

Tax-free childcare not the solution, argues new report ^[1]

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EXCERPTS

Today's Queen's Speech is expected to include the Tax-Free Childcare Bill, the coalition Government's answer to making childcare more affordable and flexible for working parents.

But in a new report, the Family and Childcare Trust says that introducing the policy could lead to a rise in childcare costs, wiping out the value of the financial support for parents.

Rather than making childcare more affordable, Government subsidies during the past ten years have led to a rise in childcare fees for parents, the childcare charity claims.

It quotes figures that show that there were big price hikes in fees for parents in the 18 months following increased childcare support introduced through tax credits in 2003, when nursery costs for under-twos went up by ten per cent and by 11 per cent for childminders.

According to the Trust, salaries have risen by 21 per cent, while nursery care for a two-year-old has gone up by 64 per cent since 2005.

Despite a large expansion in the number of childcare places in the past decade, provision remains too costly and inflexible for many parents. To remedy this the Trust is calling on the Government for a long-term vision to fix what it says is 'a sticking plaster approach' to childcare provision.

Its report, *Where next for childcare policy? Learning from the 2004 childcare strategy*, considers changes and developments in the past ten years since the landmark strategy introduced under the Labour Government, which it says was the first time there had been a unifying framework for childcare policy.

Margaret Hodge MP, the then minister responsible for introducing the childcare strategy and currently chair of the Public Accounts Committee, will be giving a keynote speech at an event to launch the report.

At a joint event hosted by the Resolution Foundation and the Family and Childcare Trust, Anand Shukla will say, 'Our childcare market is not fit for purpose. It is failing to fill gaps in provision, particularly for those parents who most need childcare; it is failing to drive up quality; and it is becoming more unaffordable to parents despite increased Government funding.'

'It is now ten years since any Government developed a comprehensive strategy for childcare and it is clear a complete overhaul of the system is needed.'

'The Family and Childcare Trust wants to see all political parties commit to developing a new childcare vision that delivers for parents, childcare providers, and crucially, for children.'

The report makes a series of recommendations for policy-makers around choice and flexibility, availability, quality, and affordability.

These include a legal right of sufficient childcare for all parents, a month of paid 'use it or lose it' paternity leave; an increase in capital and revenue funding to ensure sufficient and high-quality childcare in disadvantaged areas; and that the Government should implement recommendations from the Nutbrown Review that all early years staff should be qualified to a minimum of Level 3 and that all early years settings should be led by graduates.

Commenting on the report, Liz Bayram, chief executive of the Professional Association of Childcare and Early Years, said, 'PACEY shares the commitment to drive up quality in the childcare sector and we know that our members are deeply committed to their professional development.'

'We are sympathetic with parents and families facing rises in the cost of childcare. However, it is important to remember that many childcare professionals - especially home-based childminders - are also facing significant increases in the cost of living.'

'We are keen to see a greater investment in the support all childcare professionals receive to improve the quality of their setting; for example, by ensuring that free entitlement funding covers the full cost of its delivery to three- and four-year-olds and a growing number of two year olds.'

- reprinted from Nursery World

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