

# A thousand nurseries close as free childcare scheme falters <sup>[1]</sup>

Providers resorting to 'unethical' practices to replace funding shortfall in England

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## AVAILABILITY

Read online <sup>[2]</sup>

## EXCERPTS

More than 1,000 nurseries and childminders have gone out of business in England since the Conservative government was elected in 2015 with a promise of 30 hours of free childcare for working parents.

Official Ofsted figures, obtained by Tracy Brabin, the shadow minister for early years, show there has been a net loss of 1,146 nurseries and childminders from the Early Years Register since 2015. In total, 15,288 childcare providers have left the register, while only 14,142 have joined. Four-fifths (81%) of those who left the register had been rated either good or outstanding by Ofsted.

"The Tories promised to be the most family-friendly government ever, but time and again they are failing working families," said Brabin. "Ministers ask early-years providers to do more and more but refuse to give them the necessary funding. If they were serious about giving every child the best start in life, they would give providers the resources they need, instead of managing the decline of the sector, content to see thousands of providers lost year after year."

Brabin was alarmed that so many of the providers leaving the register were rated good or outstanding. "We need to do more to encourage those that are known to deliver to stay in the sector. The loss of over 1,100 providers since May 2015 is a sign of a system in crisis."

Brabin has repeatedly criticised the government for underfunding the so-called "free" scheme, which entitles the parents of three- and four-year-old children to 30 hours of childcare during term time, (equivalent to 38 weeks) if both work and each earns less than £100,000.

The Pre-School Learning Alliance and the Professional Association for Childcare and Early Years say local authorities typically pay nurseries and childminders just £4.27 an hour to provide the "free" hours to parents, leaving nurseries facing an average 18% annual shortfall in funds, and the average childminder out of pocket by more than £410 per child per year.

As a result, 94% of nurseries and childminders have been unable to offer the 30 hours entirely for free, according to a recent survey of 730 childcare providers by the Champagne Nurseries on Lemonade Funding group. Similar research published in Nursery World reveals some nurseries have come up with "unethical" ways to pass the cost of providing the scheme back on to parents.

Sanjay Morzaria, who runs Little Darling Childcare in Harrow, faces a £14.60 daily shortfall in funding from his local authority for each 30-hour place he provides but, under the rules of the scheme, he is not allowed to openly charge parents a compulsory top-up fee to make up the difference. He thinks this is unfair: "I've had to think in a very deceitful way to find a way around a government policy that would hurt my business."

He has started charging parents of children who are eligible for 30 hours of government-funded childcare £15 a day for lunch. These parents can opt instead to take their child home for the lunch hour, but they must arrive dead on time each lunchtime or pay a £7.50 penalty for every five minutes they are early or late for pick up and drop off.

"The contract was drawn up by one of our parents, who is a senior partner in an international law firm," says Morzaria. Parents who do not qualify for the 30-hour scheme are offered a different contract with no lunch fees or late penalties to pay. "It's unethical and totally unfair but I don't have a choice. Either I do this or I say sorry, I'm not having your child because I can't afford it – or I accept the child and I go bankrupt."

Parents whose children are eligible for the 30-hour scheme pay a new charge of £40 a day to cover the cost of lunch and extracurricular activities at the Abacus Ark chain of nurseries in London. "We have to do what we're doing because we'd shut down otherwise," said owner Anthony Ioannou. Parents who do not agree to pay the voluntary contribution are not offered places at his nurseries. "Ethically, it doesn't feel right. I'm being asked to lie to parents. I wish the government would stop saying the 30 hours are free, because they're not."

The sector has written an open letter to chancellor Philip Hammond before the budget on Wednesday pleading for the government to increase its funding of childcare and warning that the situation is about to reach a crisis point. Nearly 38% of childcare providers surveyed by the Pre-School Learning Alliance think their businesses will no longer be sustainable at the end of this academic year.

Children and families minister Robert Goodwill said: “We are determined to support as many families as possible with access to high-quality, affordable childcare, and earlier this year we fulfilled our promise to double the free childcare available to working parents to 30 hours a week, saving them up to £5,000 a year per child. Hundreds of thousands of hardworking families are already benefiting from that offer.”

-reprinted from The Guardian

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