Increasing free childcare won't be as easy as A, B, C

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EXCERPTS

The government has announced its intention to increase free childcare for working parents. The current allowance for three and four-year-olds is for 570 hours a year – 15 hours per week. This is to be doubled in 2016, meaning that working parents earning less than £150,000 per year will be offered 30 hours of free childcare a week.

Early years education and care has become an integral part of the government's longer term strategy to reduce the inequality caused by poverty. It is an important sector economically, worth over £4 billion; it facilitates parents into work, provides employment – particularly for women – and reduces dependence on benefits. The sector is uniquely placed to help raise children and families out of poverty.

At first glance, the new measures look promising. But Neil Leitch, chief executive of the Pre-school Learning Alliance – which represents 140,000 private, voluntary and independent childcare providers – has warned about a meltdown in the system. He pointed out that current funding from the government leaves a shortfall of some 20% per child: the true cost of care is £4.53 per hour, while the government grant pays around £3.88. This chronic underfunding means that parents and providers must make up the shortfall.

Meeting the shortfall

Providers are only able to do this by keeping salaries low. On average, an early years practitioner will earn £6.79 per hour – only marginally above minimum wage. Such low pay makes it difficult to attract and retain graduates in the sector, yet doing so is key to the government's plans to drive up quality in early years. Quality matters because there is substantial evidence to suggest that high quality early years provision can significantly improve outcomes for children, particularly in terms of their cognitive development.

Alternatively, parents could be asked to pay more. But childcare costs in the UK are already some of the most expensive in Europe. For lone parents, and those already in poverty, the cost of childcare has been identified as a significant barrier to getting into work. For providers in the most disadvantaged areas, it is already difficult to pass on any shortfall to parents, which in turn makes it more difficult for them to deliver high quality early education and care.

The government has accepted that funding arrangements need to be reviewed, and David Cameron said it will take time to get the policy right. But if these measures are to be in place by 2016, it does not give much time to grow the sector to meet the increased demand. Expanding free childcare to the most disadvantaged two-year-olds has already increased stress on the system. Local authorities are struggling to find sufficient places in settings which Ofsted have rated good or outstanding and poor quality provision can, at its worst, be detrimental to children's development.

Word of warning

There are some other important details still to be worked out, such as how many hours parents will need to be in work. At the moment it can be difficult to find employment which fits with 15 hours of childcare, and it is often women who take low-paid, part-time jobs to fit these hours. As a result, it's likely that that the increase in free childcare will be welcomed by parents who are already working, and those looking for better paid work, since the extra hours will offer parents greater flexibility.

But it is also likely that disquiet will grow if the increase in free childcare is seen as a subsidy to those who are already relatively well off. It will be available to working parents with a household income up to £150,000, and is estimated to be worth £5,000 a year. So it may not benefit those in greatest need.

The increase in free childcare will be a boon for some working parents and – the government will hope – for the economy, but there are considerable pressures on the existing system, chronic underfunding, insufficiency of places in quality settings, and a workforce of people who are underpaid and undervalued.

There are still many details which need working out, and the promised review is urgently required. I end with a note of caution on behalf of the many three- and four-year-olds this will affect: high-quality provision can improve cognitive outcomes, but long hours being cared for

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outside the home can have a negative impact on children's well-being and emotional development. This might not always be the best option for children and their families.

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