

Childcare providers 'reluctant' to offer two-year-old places ^[1]

A new report into funded childcare claims a barrier to take-up is childcare providers' reluctance to offer two-year-old places as they are less 'financially lucrative'.

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AVAILABILITY

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EXCERPTS

Department for Education (DfE) commissioned research into the take-up of funded places finds that nationally, local authorities report greater difficulties finding sufficient places for disadvantaged two-year-olds than places for the universal 15 hours for three- and four-year-olds.

One reason given is the higher cost of providing care for disadvantaged twos because of the need for higher staff:child ratios and higher levels of need and support for families in terms of explaining the entitlement. It says these factors led to reluctance by some settings to offer the places.

However, the National Day Nurseries Association (NDNA) said in reality many nurseries and other providers are limiting two-year-old places because shortfalls in funding mean many are struggling financially.

The report by NatCen is based upon a review of existing studies, analysis of DfE take-up data and in-depth interviews with 21 local authority early years leads, 31 childcare providers and 40 parents not taking up a funded place for their child.

Two-year-olds

One interviewee, a local authority early years lead in London, where take-up of the two-year-old offer and universal three- and four-year-old offer is at its lowest, said, 'It's not unkind to say that two-year-olds financially are not as attractive to schools because of ratios, so it has financial implications even though it is a higher [funding] rate.'

Settings not currently providing for two-year-olds reported that they needed new facilities and buildings in order to provide appropriate support for children of this age, including sleeping and changing facilities, which require more space.

Childcare providers who did offer FEEE places for two-year-olds, however, were motivated by a desire for equality of opportunity and to contribute to improved outcomes for disadvantaged children.

Schools and childminders were also wary of offering the places. A key concern of schools was the need for 'care' rather than education.

A school offering FEEE places within Inner London explained, 'We didn't initially want [two-year-olds] because we're a primary school; we're not a childcare facility.'

A local authority early years lead, also within Inner London, added, 'I think generally schools didn't want to be bothered with taking two-year-olds because they didn't want all of the things that come with two-year-olds in terms of nappy changing and all that kind of stuff.'

Other challenges cited by schools included opening premises during the school holidays, making adjustments to buildings to make them suitable for childcare and early education, and a demand for more than 38 weeks provision in the year.

Schools were more willing to take on three- and four-year-olds than two-year-olds as they considered this to ease the transition to school and to help guarantee a future intake.

London

According to the research, take-up of funded places is lowest in London at 61 per cent for two-year-olds and 84 per cent for three- and four-year-olds. This compares to a national average of 72 per cent for two-year-olds and 94 per cent for three- and four-year-olds.

The research points to issues with supply and demand, a 'super diverse' population and higher costs of providing childcare as contributing factors.

Other issues mentioned by local authority early leads and childcare providers included the cost of rent and property, as well as a lack of space and availability of appropriate venues.

SEND

The research also highlights lower take-up of the universal funded places among children with special educational needs and disabilities (SEND) and those with English as an additional language.

Local authorities reported lack of skills and expertise in SEND among childcare providers despite the additional funding offered for these children.

Many providers were offering places to children with SEND, but who were yet to get an Education, Health and Care Plan (EHCP).

Childcare providers did not think they got enough funding to cover the actual cost of providing specialist care and this acted as a barrier. This included the time it took to get a child assessed and apply for additional funding, during which providers were paying for additional support out of their own funds for which they were not reimbursed.

Even in local authorities that perceived there to be high-quality SEND provision locally, this was not necessarily in the right location to meet parents' needs and preferences.

Reasons for not taking up funded place

In-depth interviews with parents whose children were eligible for a funded place, but chose not to take it up, revealed a number of reasons for their decision, including:

- Thinking it was important for their child to be with them as they could provide better or equal 'development value' than that received in childcare.
- Parents from ethnic minority groups wanting to keep their child at home to teach them about their culture, religion or language. Some used extended family members for childcare.
- Parents of two-year-olds had trust issues. Some felt uncomfortable about their child being in formal childcare before being potty trained or having sufficient language to talk about their experiences.
- Cost. Parents were concerned about paying 'top-ups' and extras in addition to funded hours, as well as travel costs.

Confusion over the eligibility criteria for funded places. Some parents weren't aware of the 30 hours.

Sector comments

Jonathan Broadbery, National Day Nurseries Association (NDNA)'s Head of Policy and External Relations, said, 'The Government's own findings now show that those who most need funded places are less likely to be accessing them, especially in London. At the same time, the Impact Study on Early Education has further underlined how beneficial early years education is for all children, but particularly for those from disadvantaged backgrounds.

'Research with our members shows that more than half make a loss on funded places for two-year olds and this jumps to almost 90 per cent for the three- and four year olds. Sadly, this means nurseries are limiting these places because many just cannot afford to offer them at such a loss.

'Many nurseries and other childcare providers will object to this report stating that providing two-year-old places is "less financially lucrative" for them, when in reality, funding shortfalls mean that many are struggling to remain viable.

'The funded childcare policy won't be able to fulfil its aim of improving children's outcomes if it is not properly resourced. With a fair and sustainable rate, more providers would be able to offer funded places, especially to those who need them most. If this Government is genuine in its concern for social mobility, it should take urgent action to address this lower level of take-up among disadvantaged families.'

The report, 'Take-up of free early education entitlements' is [available here](#) [3].

Region: Europe [4]

Source URL (modified on 27 Jan 2022): <https://childcarecanada.org/documents/child-care-news/18/09/childcare-providers-reluctant-offer-two-year-old-places>

Links

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