

# Whitehall's free childcare policy 'crippling' nurseries <sup>[1]</sup>

Nurseries are calling on the Government to 'wake up' as a new survey reveals the spiralling costs of their flagship free childcare policy.

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## AVAILABILITY

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

## EXCERPTS

The Government's policy of providing 30 hours of funded childcare, rolled out last September, has been repeatedly criticised for not being properly funded.

A new survey <sup>[3]</sup> has now revealed there is an average deficit of over £2,000 per year per child.

As recently as March, the Treasury Committee found the average rate the Government paid to childcare providers for 2017-18 was £4.34 - 34p short of the average cost per hour of providing childcare.

The National Day Nurseries Association (NDNA) today published a new survey which has revealed the impact of this underfunding.

Launched in the run up to NDNA's annual nursery conference on Friday, the survey found the deficit between the cost of delivery and funding paid via local authorities has grown to an average of £2,166 per year per child.

This is 'crippling' nurseries, the report warns.

'It's about time government woke up to the full cost of delivering their 30 hours "free" childcare policy,' said NDNA chief executive Purnima Tanuku.

'One in five English nurseries that responded to our survey expect to make a loss and many fear they may have to close their doors.

'Our figures show that since the 30 hours policy began, closures have increased by 47% on last year.'

Due to the lack of funding, the cost of the 'free' childcare policy is passed on to parents through higher fees for younger children or charges for extras.

Almost half of the survey respondents charge parents up to £10 per day to make up the shortfall.

The policy also created 'a huge administrative burden', according to the report, with nurseries losing at least one staffing day each week to deal with the new system and help parents register.

A third of nurseries that responded to the NDNA's survey are having to limit the funded places they offer to try to reduce their shortfalls and one third of respondents said their financial problems were made worse by councils paying them late.

'Nurseries are forced to alter the way they deliver funded hours, by restricting the amount of places they offer, holding back from hiring highly qualified staff or charging parents for extras to make up the funding shortfall,' said Ms. Tanuku.

'Neither parents nor nurseries want this to happen.

'Doubling the amount of funded childcare from 15 hours to 30 has more than doubled nurseries' average annual shortfall which, coupled with late payments from local authorities, is seriously undermining their cash flows.

'Adding to these difficulties, nurseries are spending huge amounts of time supporting parents to understand the new system and reconciling payments. This is time which nursery staff should be spending with the children.

'This is a terrible state of affairs in a sector which should be thriving as more children than ever before take up their funded places.'

**Related link:**

**Region:** Europe <sup>[4]</sup>

**Source URL (modified on 27 Jan 2022):** <https://childcarecanada.org/documents/child-care-news/18/06/whitehall%E2%80%99s-free-childcare-policy-%E2%80%98crippling%E2%80%99-nurseries>

**Links**

[1] <https://childcarecanada.org/documents/child-care-news/18/06/whitehall%E2%80%99s-free-childcare-policy-%E2%80%98crippling%E2%80%99-nurseries>

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