

Free childcare places 'must not mean extra costs for parents' ^[1]

Author: Richardson, Hannah

Source: BBC News

Format: Article

Publication Date: 23 Feb 2015

AVAILABILITY

[Read Online](#) ^[2]

EXCERPTS

The next government must ensure that free childcare places in England are delivered without any extra costs to parents, peers have said.

The Lords Committee on Affordable Childcare said the budget for providing free nursery places does not cover the cost of delivering them.

It said parents were often being forced to subsidise the free places.

The Department for Education said any parents being forced to pay should contact their local authority.

The free places scheme was first introduced in the late 1990s and expanded in the mid-2000s to cover more children, but the grant funding it has never kept pace with inflation.

Evidence heard by the committee suggests the funds, distributed by local authorities, do not cover the economic cost of delivering the free hours, particularly in the private, voluntary and independent (PVI) settings.

PVI settings provide 60% of three-year-old places.

'Far-reaching effects'

The committee found that 85% of private nurseries were making an average loss of £809 a year per child on the scheme.

Its report says the grant which funds private nursery places averages at £3.90 an hour, though the Department for Education has disputed the figure.

The report cites numerous examples of how shortfalls are being covered by parents paying extra for additional childcare time.

This often works by nurseries obliging parents to leave their children for an extra half an hour per three-hour session per day, for example, and then requiring them to pay a substantial fee for this extra time.

Committee chairman Lord Sutherland of Houndwood said: "The PVI sector provides the majority of free early education places to three-year-olds and yet it is paid a much lower rate, on average, than maintained settings.

We cannot continue with a situation where the government's flagship early education policy is underfunded"

"This underfunding of free early education places leads to other practices - such as the cross subsidisation of free early education by charging parents more for additional paid-for hours in order to recoup the shortfall.

"This has other knock-on effects - private nurseries struggle to survive in areas where parents are less likely to require hours in addition to the free hours.

"This leads to a paucity of childcare provision in the most deprived areas, which impacts on the ability of parents to enter employment. So this really needs to be looked at properly and a solution found.

"We cannot continue with a situation where the government's flagship early education policy is underfunded to such an extent, with such far-reaching effects for children and families."

The committee recommended that the government review how the £6.4bn early education and childcare budget is distributed "to ensure that the free early education entitlement is delivered without additional costs to parents".

Subsidising places

Chief executive of the National Day Nurseries Association, Purnima Tanuku, said: "The report acknowledges the current underfunding of free nursery places and that this makes any extension of free childcare unsustainable.

"Our own research shows that the money nurseries currently receive to deliver free hours falls short by an average of £800 per child per year for each funded three to four-year-old place and £700 for each two-year-old place.

"This is the biggest single reason that nursery fees are rising for some paying parents who end up subsidising the free places."

Chief executive of the Pre-School Learning Alliance, Neil Leitch, said: "For many years now, government funding for the free entitlement schemes for two-, three- and four-year-olds has failed to meet the cost of the providing these places, leaving childcare providers to make up the shortfall.

"As a result, many providers have been forced to increase the cost of paid-for hours just to stay afloat."

Peers also recommended that spending overall should be re-prioritised towards disadvantaged children.

'Crucial role'

Lord Houndwood added: "The evidence clearly shows that high quality early education has a crucial role to play in helping disadvantaged children to reach their full potential.

"For this group in particular the impact can be substantial. They are also less likely to access early education in the absence of the government's policy.

"Therefore greater value for money in terms of child outcomes is obtained by investing in early education for this group, than for all children."

Dr Mary Bousted, general secretary of the Association of Teachers and Lecturers, welcomed a focus on disadvantaged children.

"Our members are concerned at the increasing numbers of children starting school with little spoken language and other social skills. Ensuring money is best spent to support these children is of utmost importance.

"In ensuring that provision for two-year-olds is high quality, the government must ensure there are well-trained, qualified professionals within all settings," she said.

A Department for Education (DfE) spokesperson said: "We provide funding above the average cost of provision for the two, three and four-year-olds who receive 15 hours of free childcare per week.

"If parents are being charged for these hours they should alert their local authority immediately."

According to figures provided by the DfE, the average cost of providing free childcare places per hour is £4.47. The government provides £4.51 per hour for each three-and-four year old on the scheme, and £5.09 per hour for each two-year-old.

Region: Europe ^[3]

Tags: subsidy ^[4]

affordability ^[5]

Source URL (modified on 27 Jan 2022): <https://childcarecanada.org/documents/child-care-news/15/02/free-childcare-places-must-not-mean-extra-costs-parents>

Links

[1] <https://childcarecanada.org/documents/child-care-news/15/02/free-childcare-places-must-not-mean-extra-costs-parents> ^[2]

<https://www.bbc.com/news/education-31586248> [3] <https://childcarecanada.org/category/region/europe> [4]

<https://childcarecanada.org/category/tags/subsidy> [5] <https://childcarecanada.org/category/tags/affordability>