

Daycare Trust response to consultation:
Childcare Act 2006: Future Approach to Fees and Subsidies

1 Do you agree that our proposed approach will achieve a better and fairer balance between the fees that providers pay to Ofsted and subsidies from the tax payer?

Yes

No

Not sure

Comments:

Daycare Trust recognises that the proposed changes to the fee structure will address some inequities between how much is paid by different types of provider. However, we have concerns over the steep, and grossly above inflation, increases that will be borne by providers in 2010. Although we commend the decision to delay the introduction of the increases so as to allow time to assimilate the present period of change for the sector, this does not really allow for a properly 'gradual' increase to be absorbed by providers over time. Such increases will undoubtedly serve to increase the cost of childcare for parents again, and may slightly destabilise the market that year, as providers are forced to re-evaluate their budgets.

Daycare Trust would recommend that if it is decided to proceed with such increases, that a comprehensive awareness programme must be embarked on sooner rather than later to ensure providers are aware of the impending increases as soon as possible for planning purposes.

From 2010 we are proposing a significant reduction in the current fees subsidy, with additional funding being transferred to local authorities to administer support at a local level, further supporting them in meeting their new duty under the Childcare Act 2006, to secure sufficient childcare to meet the needs of parents in their area.

2 Do you agree this is a fairer system, making the most effective use of local authority knowledge and mechanisms to provide targeted local support?

Yes

No

Not sure

Comments:

Daycare Trust is not clear by what means the current subsidy will be redistributed to local authorities. Whilst we recognise some benefits of the subsidy being used as a market management tool providing incentives or disincentives for providers, we would be concerned that appropriate checks were put in place to ensure that the providers who most need support in paying their registration fees continue to receive money from their local authority. More pointedly though, the partial removal of the subsidy is most likely to be passed on by providers to parents in the form of higher fees. At a time when affordability is cited by parents as *the* major barrier to taking up childcare, this is only likely to exacerbate the existing problems.

The Safeguarding Vulnerable Groups Act will make it illegal for anyone to engage in regulated activity unless they have applied to the Independent Safeguarding Authority Scheme. A consultation on the details supporting the new Scheme and the role of the Independent Safeguarding Authority was launched on 14th November 2007.

Our intention is to retain the current subsidy of Criminal Records Bureau checks, but to review the position when the details underpinning the Independent Safeguarding Authority Scheme are settled.

3 Do you agree that we should support providers through the introduction of the Independent Safeguarding Authority Scheme and afterwards provide a fairer administration of support at a local level?

Yes

No

Not sure

Comments:

Daycare Trust welcomes the decision to maintain, for the present time, the subsidy for childcare workers to receive Criminal Records Bureau checks. We feel this is a small but important mechanism that helps support the challenging drive to significantly expand - and assure the quality of - the childcare workforce as the sector expands.

As this consultation indicates, a future review will provide ample scope for further discussion of this issue before any firm decision is taken to abolish or downgrade the subsidy. However, Daycare Trust would caution now that if the subsidy were to be taken away it might lead to some potential workers encountering difficulties in affording to pay this fee, or if organisations opted to pay the charge themselves, this would ultimately be passed on to the consumer in higher fees - exacerbating the present problems around childcare affordability.