

London 30-hour childcare funding varies widely ^[1]

Childcare providers in over half of boroughs in the capital are receiving less in Government funding for the 30 hours than parents would pay, according to a new report.

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Research commissioned by the Mayor of London and produced by the Family and Childcare Trust said the average price paid by parents of three- and four-year-olds exceeds the average funding that settings receive in 58 per cent of London boroughs, while in 42 per cent of boroughs the funding rate is higher.

The report, 'Childcare and early education funding in London', ^[3] said in those areas where funding is less than parents would pay are more vulnerable to losing money as a result of the extension of the free entitlement, as parents would be paying for less childcare.

The Family and Childcare Trust found that childcare providers in nearly a quarter of London boroughs will see the funding they receive to deliver the 30 hours offer drop by an average of 5 per cent from April this year.

However, childcare providers in a third of London boroughs will see their funding go up by 8 per cent, the research said.

Nationally, two-year-olds are funded at a higher rate than three- and four-year-olds as their care is more expensive, but the majority of London boroughs receive less funding per hour for two-year-olds than for three- and four-year-olds, according to the report.

On average, London boroughs get more early education funding than other local authorities, but the report also found significant variation in funding within the capital: from £4.93 per three- or four-year-old child per hour to £8.53 per child per hour.

The research also acknowledged, however, that there were large variations in costs between different London providers, based on location, type of setting, support from local authority, age and how full the setting was.

Childcare providers interviewed as part of the research reported that the significant majority of their delivery costs went on staff, with an average of three quarters of overall delivery expenditure used on wages and training.

The remaining quarter was split between premises costs and other expenses such as insurance, food and equipment, the research said.

The new research is part of a broader package of work to support the early years sector commissioned by the Mayor of London, Sadiq Khan.

Alongside the release of the report, City Hall has laid out plans to measure progress in improving childcare and early years provision in London.

The action plan includes a new **Childcare Sufficiency Assessment template** ^[4] for London's local authorities to help them understand whether they have enough local childcare places, and the London Family Fund which will award grants of up to £85,000 to projects that promote social integration in London.

Mr Khan said, 'Every child in London deserves the best start in life, no matter what their background. Improving both quality and access to early-years education ensures London's children arrive at school ready to learn and have a better chance to succeed later on in life. At this time of change and uncertainty for the early years sector, it is vital that Government steps up to offer them the support they need to deliver these ambitious policies.'

'We want to improve the quality and access to early years provision for all children – that's why we've invested over £500,000 in Early Years Hubs and will be closely watching how well the childcare market is working for families.'

Ellen Broomé, chief executive of the Family and Childcare Trust, said, 'Childcare is as vital as the rails and roads to making our country run: it boosts children's outcomes, supports parents to work and provides our economy with a reliable workforce. We know that parents welcome the bold 30 hours offer – but it will only work if childcare providers can afford to deliver it. Government needs to review the funding rates for 30 hours annually to make sure childcare providers can keep their doors open and deliver high quality childcare.'

-reprinted from Nursery World

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