

## Parliamentary Briefing on the Childcare Bill 2015 Report stage, 14 October 2015

The original draft of the Childcare Bill was heavily criticised by the House of Lords for its lack of detail. The government has now issued a Policy Statement which gives some further information prior to the Report stage on 14 October, but Early Education and TACTYC remain concerned about the following questions and issues:

1. As the Policy Statement sets out (pp19-20), the current 15 hour entitlement is for funded early education for 15 hours a week. The new extended entitlement, however, is referred to as “childcare”. Education and care cannot be separated for young children, who are always learning through all experiences whether the outcomes are intended or not, and who always need warm, responsive and consistent care from knowledgeable and well-qualified staff. Creating two tiers of provision would be damaging to the quality of what children experience, and therefore to their well-being and development. **Will the minister clarify that the quality and nature of early childhood education and care will be of a consistent standard throughout the 30 hours, funded at the same rate, and in line with the current requirements of the Early Years Foundation Stage, including ratios?**
2. The proposal to restrict the extended entitlement to children with parents earning the equivalent of at least 8 hours per work at the minimum wage is in tension with policies such as the funded entitlement for disadvantaged 2-year-olds and the Early Years Pupil Premium. Evidence shows that 3-and 4-year-old children benefit most from an increase in the number of months for which they receive early education, not from an increase in the number of hours per day, and those from the most disadvantaged backgrounds benefit most, yet they will be excluded from or even further disadvantaged by this policy. The sector is already struggling to ensure sufficient capacity of high quality places, and filling places with better off children for 30 hours may actually decrease the number of places available to the most disadvantaged children from age 2 onwards. The most disadvantaged children are least likely to benefit as they may not have both parents earning the required minimum income. **How does the minister reconcile restricting the additional hours to children of working parents with government’s stated objective of ensuring the most disadvantaged children are supported to reach their full potential?**
3. The Policy Statement confirms that the government plans to define qualifying families on the basis that income should be equivalent to 8 hours per week at the minimum wage. This has the perverse consequence that parents who are earning an hourly rate eight times the minimum wage could qualify despite working only 1 hour per week, while parents on or near the minimum wage working 7.5 hours per week would not. The House of Lords Select Committee on Affordable Childcare have already questioned whether better value for money for

the public purse could not be achieved by focusing spending on the most disadvantaged children, not on better off families. **How will the minister ensure this policy does not disproportionately benefit better off families who have less need of government support?**

4. We welcome the Delivery Principles agreed by the Childcare Implementation Taskforce. However, further detail is needed before we can assess whether they are likely to be achieved. A few key concerns around the aspirations for the delivery mechanism are listed below:
  - a. Re “be simple and flexible for parents to use”: This will depend in part how the entitlement will be calculated over periods of time where parental employment status changes -- whether averaged over a year prospectively or retrospectively, or based on termly or annual census points. Any system, however, will have inherent elements of unfairness and/or unpredictability for parents with unstable patterns of employment. **How will the minister ensure changes in parental employment and entitlement to extended provision does not have negative knock-on effects for children, who benefit most from stability in their routines?**
  - b. Re the cost-effectiveness of its administration, it is clear that additional resource will be required by local authorities (or some other body) to assess eligibility and process payments to providers, which adds considerable overhead. The existing landscape of early years funding is already fragmented and confusing, with the mix of funded places, Early Years Pupil Premium (EYPP), childcare vouchers and entitlements under working tax credits now and tax-free childcare and entitlements under universal credit in future. **Will the minister investigate whether it would be more cost effective to make the extended entitlement universal to simplify the administration, retaining only the proposed “main reason test” (Policy Statement p12) to ensure it is supporting parents into work?**
  - c. Parents need to be confident of having care in place for their child before they can commit to work, so it will act as a barrier if providers are not able to confirm a child has a funded place until after the parents are working. **Will the minister consider how the range of existing entitlements to support periods of job-hunting, work experience and training could be combined with the extended entitlement to provide a single, simple system for parents to support those returning to the workplace?**
  - d. “Be efficient for providers and not add to their costs”: Providers are already struggling with the additional administration and intrusion into families’ private affairs which the Early Years Pupil Premium is perceived as presenting. If providers are additionally to play a role in checking eligibility for extended hours, this will be burdensome for many. If parents take a gamble on securing work but are unsuccessful, fail to qualify for a funded place and are instead left with a bill from the provider but no job, there are likely to be increased issues of unpaid bills for providers. There

are also questions as to how maintained providers will be able to manage situations such as accepting a child and finding subsequently the child is not funded. **How will the minister ensure providers can be confident about a child's entitlement to the extended entitlement in advance of offering a place?**

- e. "Create capacity cost-effectively": the policy is likely to present significant challenges for providers to manage demand and plan for maximum occupancy, and particularly if attempting to offer flexibility for parents. There are already issues within the system where one-term entry policies generally leave many providers with low numbers each autumn which are hard to fill. If children lose and gain eligibility within the year, perhaps multiple times, this will be challenging to manage. **Can the minister confirm the minimum duration of any period of eligibility for a child?**
5. We welcome the review of funding but are disappointed the consultation of providers was handled so unsystematically. The Policy Statement says the government wants "a funding system that is simple, transparent and maximises funding reaching the frontline". This is not enough. It neglects the differential costs of different types of providers, and the relationship between funding, quality and outcomes. The importance of a skilled and knowledgeable, graduate- and especially teacher-led workforce is well-documented and any new model should use funding as a lever to move towards this. Driving down the unit of funding is widely predicted to lead to an increase in younger, less qualified staff, which would be a backwards step after many years of working towards increasing qualification levels. There is already evidence that increased qualification levels have not been reflected in staff salaries. 41% paid are less than £7 per hour<sup>i</sup>. Lack of high quality provision currently most affects those from disadvantaged backgrounds<sup>ii</sup>. **Will the minister use the funding review to seek opportunities to incentivise increases in quality of providers and staff qualification levels, especially in disadvantaged areas?**
6. The issue of a lack of high quality capacity in the system is already evident in terms of the number of funded 2-year-olds not in good or outstanding settings; and this is likely to be made worse if additional places for 3-4 year olds are required. In this respect it must be remembered that only good or better provision improves children's outcomes and the House of Lords Commission on Affordable Childcare has already questioned the value for money of current policy approaches for being insufficiently focused on providing high quality provision for the most disadvantaged children. In the poorest areas, there is clear evidence that market mechanisms are unsuccessful in delivering high quality provision. **Will the minister commit to investigating how high quality provision in disadvantaged areas can be secured, for example, through funding for maintained nursery schools and other high quality state-run provision where other high quality provision is not sustainable?**

7. The level of funding and the experience and qualifications of staff are particularly important in relation to children with Special Educational Needs and Disabilities (SEN/D). There is already extensive evidence that children with SEN/D struggle to find enough suitable provision. Funding from the High Needs Block is in practice not as readily available as needed, and many children at age 3 to 4 may not yet have an Education and Health Care plan in place, even if possible needs have begun to be identified. The needs of this group therefore require particularly careful thought in relation to the current legislation, and particularly in relation to levels of funding that allow a sufficient number of high quality providers to operate with experienced specialist staff, with additional staff available for support as needed for children with SEN/D. Pockets of excellence that exist such as the maintained nursery schools, which currently take higher proportions of children with SEND than other parts of the sector, are those which are most vulnerable to arguments for a “level playing field” for funding which works on the basis of levelling down to the lowest cost, regardless of quality, rather than seeking to quantify the relative costs and benefits of different levels of quality.
- Can the minister set out how the government will ensure high quality providers with a skilled and experienced workforce are supported to be able to provide places for children with SEN/D?**

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#### **Notes**

<sup>i</sup> (Simon, A., Owen, C., Hollingsworth, K. and Rutter, J. (2015) Provision and use of childcare in Britain. London: University College London Institute of Education)

<sup>ii</sup> Mathers, S., & Smees, R. (2014). Quality and Inequality. Nuffield Foundation.

**TACTYC** (The Association for Professional Development in the Early Years) promotes and advocates the highest quality professional development for all early years educators in order to enhance the educational well-being of the youngest children. [www.tactyc.org.uk](http://www.tactyc.org.uk)

**Early Education** (The British Association for Early Childhood Education) is the leading independent national charity for early years practitioners and parents, campaigning for the right of all children to education of the highest quality. Founded in 1923, it has members in England, Northern Ireland, Scotland and Wales and provides a national voice on matters that relate to effective early childhood education and care of young children from birth to eight. The organisation supports the professional development of practitioners through publications, training, conferences, seminars and local branch networks. [www.early-education.org.uk](http://www.early-education.org.uk)