

Nurseries unwilling to commit to Government's 30-hour childcare scheme ^[1]

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EXCERPTS

Less than half of early years settings plan to offer the Government's 30-hour offer, research from the Pre-school Learning Alliance suggests.

Parents are likely to see extra costs and may struggle to find places, according to the online survey of childcare providers, carried out last week, which also found that a quarter of providers think it is 'likely' that they will close as a result of the 30 hours.

While 95 per cent of providers that responded currently offer the 15-hour entitlement for three- and four-year-olds, just 44 per cent said 'yes', they plan to offer parents the 30-hour entitlement; 36 per cent said they were 'unsure'; and 19 per cent said 'no'.

The research shows that while funding concerns are a significant factor in a provider's decision on whether or not to offer the extended entitlement, practical concerns also play a role, with 43 per cent of those opting out pointing out that they are not actually open for 30 hours a week (the reason given most often by sessional providers).

The survey – carried out last week – provides the most up-to-date views from childcare providers ahead of the introduction of the 30-hour offer in September.

Its publication coincides with the implementation of the Government's new Early years National Funding Formula and new early years funding rates for 2017/18, which came into force on 1 April.

Around six in ten of providers that are not planning to offer the 30-hour places said they believe that offering the 30 hours will have a negative effect on their businesses, with a similar proportion saying that the 2017/18 funding rate does not cover the costs of delivering the places.

The online survey, which received 1,332 responses and was carried out by the Alliance between 23-30 March, found that one in five early years settings still did not know what their new funding rates would be – just a week away from them coming into effect.

When asked if they knew what their funding rate for three- and four-year-olds from April 2017 would be 12 per cent said 'no' and that they did not know what their local authority would be getting, while 7 per cent said they did not know their rate, but did know the rate their LA would get. 81 per cent said they did know the new funding rate for their provision.

62 per cent of respondents that knew their rate for 2017/18 said that it was less than their hourly fees for parents, and less than the hourly costs of providing a funded place.

Providers planning to or still considering whether to offer 30 hours

57 per cent think it will have a negative financial impact on their business;

of those, 53 per cent plan to raise fees for extra paid-for hours, 48 per cent plan to charge for goods and services that they previously provided for free, and 40 per cent plan to restrict the days and times when funded places can be accessed – to recoup losses'

40 per cent aren't confident they will have enough capacity to offer the 30 hours

41 per cent think it will lead to a fall in the number of places offered to children of other ages;

25 per cent think there is a risk their setting could close;

Only 38 per cent are definitely planning to offer the 30-hour places for all eligible children – 26 per cent are planning to restrict places and 36 per cent are undecided.

Parents' eligibility unclear

According to the survey, around half of providers did not know how many parents would be eligible for the 30 hours, and that

consequently those that don't are much more likely to be undecided about how many places they will offer than those who are already aware of how many eligible families they will have in September.

This uncertainty is exacerbated, the report says, by the fact that the Government's online eligibility checker for both the 30-hour offer and Tax-Free Childcare scheme is not yet running.

Commenting on the findings, Neil Leitch, chief executive of the Pre-school Learning Alliance, said, 'The promise of 30 hours of free childcare was a key part of the Conservative Party's pre-election manifesto and yet these findings show that if the Government doesn't address the sector's funding concerns, it's at serious risk of breaking that pledge.

'With so few providers currently committed to delivering the 30 hours, and so many forced to consider limiting places, raising fees or introducing extra charges in order to remain sustainable if they do offer it, many parents expecting easy access to a "free" 30-hours place in September are likely to be disappointed.

'The Department for Education said that the new National Funding Formula for the early years would address the sector's concerns about funding, but these results show that this simply isn't true.

'The vast majority of providers predict that offering the 30-hours will hurt them financially, with most saying that their new "improved" rates still don't cover the cost of delivering places and a quarter fearing closure. Worse still, early years funding will be frozen until 2020, meaning that even those providers who can make it work this year are likely to struggle in the years to come.

'The fact is that the 30-hours offer cannot succeed without adequate investment. Neither parents nor providers should be expected to pay for a promise that Government chose to make.'

In response to the survey, a Department for Education spokesperson said, 'Helping families access high quality, affordable childcare is at the heart of this Government's agenda. We are investing a record £6billion per year by 2020 in childcare support and introducing a fairer Early Years funding formula which will see the vast majority of providers receive increased funding rates to help deliver our 30 hours free offer.

'A number of areas are already delivering our 30 hour childcare offer, with more than 5,400 places already allocated – surpassing the 5,000 target set last year. A further four areas are due to launch the offer this month, and we have invested £50 million capital funding to create nearly 9,000 new childcare places. We are also providing guidance, tools and support for providers to help childcare professionals run their businesses more efficiently.'

-reprinted from Nursery World

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