

Parents hit with additional fees for childcare in England ^[1]

Flagship scheme offering 30 hours free help leads to providers increasing charges

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EXCERPTS

Tens of thousands of parents in England who have taken up the government's offer of 30 hours of free childcare for three and four-year-olds have been hit with additional fees and charges, according to new research.

Childcare providers interviewed by the Pre-school Learning Alliance, a charity, said they were struggling to cope with the added costs stemming from the introduction of the flagship scheme for nursery age children one year ago.

Forty-eight per cent of the 1,662 providers that responded said they had increased parents' fees for paid childcare as a result of offering the 30 free hours.

Forty-two per cent said they had introduced or increased charges for various goods and services, such as nappies and food.

The scheme — first proposed by former prime minister David Cameron in 2015 — has been heavily criticised by childcare providers, which argue that central government funding does not cover the full costs of the free 30 hours.

The private and voluntary childcare sector is facing an annual funding shortfall of more than £500m in relation to the scheme, according to Ceeda, a research company.

Many childcare providers have closed over the past year, citing the expense of the scheme as well as higher business rates and other costs including the minimum wage and pensions.

Forty-two per cent of providers interviewed by the Pre-school Learning Alliance said they might have to shut down as a result of the free 30-hours scheme.

Neil Leitch, chief executive of the Pre-school Learning Alliance, said: "We have long warned that without significant increases in funding, nurseries, pre-schools and childminders offering the 30 hours would be at risk of closure — and here we are, one year into a scheme that government insists is going smoothly, with four in 10 providers saying they may not survive the next year."

He said there was no doubt that the 30-hours scheme had been popular with parents, but at a time when childcare providers were struggling to keep their doors open, added that "this simply cannot be the sole measure of its success".

"The fact is that even those providers who are technically managing to make the 30 hours work are often only able to do so by introducing or increasing additional fees and charges," said Mr Leitch. "Is this what the government meant when they promised parents 30 hours of 'free childcare'?"

Sue Shuttleworth, supervisor at St Mary's pre-school nursery in Sevenoaks, Kent, said her business had had to increase its hourly rates for childcare for all parents as a result of offering the free 30 hours, and fees for two-year-olds were now higher than three and four-year-olds.

"This is just keeping us sustainable at the moment, but we don't know how long this will last as the minimum wage and pension payments increase," she added.

"The 30 hours is creating a two-tier system where only those who can afford it will be able to access early years education and those from more deprived backgrounds will not."

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