

# Big business is muscling in on the UK's nursery racket <sup>[1]</sup>

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## AVAILABILITY

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

## EXCERPTS

In Germany and France, around 3-4% of nurseries are private; in the UK, 84% are. All the evidence suggests that these nurseries provide worse childcare and working conditions. Is this the free market doing its thing, or the result of government negligence?

"It can feel like they just want the numbers," says Lucy of the parent company of the nursery where she works in Manchester. "Sometimes they sign new children up and don't even tell us, so we get children turning up when we're not expecting them, which means we're not able to read up about the child or make a good impression on the parent." Added to that, high staff turnover – "mostly because we don't get paid enough" – and a reliance on temporary "bank staff" make it difficult to build strong relationships with both colleagues and children. Lucy, who after working for a decade as a nursery assistant for minimum wage was promoted to a nursery nurse on "not much more", says that private nurseries, which are proliferating across the UK, are "more about making money than keeping the children happy."

Claire English is a childcare activist and mother of three, and has experienced this from a parent's perspective. Having previously sent her children to local authority and community nurseries, she says she "couldn't understand" why, when her kids started at a private nursery, they "couldn't tell me who their dedicated adult, or 'key worker', was." When she asked the nursery why this was, she discovered that the two-year-olds' room was staffed by students, "which meant there was an absolute maximum of six weeks at a time that my kids were with any one person." Continuity of care was once a priority in nurseries, she says, but this is hard to come by in for-profit settings.

None of these experiences surprise Miranda Hall, a researcher with the New Economics Foundation (NEF). "All the research and lived experience of parents and workers indicates you cannot trust profit-driven investors with something as important as the care of children," she says. "All existing reports come to the same conclusion: private providers deliver way worse quality childcare, partly because of the profit motive."

In Germany and France, only around 3-4% of nurseries are private; in the UK, 84% are. "People often talk about this as a sort of natural process of the free market doing its work," says Hall. "But the government has played an active role in the shift of power to private providers in the sector."

State childcare has been decimated by funding cuts: in 2009, there were 3,632 Sure Start children's centres; by 2019, 1,000 had closed. Private companies have been able to plug these gaps in part because Ofsted – the arm's length government body responsible for childcare – has "an incredibly lax regulatory framework," says Miranda: whilst Ofsted sets standards for the quality of childcare, it does not regulate working conditions, finances or accessibility.

When we think of private nurseries, we tend to think of small businesses. Yet "one of the big trends" in the sector, says Hall, "is the increased domination of massive, global, venture-capital-backed chains" – chains like Busy Bees, which has 50,000 children in 500 nurseries worldwide, and whose biggest shareholder is a Canadian pension firm. Between them, Busy Bees and Bright Horizons, another nursery megachain, constitute 8% of the UK nursery market. Both are likely to capitalise on the Covid-19 crisis: as the financial pressures of the pandemic threaten a quarter of UK nurseries with closure, Bright Horizons' website states: "We are looking to expand our existing portfolio." "They're pretty shameless about it," says Hall.

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If there’s no profit motive to improve working conditions, there’s little social incentive to, either. Childcare is highly feminised work – 97% of England’s early years education workers are women – and in a man’s world, this equals a lack of respect. “There is this expectation that you’re doing this work out of love,” says Hall, “so asking for basic pay and protections is framed as greedy and heartless.”

Even if nursery workers do want to demand better, the sector’s privatisation constrains them. Whilst pay across the childcare sector is low (often minimum wage), public sector workers’ pay, conditions and workload are set by agreements between employers and unions. But such agreements do not exist in private nurseries, which have some of the lowest unionisation rates of any workforce. Lucy believes she is the only union member in her workplace; when she started, she recalls a colleague saying she’d heard joining a union “wasn’t allowed”.

Though she feels underappreciated by her employer, Lucy says parents know how important her job is – and never more so than in recent months. “Sometimes a parent might find out we’re not paid well and they’re really shocked,” she says. “They know we deserve more.”

Yet as key workers have discovered during the pandemic, applause doesn’t pay the bills. “We want to see the sector being definancialised and democratised,” says Hall, adding that the state needs to commit to universal free childcare, and to a regulatory framework that gives workers security. “Workers and parents need to be empowered to have more control,” she says – through sector-wide unionisation, but also by the government “incentivising the emergence of alternative ownership models – local authority, co-operatives and not-for-profit providers,” pointing to Grasshoppers in Hackney and Friendly Families in Deptford.

These nurseries, says English, are a taste of what the sector could be were superchains forced to release their chokehold: people “helping each other, looking after our kids together, getting to know each other, making our local communities stronger and better.”

**Region:** Europe <sup>[3]</sup>

**Tags:** investment <sup>[4]</sup>

funding <sup>[5]</sup>

market <sup>[6]</sup>

social policies and programs <sup>[7]</sup>

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