

Childcare Bill House of Lords – Consideration of Amendments Briefing February 2016

Summary

The Childcare Bill will extend the free early education offer for three and four year olds from 15 to 30 hours each week for working parents. The Family and Childcare Trust welcomes this extension of the support available for parents with childcare costs. However, challenges still remain around the delivery of the offer. We want to see further action to make sure all eligible children can access the offer in high quality settings and improved access for disabled children, many of whom are currently missing out.

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The Government's proposals

Currently, all three and four year olds in England receive 15 hours of free childcare each week for 38 weeks of the year. The Government proposes to increase this to 30 hours for eligible working parents. Since previous consideration in the Lords the government have changed eligibility criteria so that the entitlement will only be available to families where both parents are each earning, on average, a weekly minimum equivalent to 16 hours at national minimum wage or national living wage (and where no parent is earning more than £100,000). In the autumn statement, the Government announced an additional £300 million to increase the average rate of payment to providers and £50 million of capital funding to support the roll out of the offer.

Eligibility

The Government estimates that 390,000 three and four year olds will be eligible for the extended offer¹ – around 76 per cent of children where both parents are in work and 43 per cent of all children in this age group (see appendix).

Many parents will not be eligible, including those in education, training or who are volunteering. For many parents who have been out of the labour market for a longer period, the first steps back into work are often through part-time roles with short hours. Additionally, parents who are carers also frequently take work with limited hours. Some help with childcare costs is available to parents in training and education but this support has significant gaps, often preventing them from moving closer to employment. While the 15 hours of free childcare currently offers some help to parents, this childcare is often only available in inflexible morning or afternoon sessions and do not meet childcare needs.

➤ ***Recommendation: Eligibility requirements should be relaxed to support those who are progressing towards work through education and training and meet the Government's stated aim of supporting parents into work.***

Access and funding

Providing sufficient places will be challenging for the early years system. 73 per cent of three and four year olds accessing free childcare attend at a school-based setting or sessional pre-school.² These settings face significant barriers in extending provision to 30 hours each week and some will have to reduce the number of places they are able to offer to deliver the extended offer. Many sessional pre-schools also use shared community premises for part of the day at 'peppercorn' rents and would need to move to new premises to extend their offer. The

¹ Department for Education (2015) Childcare Bill Policy Statement p.9

² Department for Education (2014) Childcare and early years survey of providers 2012-2013, p. 65

Government has not yet fully answered questions about how sessional and maintained providers will be supported to extend their offer, nor does the capital funding identified for the offer appear to be adequate to meet this aim.

➤ ***Recommendation: The Government should clarify that it expects that all eligible parents will be able to access the 30 hour offer and expand the programme of capital investment to support roll out of the offer to all eligible parents.***

Flexibility

To be successful, the extended offer must provide flexibility for parents who work both during the day and outside regular office hours. 29 per cent of mothers routinely work at atypical times such as the evening or weekend.³ Childminders are the principle means through which flexibility is offered in formal childcare provision. However, less than one per cent of free early education for three- and four-year-olds is currently delivered by childminders.⁴ The Government has yet to provide clear guidance or sufficient 'central' funding for local authorities to support childminders to participate in the free offer.

➤ ***Recommendation: The Department for Education should provide guidance for local authorities on supporting childminders and allocate additional funding.***

Children with special educational needs and disabilities

The 2014 independent Parliamentary inquiry into childcare for disabled children highlighted the continuing failure of the early years system to provide adequately for children with special educational needs and disabilities (SEND).⁵ 25 per cent of children with SEND do not access free early education compared to 6 per cent of all children.⁶ This failure stems from a number of issues. There is a lack of clarity over what reasonable adjustments childcare providers should make under equalities legislation and limited support to meet the needs of children with SEND. There is a shortage of area early years special educational needs coordinators and a lack of skills and confidence among early years professionals, leading to parents being subtly discouraged or turned away by providers. The additional cost of care for children with SEND was highlighted as a significant challenge for providers in the Department for Education's review of early education funding but this challenge is not being addressed.⁷

➤ ***Recommendation: The Department for Education should introduce and properly fund a requirement for local authorities to produce an early years inclusion plan setting out clearly how providers will be supported to include children with SEND.***

Quality in early education and childcare

The House of Lords Affordable Childcare Committee recommended that the Government review the budget for early education and childcare and consider targeting more resources at the most disadvantaged children because this is where the evidence of the impact of high quality early education is most strong. It is not clear how the Government's funding review has met that aim. The key influence on quality is the qualifications and experience of staff and settings where care is led by an early years graduate are most likely to improve outcomes for children. However, many children accessing free childcare, including most two year olds, do not receive care led by an early years graduate.

➤ ***Recommendation: Workforce qualifications and professional development must be a key part of the upcoming early years workforce strategy.***

³ Department for Education (2015) Cost of delivering the early education entitlement: Research report

⁴ 11,010 of 1,321,900 free places are provided by childminders (Department for Education statistical release: Provision for children under 5 years of age: January 2015, 25 June 2015)

⁵ Contact a Family et al (2014) Parliamentary Inquiry into childcare for disabled children: Levelling the playing field for families with disabled children and young people

⁶ Contact a Family et al (2014) Levelling the playing field: Equal access to childcare for disabled children, One year update

⁷ Department for Education (2014) Childcare and early years survey of parents 2012-2013, p. 215

Appendix: Estimate of the proportion of children eligible for the 30 hour offer

The Government estimates that 390,000 children will be eligible for the 30 hour offer.⁸ We estimate that this represents 76 per cent of children where all three- and four-year olds where all parents are in work or 43 per cent of all three- and four-year-olds eligible for free early education.

ONS population projections estimate that there will be 675,370 three-year-olds and 694,318 four-year-olds in 2017 when the offer is fully rolled out.⁹ However, two-thirds of four-year-olds are in reception class rather than free early education, reducing the potentially eligible group to 231,437. This means that the Government expects 390,000 of approximately 906,807 children (43 per cent) to be eligible for the offer.

Analysis by the Institute for Fiscal Studies of the Labour Force Survey data states that 56 per cent of three-year-olds and 58 per cent of four-year-olds have all parents in work.¹⁰ This reduces the pool of potentially eligible children to 512,440, of which 76 per cent are expected to be eligible.