2017). Some disadvantaged schools are also allocated more qualified principals (administrative principals) at lower enrolment thresholds, dedicated guidance counsellors and home school community liaison officers, who work with children and parents to support attendance and active participation in school. Schools also have access to

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<sup>10</sup> DEIS staffing is available to public primary and secondary schools.

support from the School Completion Programme, which typically provides disadvantaged children with outside-of-school SAC such as homework clubs, breakfast clubs and holiday-period activities, along with learning support and personal development programmes.

A number of other countries use similar approaches (Oberhuemer and Schreyer, 2018). In **Luxembourg**, settings with a large number of Portuguese children are provided with a Portuguese-speaking assistant for a number of hours per week in order to support the language development. In **Austria**, settings serving more than one child with SEN are provided with an additional specialist member employed by the regional authority. A related set of programmes provides additional part-time staff to all settings serving children with SEN and facilitates reduced child-to-staff ratios in these settings. In **Hungary**, settings with a concentration of ethnic minority children have posts for specially qualified educators (*nemzetiségi óvodapedagógus*). In **Denmark**, regional authorities are obliged to offer language stimulation training for children with a migration background.

## 2.6 Other in-kind support

A related set of policies involves providing settings with in-kind support for disadvantaged children.

These policies differ mainly with respect to the type of support that is provided. This can include (but is not limited to) in-service training to improve pedagogy and leadership; mentoring and advice services; and pedagogical resources and teaching materials. Decisions regarding the type of in-kind support to offer are generally informed by the type of disadvantage characteristics being targeted, as well as country-specific contextual factors. The policies also differ with respect to targeting. Settings serving a qualifying number of disadvantaged children may have exclusive access to the support, priority access to support that is available to all settings or the same access as all settings.

Examples of this approach include the following policies in the comparator countries.

**Australia: Inclusion Support Agencies.** Inclusion Support Agencies provide a network of inclusion professionals who work with settings to build their capacity and capability to provide inclusion practices and address barriers to inclusion (Department of Education Skills and Employment, 2020b). Australia also operates a Specialist Equipment Library at the

national level to provide resources to address barriers to inclusion that cannot be resolved by the Inclusion Support Agencies.

**Ireland: DEIS Training Supports.** Staff in schools covered by the DEIS programme receive priority access to mentoring support and in-service training in pedagogy and leadership (Department of Education and Skills, 2017; Department of Education, 2020). They also have access to literacy and numeracy teaching materials and planning supports.

**France: Equality Training Programme.** France is delivering a training programme to the entire ELC workforce between 2019 and 2020 in order to help them to support the language development of children aged 3 to 36 months (Ministère de l'Éducation Nationale, 2020b). While the programme is not specifically targeted at staff serving disadvantaged children, its rationale is to address differences in children's language skills and thereby reduce educational inequalities at school entry.

A number of other countries use similar approaches. In **Malta**, staff serving children with a migration background receive in-service training and have access to specific resources and software for enhancing reading and writing skills (Oberhuemer and Schreyer, 2018). Special training initiatives to support staff with reaching out to Roma children exist in Romania, Czech Republic, Greece, Hungary, Poland, Slovakia and Finland, (European Commission, 2019).

## 2.7 Specialised provision

Requiring settings to provide focused curricula for disadvantaged children is not common in the comparator countries. In the **Netherlands**, adopting an approved curriculum with a focus on language development is a condition of receiving higher capitation rates, but in practice these curricula are used by the majority of ELC settings regardless of whether they support disadvantaged children or not. Some other European countries, such as Lithuania and Malta, ensure that settings with disadvantaged children offer special curricula (Oberhuemer and Schreyer, 2018).

Likewise, few comparator countries have settings specifically for disadvantaged children. The exception was **Norway**, where some regional authorities operate "Welcome" classes to support the language development and integration of children with a migration background,

sometimes working with the regional Refugee Services. For example, Skien County selected six settings to receive refugee children (Norwegian Ministry of Education and Research, 2010). These settings often have lower child-to-staff ratios and employ staff with higher language qualifications. Children transition from these settings into mainstream settings when their language skills are sufficiently advanced. Some other European countries, such as **Luxembourg**, have also established similar “Welcome” classes to receive refugee children (Oberhuemer and Schreyer, 2018). **Ireland** also has specific supports in place for children in emergency accommodation or Emergency Reception and Orientation Centres.

## 2.8 The relationship between approaches and disadvantage characteristics

There is some relationship between the approaches used and the disadvantage characteristics they aim to address. Figure 1 presents the example policies considered in the previous sections, along with the associated disadvantage characteristics.

A number of patterns can be observed in this figure:

- **Economic disadvantage (low income)** was generally addressed by additional funding and grants. The only in-kind support or specialised provision examples that explicitly targeted economically disadvantaged children were those associated with the DEIS programme (and these were as part of composite measures).
- **Family composition** characteristics (including number of children and number of parents) were generally not the focus of targeted approaches. The only exceptions were in Ireland and the Netherlands, where family composition was used as part of a broader composite measure of disadvantage. This reflects the fact that most policies that consider family composition address access and affordability.
- **Children with SEND** were targeted by a wide range of approaches. A large number of grants and in-kind support policies target children with SEND, reflecting that the costs associated with serving children with SEND are highly variable and are often best addressed on a case-by-case basis using centralised resources.
- **Children from a migration or ethnic minority background (migrant/minority)** were targeted by all six of the approaches considered in this study. Notably, in-kind

support and specialised provision policies (except for those targeting children with SEND) targeted this characteristic, reflecting the importance of specialised staff, resources and curricula in language development.

- **Extreme needs** were generally not the focus of targeted approaches. The exceptions were policies that aimed to support the sufficiency of provision to disadvantaged or isolated communities, which were generally addressed with additional funding or grants.

**Figure 1: Relationship between approaches and disadvantage characteristics**

Approach	Policy	Targeted children				
		Low income	Family composition	SEND	Migrant / minority	Extreme need
Flexible additional funding	New Zealand: Targeted Funding for Disadvantage	✓				
	New Zealand: Equity Funding Components A/B	✓				
	New Zealand: Equity Funding Component D					✓
	England: Early Years Pupil Premium	✓				
	England: Early Years National Funding Formula	✓		✓	✓	✓
	England: Disability Access Fund			✓		
	Netherlands: Equity Funding for Schools	✓	✓		✓	
	France: Bonus Funding	✓		✓		
	Ireland: DEIS Grant	✓	✓	✓	✓	
Conditional additional funding	France: Priority Education Networks	✓				
	Bavaria: Migration Bonus				✓	
	Bavaria: <i>Sprach-Kitas</i>				✓	
	Netherlands: Equity Funding for Municipalities	✓	✓		✓	
	New Zealand: Equity Funding Component C				✓	
Grants	France: <i>Fonds Publics et Territoires</i>	✓				✓
	Norway: Special Projects Funding	✓	✓	✓	✓	
	Australia: Community Child Care	✓			✓	✓
	Australia: Inclusion Development Fund	✓		✓	✓	
	England: SEN Inclusion Fund			✓		
	England: High Needs Block Funding			✓		
Additional staff	Ireland: DEIS staffing	✓	✓	✓	✓	
	Luxembourg: Language specialists				✓	
	Austria: SEN specialists			✓		
	Hungary: SEN specialists			✓		
Other in-kind support	Australia: Inclusion Support Agencies			✓		
	Ireland: DEIS training supports	✓	✓	✓	✓	
	France: Equality Training Programme				✓	
Specialised provision	Netherlands: language curriculum				✓	
	Norway: Welcome Kindergartens				✓	
	Luxembourg: Welcome Classes				✓	

Sources: See text in sections 2.2 to 2.7.

### 3. Evidence on the effectiveness of approaches

This chapter reviews the evidence on the relative effectiveness of these approaches for enhancing provision for disadvantaged children. Overall, there are three sets of literatures. Evidence on how flexible additional funding is spent is presented in the first section. Evidence on the whether the portfolio of policies within countries achieve higher-quality provision for disadvantaged children is presented in the second section, while evidence on the impact of classroom-level interventions on child development is presented in the third section. The final section concludes on the usefulness of this evidence for comparing the broad approaches.

#### 3.1 How additional funding is spent

The available evidence from New Zealand and England suggests that flexible additional funding is often spent to cover existing expenses and facilitate access and affordability, rather than to specifically enhance provision.

New Zealand Ministry of Education (2018b), an evaluation of Equity Funding Component A, found that the majority of the funding was used to address access and affordability, or to cover basic needs: a quarter of the settings surveyed reported spending some of the funds to cover transport costs; half reported providing free or discounted places; and half reported providing food or hygiene products. Only a minority of settings reported spending some of the funding to enhance provision: a quarter of settings reported spending the funds to hire additional staff to reduce child-to-staff ratios or staff with specific training to support high-needs children; a quarter reported providing staff with in-service training; a quarter reported funding excursions or cultural opportunities; and a fifth reported purchasing resources to support cognitive development (such as paint, sandpits, board games, gardening supplies and playgrounds). The study was largely consistent with the findings from an early evaluation (New Zealand Ministry of Education, 2006) although the 2006 evaluation did not report substantial spending on access, affordability and basic needs.

In England, Department for Education (2017) found that most settings spent additional EYPP funding either on activities to support language development or to facilitate outdoor learning, with fewer settings reporting spending the funding on excursions, teaching

resources and additional staff. Some settings noted that the funds were used to purchase goods and services that would have otherwise been funded from other sources. Additional funds were generally targeted to disadvantaged children, but settings often spent the funds in a way that would benefit all children in the setting, such as in-service training for staff.

Department for Education (2020) found evidence which suggests that settings may have changed how they spend EYPP funding over time. In the 2020 study, more than three-quarters of the settings surveyed reported spending the funds on learning resources, while around half reported spending on staff training, on outdoor activities/facilities or on extracurricular activities. Fewer than one-quarter of settings reported spending to hire specialist staff, and very few reported spending on food or hygiene products. The study found that in around two-thirds of settings the funding benefited all children, with fewer than one in ten settings using the funds solely for the benefit of children eligible for EYPP.

The 2020 study also considered how the Disability Access Fund and SEN Inclusion Fund allocations were spent. Three-quarters of settings reported spending Disability Access Fund allocations on learning resources, and half reported spending on specialist training for staff. More than half of group-based settings (and more than four in five school-based settings) reported targeting the funding specifically to children with SEND.

Settings in both New Zealand and England noted that they would have benefited from more explicit guidance on how additional funds should be spent (New Zealand Ministry of Education, 2018; Department for Education, 2017)

### **3.2 Impact of additional funding on provision quality**

There is limited and mixed evidence on whether policies providing additional funding lead to enhanced provision for disadvantaged children:

- New Zealand Ministry of Education (2006) tested the impact of Equity Funding on process and structural quality. It found that over half of the sampled settings shifted to higher levels of process quality or sustained already high levels, and many improved aspects of structural quality such as child-to-staff ratios and in-service training. There is some descriptive evidence that Equity Funding expenditure contributed to these improvements, with the largest quality improvements accruing

to those settings that spent the funds on professional development and teaching technology, rather than on affordability and basic needs.

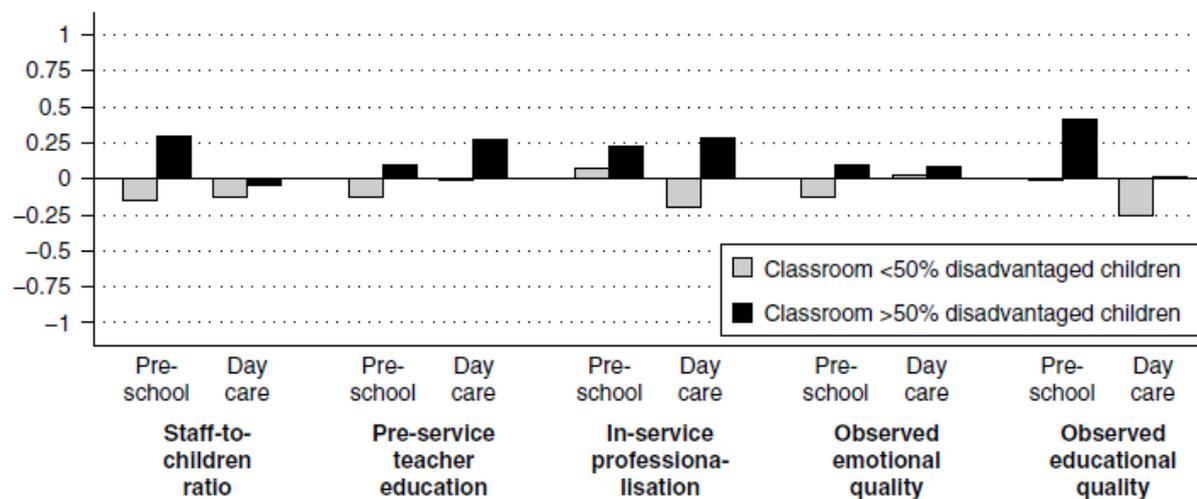
- The 2017 evaluation of EYPP (Department for Education, 2017) was conducted shortly after implementation and was therefore unable to measure whether there were any impacts on process or structural quality. However, a survey in 2019 (Department for Education, 2020) found that many settings self-reported significant impacts of EYPP on developmental outcomes: more than two-thirds reported improvements in language and communication development and more than half reported improvements in personal, social and emotional development. However, fewer than one in four settings reported improvements in literacy, play-based learning or mathematical development.
- Leseman and Slot (2020) conducted an empirical evaluation which considered the impact of the flexible Equity Funding for Schools programme in the Netherlands. They found that settings with a large proportion of disadvantaged children (children with a low socioeconomic status background, migration background or additional language requirements) did not benefit from extra language or mathematics learning activities and had similar educational process quality to settings with fewer disadvantaged children. The authors hypothesised that the additional funding might not lead to improved process quality because of the limited “room for entrepreneurship and innovation” in hierarchical public school systems, or because there were no “specifications on how the subsidy should be used”.

A number of related studies compare provision quality for disadvantaged and non-disadvantaged children within a particular country, providing an indication of whether the portfolio of policies redress any existing differences in the quality of ELC received by these groups of children.

In the Netherlands, England and Portugal, disadvantaged children attend settings with higher-quality provision than non-disadvantaged children. However, it should be noted that the effect is largely driven by the types of settings these children attend, rather than policies for targeting funding and support:

- Leseman et al. (2017) evaluated the “conditional” Equity Funding for Municipalities programme in the Netherlands. They found strong evidence that process and structural quality was higher in settings serving disadvantaged children, and concluded that the policy succeeded in providing higher-quality ELC to these children. Figure 2 shows that all of the structural and process quality measures considered were higher in classrooms with more than 50% disadvantaged children in both types of ELC setting, with notable differences with respect to child-to-staff ratios, pre-service and in-service training and observed educational quality. Leseman and Slot (2020) added that in classrooms with two-thirds or more disadvantaged children, teachers were observed to “provide significantly higher educational process quality and to engage more often in language, literacy and mathematics activities”. An earlier study by Dotterer et al. (2013) drew similar conclusions.

**Figure 2: Structural and process quality characteristics of ELC in the Netherlands**



Source: Leseman et al. (2017), p. 183.

Notes: Structural quality characteristics and observed emotional and instructional quality of day care and pre-school classrooms serving disadvantaged children; presented in mean z scores.

- Similarly, Mathers and Smees (2014) found that disadvantaged children in England benefited from equal- or higher-quality provision than non-disadvantaged children across all measures of quality used in the Early Childhood Environment Rating Scales. However, this effect was largely driven by the fact that disadvantaged children were much more likely to attend government settings which were required to meet higher quality standards (Gambaro et al., 2014). Within non-government settings,

disadvantaged children received lower-quality provision, although this difference was smaller (and in some cases eliminated) in graduate-led settings. It should be noted that these findings pre-date many of the existing policies for targeting disadvantaged children in England, including the EYPP and the current version of EYNFF.

- Slot et al. (2015) found a very similar result in Portugal. Children with low-educated mothers experienced higher process quality than other children, but this difference was not observable once setting type was controlled for, suggesting that the effect was driven by disadvantaged children selecting into higher-quality public provision.

Conversely, Slot et al. (2015) found evidence that non-German speaking children in Germany experienced lower process and curriculum quality than German speakers, although the effect was small.

### **3.3 Impact of classroom-level interventions on learning outcomes**

A final group of studies tests the effectiveness of targeted policy on learning outcomes. While these studies evaluate specific pedagogical interventions at the classroom level, rather than approaches for targeting funding, they can provide useful causal insights.

Bleses et al. (2017) applied a randomised control trial approach to test the impact of a programme with a storybook-based intervention, in-service training and parental outreach in Denmark. They found that the programme had a small effect on children's pre-literacy skills, but not on language skills. However the intervention did not diminish the gap between disadvantaged and non-disadvantaged children in pre-literacy or language skills. This suggests that the intervention was more effective as a general quality measure, rather than as an approach to targeting disadvantage.

Using a similar methodology, Rogde et al. (2016) studied Norwegian children with additional language requirements who were provided with an 18-week programme of small group and one-on-one instruction in language comprehension. The authors found evidence of significant improvements in custom measures of taught vocabulary and standardised measures of language skills. No conclusions were reported on whether the intervention had a different effect on children without additional language requirements.

Zachrisson et al. (2017) found empirical evidence that a highly structured pedagogy (combining high levels of cognitive opportunities for learning with low levels of social opportunities for learning) in Norway had a positive impact on language skills, with larger effects for children with low-educated mothers than other children. However the authors noted that their finding was sensitive to the analytical approach and was drawn from a small sample size. Findings from a related Norwegian study on the effectiveness of different pedagogical approaches to addressing achievement gaps for disadvantaged children are expected to be published in late 2020.

A study on the *Sprach-Kitas* programme in Germany is expected to be published in early 2021. Interim findings suggest that the programme is largely effective at improving outcomes for children with additional language requirements, but that these effects are contingent on the specialist staff effectively improving interaction quality across the setting rather than just engaging with disadvantaged children directly.

### **3.4 Conclusions on the effectiveness of different approaches**

Overall, there is limited evidence on the relative effectiveness of the approaches described in Chapter 2 for enhancing provision for disadvantaged children. Moreover, the available evidence is generally focused on a single programme or single country, meaning that findings are likely to reflect the effectiveness of the specific policy design, the way in which the approach was implemented and the contextual factors in the country. Strong conclusions across the types of approaches can therefore not be drawn.

## 4. Policy trade-offs and lessons for Ireland

This chapter considers the strengths and weaknesses of the approaches for supporting disadvantaged children discussed in Chapter 2. Three sets of trade-offs are considered in the Irish context: between additional funding and grants in the first section; between additional funding and in-kind support in the second section; and between providing additional staff and funding settings to hire additional staff in the final section.

### 4.1 Additional funding vs. grants

Approaches that provide settings with grants on a case-by-case basis often operate alongside policies involving flexible and conditional additional funding aiming to address a similar range of disadvantage characteristics. For example, the SEN Inclusion Fund (a grant programme) and the Disability Access Fund (a flexible additional funding policy) both provide settings with additional funding to support certain children with SEN/D in England, with a key distinction being that the Inclusion Fund is distributed on a case-by-case basis.

The key advantage of grants is that they allow for the funding of specific, costly supports that are often difficult to account for using standardised funding formulae. Grants therefore can help minimise the risk of unexpected costs falling on individual settings or regional authorities. Grants are particularly important where additional costs, such as the costs associated with serving children with disabilities or in isolated communities, can vary substantially between individuals or settings. While the higher capitation funding provided by the Disability Access Fund is likely to help address the additional costs for most children with SEND, there are likely to be a number of children for whom these funds would be insufficient.

The advantage of additional funding, on the other hand, is that these policies impose a lower administrative burden on settings, regional authorities and/or governments.

In the Irish context, a combination of both additional funding and grants is likely to be appropriate to address some disadvantage characteristics such as SEND.

## 4.2 Additional funding vs. in-kind support

The main issues in considering funding vis-a-vis in-kind support is whether government or settings should make decisions around which objectives to support, the type of support needed to meet those objectives and how (or by whom) the support should be delivered. As summarised in Figure 3, these decisions are assigned to government to an increasing degree as the approach moves from flexible funding to conditional funding to in-kind support. Whether government or settings are best placed to make these decisions may depend on the context. For example, decisions may be best left to settings if they have more varied needs and a better understanding of those needs. On the other hand, they may be best left to government if needs are more uniform and the government is better informed of the effectiveness of supports or can command economies of scale in purchasing supports. A second issue in the trade-off relates to monitoring and compliance burdens to validate that funds are used appropriately. As shown in Figure 3, conditional additional funding may have the highest cost in terms of monitoring and ensuring compliance that funds are used as intended.

**Figure 3: Comparison of additional funding and in-kind support models**

Flexible additional funding	Conditional additional funding	In-kind support
<ul style="list-style-type: none"> <li>• Settings choose the objectives, type of support and delivery method.</li> <li>• Low monitoring burden.</li> </ul>	<ul style="list-style-type: none"> <li>• Government sets the objectives.</li> <li>• Settings choose the type of support and delivery method.</li> <li>• High monitoring burden.</li> </ul>	<ul style="list-style-type: none"> <li>• Government sets the objectives, type of support and delivery method.</li> <li>• Low/no monitoring burden.</li> </ul>

*Notes: Grant funding may have similar characteristics to either flexible or conditional additional funding, depending on the requirements of the grant.*

For example, in the Netherlands, ELC settings serving disadvantaged children are funded to improve structural quality standards such as advanced language and coaching qualifications under the Equity Funding for Municipalities programme. Settings are supported by a private sector which provides in-service training and resources that help them meet this objective. By contrast, in Ireland, the DEIS programme directly provides training, mentoring and resources to schools, in line with government objectives.

Consideration of this trade-off in the context of Irish ELC and SAC should account for the existing supports that settings draw on to help them enhance provision. Formal qualifications are generally procured by staff or settings from private or not-for-profit education providers, sometimes with financial support from the Learner Fund. However, in-service training and mentoring supports are generally provided directly by Irish Government departments, agencies and funded National Voluntary Childcare Organisations. These include the *Aistear* and Play programme, the Access and Inclusion Model (AIM), Leadership for Inclusion in Early Years training, and the Better Start Quality Development Service. AIM in particular provides a number of training programmes such as Hanen, Lámh and Sensory Processing E-Learning, and Equity Diversity and Inclusion training (see Department of Children and Youth Affairs (2019)). Enhancing provision for disadvantaged children would involve either expanding the range of in-kind support provided by the government (for example, there are no in-service training programmes focused on supporting children with additional language requirements) or working with the private and not-for-profit sectors to ensure settings are able to procure these supports elsewhere.

#### **4.3 Direct provision of additional staff vs funding for additional staff**

Approaches that directly provide settings with staff are functionally similar to those that fund settings to employ additional staff. For example, Ireland assigns DEIS schools with more qualified principals at a lower enrolment threshold, while Bavaria and Ireland (through AIM) provide some ELC settings with funding to employ a specialised staff member.

The main distinction is that additional staff approaches are better suited to systems where staff are employed by the government rather than settings. In funding models where staff are employed centrally, the administrative burden associated with the government changing how staff are allocated is likely to be lower than that associated with settings recruiting and hiring additional staff members. Conversely, if the majority of ELC staff are employed privately by settings, the administrative burden associated with these settings using funding to hire additional staff is likely to be low and may be lower than that faced by a government that does not otherwise employ ELC staff.

In the Irish context, the prevalence of private-sector provision implies that funding settings to hire additional staff (or more highly-qualified staff) is likely to be more appropriate.

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