

## **Daycare Trust Evidence to the Childhood and Families Task Force**

**September 2010**

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 early years' settings, as well as providing information for parents and carers. Our surveys of parents and providers give a comprehensive and up-to-date picture of issues facing these groups and we have incorporated this research into our evidence to the Childhood and Families Task Force.<sup>1</sup>

Our research shows that investment in early childhood education and care is an investment both in the future of our children, and also in parents who need affordable childcare in order to return to or remain in work. This investment enables families to move out of poverty, and can help break intergenerational cycles of poverty. Early childhood education, child care and play provision across the UK is valued by parents and children alike and access to it contributes to a good childhood. Daycare Trust also believes that high quality early childhood education boosts the life chances of the most vulnerable children in society. As such, investment in early childhood education and care is an effective form of early intervention that can save later and more costly inputs through the special educational needs and healthcare systems.

We welcome the decision to establish the ministerial taskforce on Childhood and Families. On the basis of evidence gathered through our work, the Daycare Trust would like to highlight the following issues and requests that the Childhood and Families Task Force consider them in its recommendations and future policy development across Government. In particular we note:

- Childcare still remains unaffordable for many parents. Daycare Trust would like to see all two to four year olds receive 20 hours free early years education and care. We would also like to see a reduction in the withdrawal rate for tax credits as earnings increase.
- Many parents need flexible working practices when their children are young. The Government could show its support for these practices by extending paid parental leave to one year and making parental leave more flexible and transferable to fathers.

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<sup>1</sup> Daycare Trust surveys and other research are available online [www.daycaretrust.org.uk](http://www.daycaretrust.org.uk)

- High quality childcare delivers improved outcomes for disadvantaged children and the effect is most long-lasting for this group. Staff qualifications have the biggest impact on the quality of provision. Daycare Trust would like to see continued Government support for measures to improve qualifications. We would also like to see pay scales reward staff who gain qualifications.
- It is essential that Sure Start remains a universal service, as moves to restrict Sure Start to the most disadvantaged families would stigmatise Sure Start, have an impact on community cohesion and limit children's educational progress.

### **Parents' views of issues affecting families and children**

The Daycare Trust runs an advice line for parents and providers, offers training and undertakes independent research on issues that relate to early childhood education and care. Our research with parents has highlighted the following issues:

- ***Childcare remains unaffordable for many families, preventing them from entering the labour market.*** The costs of early childhood education and care, as well as holiday and out-of-school provision, remains a significant financial burden for working parents including many in middle income brackets. Our 2010 childcare costs survey showed an average yearly cost of £4,400 for 25 hours nursery provision for an under two living in England. Some nursery provision is much more expensive, with London nurseries charging as much as £22,100 per year for a 50 hour week. Moreover, childcare costs have risen at rates significantly above the rate of inflation. Our 2010 survey showed nursery costs in England rose between 4.8 and 5.1 per cent between 2009 and 2010. The average cost of a childminder increased by 6.4 per cent for children under two and 9.2 per cent for children aged two or over. Existing Government support, while making a significant difference for many families, is not sufficient. Every three and four year old is entitled to 15 hours of free early education and care from this September, yet for most families there is no financial support at all until this point. Take up of the childcare element of Working Tax Credit is relatively low (reform of tax credits is discussed further below), and only a minority of employers offer childcare vouchers.
- ***There are still significant gaps in provision.*** In some parts of the UK it is very difficult to find suitable childcare, and particular difficulties are often found for children under two, disabled children, out-of-school care for older children and holiday childcare for all ages. Our 2010 childcare costs survey indicated that 49 per cent of parents of disabled children and those with special educational needs found it difficult to find childcare. Parents working atypical hours are another group who face great difficulty in finding childcare. We are also concerned about the growing number of closures of college and university nurseries and the impact this is having on parents who are studying. Analysis of data from our information line shows that insufficient out-of-school hours childcare can prevent some parents entering the labour market and others have to leave work in the summer. Local authorities have a duty to manage their local childcare market and to ensure that sufficient childcare is available for parents wishing to work or study. However

in their Childcare Sufficiency Assessments, many local authorities continue to identify areas of under-supply; despite the duty being in place since April 2007, they are not meeting parents' needs.

### **Centrality of quality early years provision to a good childhood**

The government has highlighted that too many British children experience stress, anxiety, consumer pressures and sometimes poor mental health – an issue also recognised by UNICEF, the Children's Society, OECD and the Centre for Social Justice, among others. UNICEF's 2007 study of child well-being scored the UK low in comparison to other OECD countries.<sup>2</sup> Daycare Trust believes that participation in high quality early years provision is a major factor contributing to improved child well-being. Research studies show that participation in high quality childhood education can:

- Increase levels of school readiness and educational achievement in children's later school careers
- Help parents enter the labour market and lift their families out of poverty
- Increase the uptake of immunisation and increase the penetration of child safety messages
- Establish healthy behaviours such as the consumption of fruit and vegetables
- Help establish social skills and values such as cooperation with peers, skills which are essential to a child's future happiness and good mental health.<sup>3</sup>

However, only high quality childcare delivers improved outcomes for children. Daycare Trust believes that the Early Years Foundation Stage (EYFS) requirements have substantially improved the quality of early childhood education and care in England and that EYFS should remain as a universal quality framework.

### **The early years workforce and quality**

Staff qualifications have been shown to have the biggest impact on the quality of settings and therefore on children's outcomes.<sup>4</sup> We note that there have been steady improvements in the levels of qualifications held by the early years' workforce since 2000. Department for Education survey data indicates that 66 per cent of the overall early years workforce was qualified at Level Three or above in 2008. However, 13 per cent of the overall early years' workforce and 34 per cent of childminders still had no qualifications in 2008.

Daycare Trust would like to see the EYFS statutory framework support the acquisition of higher level qualifications by all staff. The EYFS target of 50 per cent of staff to be qualified at Level Two is lowering the overall bar, rather than raising it. We would like to see this target amended to ensure that by 2014 90 per cent of staff hold qualifications at Level Two or above and 100 per cent by 2016, and for half of the workforce to have graduate level qualifications. We would also

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<sup>2</sup> UNICEF (2007) *An overview of child well-being in rich countries*, Florence: UNICEF Innocenti Research Centre

<sup>3</sup> Sylva K and Roberts F (2009) 'Quality in early childhood education: evidence for long-term effects' in Pugh G and Duffy B (eds) *Contemporary Issues in the Early Years*, London: Sage Publications

<sup>4</sup> *ibid*

like to see a specific legal requirement for staff who hold no qualifications or are qualified below Level Two, to show they are taking steps to improve their level of qualifications in both childcare and literacy and numeracy.

We would also like to see pay scales reward staff who gain qualifications. Government should protect the Graduate Leader Fund, and ensure that it provides long-term and ongoing funding to support and reward staff gaining higher level qualifications. We also recommend that the new Early Years Professional Status is afforded the same status (and the same pay scales) as qualified teachers to encourage people to train and remain in the role.

Daycare Trust has some concerns about the adult child ratio requirements in the EYFS. We believe that the adult to child ratios for children over three (1:13) and children in reception classes in schools (1:30) compromises the quality of early years education, as well as being unsafe. A 1:13 level does not allow for emergencies, meetings and staff breaks and at some times of the day staff will be supervising many more than 13 children. Daycare Trust recommends a 1:8 adult to child ratio for three year olds and a 1:10 adult child ratio for reception classes, only keeping the 1:30 ratio for qualified teachers in reception classes.

### **A more diverse childcare workforce**

Daycare Trust welcomes the Government's commitment to encourage a more diverse childcare workforce, in particular the Government's desire to encourage more men to work in early childhood education and care. The lack of male workers in these services has been a long-standing concern of Daycare Trust and we have undertaken research on this issue.<sup>5</sup> Previous governments have attempted to increase the proportions of male workers, but the very modest target of 6 per cent male workers in early childhood education and care by 2004 was not met. Daycare Trust research shows that low pay and negative public perceptions about childcare as a male career choice are the two main reasons that stop men from working in early childhood education and care. Recruitment campaigns for early childhood education and care should include images and case studies of male workers, but improving the pay and conditions in the sector is the single most important change to encourage more men to consider a career in early years. We will shortly be publishing a report on this subject in conjunction with the Children's Workforce Development Council and would welcome the opportunity to discuss our recommendations with Ministers.

Encouraging a more diverse workforce is not just about encouraging more male workers. The UK's population is becoming more diverse in relation to ethnicity, country of birth, immigration status and so on. Nationally, the early years' workforce is representative of the UK's population in relation to ethnicity, but there are some areas where the early years' workforce does not represent the local population mix. This is an important issue to remedy, as childcare workers from minority ethnic and migrant communities may often have linguistic and outreach skills and knowledge needed to encourage vulnerable families to use early years services. Our research has found that parents place a high value on culturally appropriate services and staff.

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<sup>5</sup> Owen, C (2003) *Men's Work? Changing the Gender Mix of the Childcare and Early Years Workforce*, London: Daycare Trust

### **Supporting the most disadvantaged children through early intervention**

Daycare Trust believes that high quality early years provision delivered alongside other support for families is one of the most effective forms of early intervention. Daycare Trust believes that the holistic and multi-agency model of support delivered by Sure Start children's centres has had positive impact on disadvantaged children. We welcome the Government's decision to fund additional health visitors in Sure Start children's centres.

Some of the most socially disadvantaged children, however, do *not* use Sure Start services. Research shows that children living in temporary accommodation, children from workless households and children from some migrant and minority ethnic communities appear to under-utilise Sure Start services in some areas. At the same time those planning early years education and care often lack good quality population data that enables them to identify and target vulnerable groups who are not being reached by Sure Start. We recommend that local authorities review the uptake of Sure Start services from the perspective of vulnerable groups who are not using this provision, using the best demographic data and extended ethnicity codes that are used in schools. On-going commitment to outreach work into those groups who do not use Sure Start children's centre services is also essential.

We also feel that the Government could review the range of services that are delivered at Sure Start children's centres. We have already noted the importance of outreach into vulnerable communities. In some areas there is potential for adult and further education, libraries and advice-giving organisations such as Citizens Advice Bureaux to develop partnerships with Sure Start. Sure Start children's centres are also sites where counselling and support could be offered to families at risk of breakdown. Daycare Trust would also like to see the greater involvement of voluntary sector organisations in Sure Start in some areas.

### **Focus of Sure Start**

Government has indicated that it wants to refocus Sure Start's children's centres on the most disadvantaged families. We welcome this additional support, but believe that Sure Start, in its entirety, should remain a universal service. We see no contradiction between universal coverage and Government's intended refocus on vulnerable families. We see Sure Start children's centres as offering quality childcare, a proportion of which will be available to all families, *and* additional targeted services for the most disadvantaged and vulnerable. We are concerned that a move away from a universal service would stigmatise Sure Start provision and also have impacts on community cohesion, as early years provision are sites where diverse communities meet. Children from diverse backgrounds learn from each other and The Effective Provision of Pre-School Education (EPPE) research project<sup>6</sup> and the evaluation of the Neighbourhood Nurseries Initiative (NNI)<sup>7</sup> showed that the benefits of good quality preschool

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<sup>6</sup> Melhuish, E.C., (2004) *A literature review of the impact of early years provision on young children, with emphasis given to children from disadvantaged backgrounds*, prepared for the National Audit Office, Institute for the Study of Children, Families and Social Issues, Birkbeck College

<sup>7</sup> Mathers and Sylva (2007) *National evaluation of the Neighbourhood Nurseries Initiative: The relationship between quality and children's behavioural development*, Research Report SSU/2007/FR/022

settings for disadvantaged children are particularly significant where they are with a mixture of children from different social backgrounds. The EPPE study states:

“Disadvantaged children do better in settings with a mixture of children from different social backgrounds rather than in settings catering mostly to children from disadvantaged families. This has implications for the siting of centres in areas of social disadvantage.”

As with school education, concentrations of disadvantaged children in early years settings is correlated with lower developmental progress. We, therefore, urge the Government to ensure that Sure Start remains a universal service.

### **Meeting the needs of working parents by improving availability of childcare provision**

As already noted, many parents still have great difficulty finding appropriate childcare for their children. Despite the greater availability of provision, there are still gaps in childcare services across the UK, particularly for disabled children or children with special needs, places in some rural areas, parents needing out-of-hours care, services for older children and parents of under-threes who want to train or re-qualify. We would like to see central government give local authorities the means to close the gaps in childcare services in poorer areas where there is market failure, including expanding the maintained sector in disadvantaged areas.

One of the biggest gaps in provision is wraparound childcare in extended schools which is still not available on a universal basis. Daycare Trust would also like to see a continuation of incentives to schools to provide a genuinely wraparound childcare offer to parents, including free places for low-income families and holiday schemes. We believe that all schools or clusters of schools should offer childcare (by which we mean safe, supervised activities) from 8am to 6pm which should be free to low income families. This ‘extended schools’ provision offers real opportunities for schools to work in partnership with other organisations in their local communities, such as third sector youth groups who may be able provide holiday childcare using school premises. We believe that extended schools are one aspect of the Big Society ideal.

### **Helping working parents by making childcare affordable**

Parents still cite affordability of childcare as the main barrier to them using childcare services and thus entering the labour market. Our recent 2010 childcare costs survey found that the cost of childcare had risen by more than inflation in most areas, with the average cost of a part-time nursery place for a child aged under two standing at £88 per week, compared with average part-time earnings of £153 per week. In order to support the labour market participation of low and middle income families, we would like Government to extend the free entitlement to all two to four year olds and to at least 20 hours per week for 48 weeks in the year.

Tax Credits also help families with young children enter and stay in the labour market, Daycare Trust welcomes the review of Tax Credit policy in both the Childhood and Families Task Force and the DWP White Paper 21<sup>st</sup> Century Welfare. We are, however, concerned about the

Government's decision to limit the eligibility of families with an income of more than £40,000, and to increase the withdrawal rate for Tax Credits as earnings increase. We believe that this policy change will force some parents out of the labour market, particularly in London and the South East. There are many families in these regions who may have a total household income of £40,000 or over but still struggle with the cost of childcare – which our recent childcare costs survey found could be up to £22,000 a year. If these families leave work, households will be at a greater risk of falling into poverty. For families with children, once out of work, it is harder and more expensive to return. Additionally, if parents stop using childcare as a consequence of the tax credit changes, this has implications for the sustainability of some childcare providers, and it can also be very disruptive for children to be removed from a setting and then perhaps move to another provider if their parent returns to work at a later date. We have heard anecdotal evidence that Jobcentre Plus are no longer offering support for childcare through the Adviser Discretionary Fund, which is making it harder for lone parents to return to work.

Although some help with childcare costs is currently available through the Working Tax Credit and some reforms to the childcare element are being piloted, the remaining childcare costs still act as a barrier, making real childcare choices out of reach for many families, not just the poorest. Additionally it is known that take up of the childcare element of the Working Tax Credit is low as a proportion of all eligible families – partly because the current system is confusing to many parents, and partly because even when receiving full entitlement, the remaining 20 per cent of costs can still be prohibitive, particularly in high cost areas. We recommend the following changes:

- Increase the proportion of help with childcare costs available through Tax Credits from 80 to 100 per cent, as is being piloted in London. This 100 per cent childcare costs subsidy could initially be targeted at families on lower and middle incomes or for specific families – in a similar way that the Government is currently doing for 50,000 workless parents undergoing training to prepare for work.
- Separate the childcare element from the Working Tax Credit and either include it under the Child Tax Credit or make it into a separate programme, retaining a single form for simplicity. We will provide further detail on our proposals for Tax Credit reform in our response to the DWP White Paper. We recently held a seminar with experts from the IFS, voluntary and statutory sector organizations, and the main points from the discussion will also be fed into our response.

We were also disappointed that two of the three pilot schemes under the HMRC Childcare Affordability Programme (CAP) were ended early, however we understand that evaluation will still take place, which we welcome. We urge the Childhood and Families Task Force, as well as the DWP welfare review to ensure that Tax Credit reform enables low and middle income families with younger children to participate in the labour market.

### **Meeting the needs of working parents by supporting flexible parental leave and family friendly working practices**

Daycare Trust's work with parents means that we know that many parents want to stay at home during their child's first year and that there are benefits to the child of having a mother or father at home during this time. We would like to see the extension of parental leave, paid at least at a minimum wage level. Daycare Trust would also like to see greater flexibility and transferability of paid parental leave. For example, we believe that a mother should be able to transfer some of her paid maternity leave entitlement to their partner. As there is a gap between the end of maternity leave and free entitlement to childcare at two or three, we would like to see parents being allowed to use some paid parental leave on a flexible basis for up to 18 months in total. We believe a more flexible and transferable parental leave system has the benefit of maintaining women in the labour force, as well as promoting greater paternal engagement with their children's early education.

Our surveys of both parents and employers continually highlight the benefits of flexible working practices such as job-share, part-time work, home working or compressed hours. These benefits include positive impacts on employee motivation and commitment, workplace relations, productivity and absenteeism. Of course, there has been some growth in the number of workplaces where flexibility is accepted over the last decade. However, there are still many workplaces which have seen little change in traditional patterns of working over the last decade and there is a growing gap between the best employers and the rest in relation to flexible, family friendly working practices. We would like to see new employees given the right to request flexible work at the start of their employment, not just after 26 weeks in the job. We would also like to see an advertising campaign about flexible working targeted at sectors where there is little acceptance of flexible working practices.

### **Support for disabled children**

Daycare Trust welcomes the Taskforce's focus on services for disabled children. Many calls to our advice line are from the parents of disabled children who are finding it very difficult to find childcare. Daycare Trust research with these parents highlighted the link between household poverty and the lack of childcare for disabled children – parents of disabled children could not work because of lack of childcare. Where childcare was available, it was often much more expensive than for a non-disabled child<sup>8</sup>. Despite the expansion of childcare places and the passage of anti-discriminatory legislation, parents continue to report a lack of availability and the high cost of childcare for disabled children. Holiday childcare seems particularly hard to find.

There is much good practice in some parts of the UK, with some local authorities supporting workforce training, or ensuring that childminders can access grants for specialist equipment. Our research on the childcare needs of disabled children drew on this research to make a number of recommendations for increasing the availability and affordability of childcare for disabled children<sup>9</sup>. We would like to see better workforce training on meeting the needs of disabled children and those with special needs. We would also like to see more consistent grant schemes that would enable early years settings to purchase specialist equipment. We also feel

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<sup>8</sup> Daycare Trust (2007) *Listening to the Parents of Disabled Children about Childcare*, London: Daycare Trust

<sup>9</sup> *ibid*



that the statutory guidance and good practice material within the EYFS could be improved from the perspective of disabled children and those with special educational needs, in particular how these children's needs can be supported within the six areas of learning within the EYFS<sup>10</sup>.

### **The importance of play**

The Government has recognised that play and physical activity is essential in promoting children's learning and good physical and mental health. The importance of play, both indoor and outdoor is, of course, supported in the EYFS statutory guidance. In future, we hope that the EYFS will continue to enshrine the principle of learning and development through free and structured play.

Daycare Trust is concerned that children in the UK are spending less time playing outdoors, a trend that impacts on obesity levels, lack of fitness and mental health engaged in outdoor play. We were disappointed that the Government decided to freeze the Playbuilder scheme, effectively halting the building of new play spaces, and are concerned that the Government sees play, sport and cultural activities as a soft target. As there is often strong local commitment to improving play opportunities we need government to work with local communities to enable them to take more ownership of play provision in their areas.

Daycare Trust also believes that good planning can enhance outdoor play opportunities, usually at no extra cost to the public purse. The planning regulations of some local authorities have been used to ensure that new housing developments incorporate play space and encourage safe unsupervised play. However, good practice in relation to using planning regulations is rather uneven across the UK. We are concerned that efforts to cut back on regulations will mean that these obligations are levelled down to the lowest common denominator.

### **Meeting child poverty targets**

We welcome the Government's commitment to ending child poverty by 2020. Parental employment is the single most important route out of poverty. However, the inability to access affordable and appropriate childcare still prevents some parents from working. Our recommendations on the expansion of free provision, reform of Tax Credits, and expansion of provision in some areas and a cultural shift towards more flexible working patterns are cited above. Ultimately, we believe that the UK will not meet the 2020 child poverty target unless childcare becomes more affordable for lower and middle income parents.

### **Conclusion**

We welcome the opportunity to submit these views to the Childhood and Families Taskforce and hope they are useful. We would welcome the opportunity to discuss these ideas further, in order to help the Government meet its objective of making Britain the most family friendly country in Europe.

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<sup>10</sup> Department for Education and Skills (2007) Statutory Framework for the Early Years Foundation Stage, London: DfES

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