



Changes to the Care to Learn Childcare Support Scheme

Joint response from Daycare Trust and Maternity Action

October 2011

Daycare Trust is the national childcare charity, campaigning for high-quality, accessible, affordable childcare for all and raising the voices of children, parents and carers. We undertake research, campaign on childcare issues, work with providers in different types of childcare settings, as well as providing information for parents and carers. Our research with parents and providers gives a comprehensive and up-to-date picture of parents' experiences of accessing financial support to continue in further education once they have left school.

Maternity Action is a national charity working to challenge inequality and promote the wellbeing of pregnant women, new mothers and their families. We provide web-based information and telephone advice on maternity rights to parents and their advisers. Each month, 15 000 copies of our information sheets are downloaded and we answer more than 170 advice calls. We undertake research on the issues which affect the lives of pregnant women and new mothers. We actively campaign for changes which will protect and enhance the health and wellbeing of these women and which promote equality.

Daycare Trust and Maternity Action are fully supportive of Care to Learn as it currently stands because in our experience with parents and from the evidence of its evaluation, it works well for young parents choosing to return to or continue with education or training. The government-commissioned research is unequivocal about the phenomenal success of the programme¹. Before starting learning in the 2008/09 academic year, a staggering 69 per cent of all young parents receiving Care to Learn were not in employment, education or training (NEET). By the time they were interviewed for the report, in early 2010, only 27 per cent were NEET. This is an incredible achievement, making an impact on a typically hard to reach group during a time of economic

¹ The YPLA, The Centre for Economic and Social Inclusion and Ipsos Mori: *The Impact of Care to Learn: tracking the destinations of young parents funded in 2008/09, 2007/08 and 2006/07*

stagnation; where youth unemployment was at an all time high. The programme helped young parents to escape the poverty trap associated with low skill, low paid jobs; giving their children a better start in life.

We have concerns about each of the options set out in the consultation. We do not accept the premise for the consultation i.e. that as demand is predicted to increase (because of the increase in the compulsory school leaving age) the system must be reformed to spread the existing pot of money more thinly. We believe that the scheme is a cost effective one, and that since the government is increasing the school leaving age, it should fund an increase in the budget for Care to Learn.

As we do not support any of the options proposed by the Government we are not able to tick any of the boxes on the consultation response form. We believe that another option should have been possible so that individuals and organisations can prefer 'none of the above'.

Concerns about option 4 - Limit eligibility for Care to Learn to young parents who are aged 18 or under at the beginning of their course

As option four is set out as the Government's preferred option in the document we will start this response with our concerns with this option. Option four proposes that the eligibility for Care to Learn be limited to young parents who are aged 18 or under at the beginning of their course. Those who are aged 19 and over when they begin their course will have to access childcare support through the Discretionary Learner Support arrangements funded by the Department for Business, Innovation and Skills (BIS). While we accept that Department for Education only has responsibilities for people aged up to 19, we feel very strongly that the Care to Learn model works well and should remain for those aged 19, and suggest even providing it for those over this age. We have major concerns with the Discretionary Learner Support Fund and set out our criticisms below. We therefore propose that BIS take responsibility for parents aged 19 and over but fund their childcare needs through the Care to Learn model as it currently stands. We will now set out why we think this should be the case.

We have already set out above why Care to Learn works so well. In contrast, parents have reported to us numerous problems using the Discretionary Learner Support Fund for childcare. Daycare Trust's information line has received many calls from older prospective students who were struggling to find financial support for childcare, especially since other funding streams have been cut – namely the Sixth Form College Childcare Scheme and the Free Childcare for Training and Learning for Work, both of which closed on 31 August 2010.

Many parents do not find out whether their claim has been accepted until they are about to start the course. This means that they often do not have time to secure childcare, and if they do, it is often not their chosen option. Finding suitable childcare can take several months as parents need to do a considerable amount of research on their options,

before finding out which providers have places available and visiting them to assess their suitability. Securing childcare at late notice can often mean needing to travel further afield which makes coordinating studies and being a parent even more challenging. Some parents may miss some of their initial classes because of a lack of childcare arrangements. Moreover, there is very little time to help young children settle into their childcare setting, which we know is essential for both the child's wellbeing and the parent's peace of mind. Parents also need certainty about their financial support before committing to a contract with a childcare provider, which can require considerable upfront expense. Daycare Trust research has shown these costs can include fees in advance, deposits, retainers and administration fees – either individually or in combination. With typical full time weekly childcare costs currently £167 per week, four weeks' fees in advance would mean that parents have to pay £668 when they take up a place (Childcare Advance, Daycare Trust, 2009).

In the worst cases, parents have secured childcare with their own limited funds or by borrowing money, in the hope they would secure funding and are told at the last minute they have not. This means they have got themselves into debt for childcare arrangements that they did not need, as they often will have to drop out of the course.

Funding arrangements provided through discretionary funds can also prove to be a problem as some training and education providers make payments which are incompatible with childcare providers' payment needs. For example, colleges may only make payments every half term, while childcare providers may want weekly or monthly payments. This makes it difficult for parents to budget and may lead to arrears. Another significant problem with this approach is that it is already very difficult to encourage young parents as a group back into education. Many are averse to leaving their young children in the care of others and many are reticent to move back into education. Some young parents will also have very low self-esteem and lone parents in particular fear the stigma of being a lone parent at college. Indeed, the evaluation of Care to Learn found that young parents may well have had a poor experience of school before they became parents and so persuading them to go back into learning can take a lot of encouragement. The system of financial support for childcare should therefore be as simple as possible, and should avoid complex and stigmatising application processes.

Another concern we have about moving to a discretionary model is that young people may not want to reveal they are parents to their training provider so they can receive financial support for childcare². This is because they may fear they will be treated differently. While we feel that young people should of course feel confident to share this important information with their college or training provider, we need to accept that currently some young people feel that they would prefer to keep this information confidential.

Daycare Trust and Maternity Action believe that a key benefit of Care to Learn is that it is promoted and delivered through a network of support which parents are already

² Ibid

access (either through their local connexions, on www.directgov.uk or through the learner support helpline, as well as through their training or education provider). These are independent sources of information that young parents already trust. If it is left up to the training provider to deliver this programme, those most in need may fear the stigma of being a young parent and not wish to ask for help, and risk being left without support. Moreover, under a discretionary model those supporting parents back into education or training would find it much harder to convince parents they will get the childcare support they need to move back into work. With different providers making funding decisions according to different criteria, unknown to those providing this support, it will be difficult for them to be able to predict with any certainty which young parents will get support. Young parents may take a couple of years to return to education, preferring to look after their child at home whilst they are young. It is essential that funding is available for students aged 19 and over to ensure they are supported to return to education when they are ready. Care to Learn has had such positive results for the parents which it has served – fulfilling the government target of reducing NEETs and helping parents move back into work to provide a positive example for their children and move into sustainable employment; no longer being reliant on state support.

Training providers also tend to prioritise financial support on incumbent students, to ensure they complete the course, thus meeting their targets. It would be necessary to provide strong incentives for providers to use their small pot of funding on what we know is expensive childcare, to encourage parents to take on courses. It seems logical that many providers will choose to support students with smaller financial support needs so they can spread their small pot over a larger number of students. For all these reasons, we feel very strongly that many parents will lose out under this model.

Finally, to set these concerns in context, based on figures released by the Minister, Nick Gibb MP in a written answer to Parliament (19 October, 2011, column 972W), we estimate that this change will affect over 2000 young parents as 2,119 parents receiving Care to Learn were aged 19 and over out of the 2010/11 cohort.

Concerns about other options

Our criticisms of option one are dealt with in our criticisms of option four as our concerns lie in relying on discretionary scheme to fund childcare support, for any young parent, whatever their age.

We also reject option two, i.e. changing the eligibility of Care to Learn from being open to all to being available only to those on a set household income threshold (to be determined). As the consultation sets out the scheme is already largely targeted on those most likely to be in need of financial support. The administrative costs of changing the scheme are likely going to disproportionate to the marginal savings it might make. We would also be against this as young parents living at home may not always be in a position to rely on financial support from their parents. We hear from our work with young parents living at home with their parents that relations can often be fraught and

asking for financial support only makes them more so. Anything which would discourage young parents from entering education would reduce the power of an already successful scheme.

We are also strongly against the proposal as set out in option three, i.e. reducing the weekly maximum amounts payable for childcare costs. As the consultation itself points out and as we are aware from Daycare Trust's annual childcare costs survey, childcare costs are rising at above the rate of inflation and a full-time nursery place already costs more than the current limits in large parts of the country. Reducing maximum payments would therefore run a very high risk of preventing young parents, especially in areas of high cost childcare and those in full-time courses, from continuing education and training. The latest government evaluation of Care to Learn found that the level of funding was about right and that almost all parents found it covered childcare costs for the time they were at their learning provider. However fewer found it covered all their travelling time, suggesting that reducing the amount would seriously undermine the ability for the programme to cover parents' childcare costs. Moreover, the evaluation of Care to Learn found that some parents on full-time courses had to supplement Care to Learn funding with additional, often informal childcare. In regions where nurseries on average cost more than £160 (or £175 in London) young parents were more likely to use less expensive childminders, restricting parent choice in the childcare they use.

Gender equality

Care to Learn was originally targeted at young mothers. While the programme is now open to parents of either gender, the vast majority of recipients are young women (in the evaluation of the scheme in 2008/09, just 28 fathers were using the scheme). By enabling young mothers to remain in education and training, the programme has an important role to play in reducing the gender pay gap, currently 15.8% for all men and women (Annual Survey of Hours and Earnings 2010). At present, 5% of the gender pay gap is directly attributed to formal education levels (GEO 2011). Reducing access to education and training for young mothers is likely to increase the disparity in formal education levels between men and women, and impact negatively on women's wages over their lifetime. This is at odds with the Government's stated commitment to tackle the gender pay gap.

Conclusion

In conclusion, we have concerns with each of the four options as set out in this paper as none of them ensure that all parents are able to access the support they need to enter education and ensure they find sustainable work to bring their families out of poverty. Whilst we accept that DfE does not have responsibility for people aged over 18, we feel that parents should not miss out because they have taken a little longer to move back into education. For this reason we strongly urge DfE to propose that the Care to Learn model is replicated in BIS. This ensures that parents have guaranteed funding for them to secure their preferred option and settle their child before they begin their course. It

also ensures that funding reaches all parents who need it and not just those who have the confidence to ask for it and who are lucky enough to find training and education providers which provide support for them. Finally, a national scheme provides those tasked with supporting and encouraging parents back into education and employment with a clear and secure incentive.

For more information please contact:

Rosanna Singler

Policy & Research Officer, Daycare Trust

rsingler@daycaretrust.org.uk, 020 7940 7523