

New report calls for radical reform to create anti-poverty childcare system ^[1]

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EXCERPTS

Rather than moving to 30 hours of free childcare for all families of three-and four-year-olds, the charity argues that this move - whereby fees would be capped at ten per cent of disposable income for families on low to middle incomes allowing the poorest to receive all their childcare free - would create an anti-poverty childcare system.

This would address the problem of low-income families that do not receive financial support, for example those looking for jobs or in education and training, they say.

Extending universal childcare beyond 15 hours has no educational benefit, the report argues, because resources are spread too thinly and lock into a low-quality finding model.

Branding the current funding system as 'excessively complex' and offering poor value for money, the plans also propose moving to supply-side funding, where investment is made directly into services.

'The case for supply-funded childcare is simple: it is the most effective means of delivering reliable access to affordable, flexible and high quality childcare regardless of parents' ability to pay,' the report says.

Highlighting the role high-quality childcare plays in improving the lives of children in poverty, the report also calls for a national pay scale to equalise wages across private, voluntary and maintained settings, and moving to a fully-qualified graduate-led workforce.

The report, funded by the Joseph Rowntree Foundation, includes detailed costed proposals and calculates that Government investment on childcare should rise to 0.85 per cent of GDP, up from allocated spending of 0.48 per cent in 2017/18.

It also says that the Early Years Pupil Premium should also rise to £600 per child and be available for two-year-olds.

Simplifying funding

The report acknowledges that the state cannot 'afford to subsidise generous free entitlements for all families and meet pressing anti-poverty investment priorities', so instead it proposes a simple childcare subsidy scheme.

Parents of two- to four-year-olds would still receive 15 hours a week, but after that parents on low to middle incomes would pay a simple income-based fee per hour using an online account.

It suggests that fees should start at 50 pence per hour for families with an income over £16,200, rising in ten pence increments. Families earning over £66,000 would pay £4 an hour, and those earning over £76,000 would pay a 100 per cent subsidy. There would also be slightly lower fees for siblings.

Julia Margo, chief executive at the Family and Childcare Trust said, 'While Government initiatives such as extended free hours and tax free childcare are very welcome and help many parents with childcare costs, the reforms will make an already complex system more complex and there are still gaps in vital support for low income families.

'Our ambitious proposal for a simplified funding system could tackle many of the barriers low income families experience when they try to access childcare and help them move into work.

'Evidence shows that sufficient funding for a high quality childcare system brings fiscal benefits in the longer term – through children's attainment, increased maternal employment, higher tax intake and lower welfare payments.'

Helen Barnard, head of analysis at the Joseph Rowntree Foundation, said, 'Increasing the availability of high-quality childcare is the key to supporting parents back into work and improving children's life chances; it could also save the taxpayer money in the long term. Changing the way that childcare is subsidised will help to remove many of the barriers that low-income families face when trying to access childcare. We also need to look at ways to boost the quality of care to make sure that the system works for those on the lowest incomes.'

Early years organisations backed the report, with the Pre-school Learning Alliance highlighting its 'pragmatic' recommendations and 'coherent analysis' and calling on policy makers to take the report's recommendations seriously.

Chief executive Neil Leitch said, 'As the report rightly highlights, high quality childcare and education has been shown to be particularly beneficial for children from more disadvantaged backgrounds and has the power to improve outcomes for the most vulnerable in society. However, as we have always said, quality costs and the only way we will be able to achieve the (laudable) aims of this report is if the Government is willing to invest what is needed into the early years sector.

'This is even more critical given the current progress Childcare Bill through the House of Commons. As referenced in the report, independent research commissioned by the Alliance shows that the early years sector is already significantly underfunded; it's vital, therefore, that the Government adequately funds its promise to extend the free early education offer to 30-hours per week for three- and four-year olds. If it does not, this is a very real risk of a decline in the availability of high-quality care for those who need it most.'

The National Day Nurseries Association supported the findings that greater investment in high quality childcare will improve the life chances of disadvantaged children, and the move to simpler funding for childcare.

Chief executive Purnima Tanuku said, 'NDNA has been campaigning for a long time for a simplified funding system. The Government is setting up an online account for each child for tax-free childcare from 2017 and we have proposed that all streams of childcare funding use this system so parents can choose which provider to use and pay them directly.

'We would welcome an increase in the Early Years Pupil Premium for disadvantaged children – if this was in line with primary school funding, that would benefit pupils and help to level the playing field between schools and nurseries for early years funding. This would also address the inequalities with salary levels.'

Gareth Jenkins, director of Save the Children's UK Poverty Policy, Advocacy and Campaigns, said, 'The Family and Childcare Trust are absolutely right to highlight the fundamental contribution of high quality nurseries to ensuring all children – particularly the poorest – start primary school ready to learn.

'At the age of just five, children from the poorest families are already on average 15 months behind their better off peers in essential speech and language skills, putting them at a disadvantage before they even walk through the school gates for the first time.

'Ensuring all nurseries are led by a qualified early years teacher should be the priority for the Government if it's to make good on its promise to give every child a chance of success, no matter what their background.'

Full list of recommendations

- High quality early education and effective early intervention
- UK governments should commit to a fully graduate-led early years workforce, supported by funding to meet training and wage costs
- Funding for free early education should be increased in order to deliver quality care
- The Early Years Pupil Premium should be increased to £600 per child and extended to the two-year-old offer (and introduced in the devolved administrations)
- Duties in the Early Years Foundation Stage framework and devolved equivalents to support home learning should be clarified and strengthened
- UK governments should clarify the status and aims of children's centres (and devolved equivalents) and ensure sufficient funding to provide universal early intervention and family support services
- UK governments should work with professionals and children to design an age-appropriate statutory assessment, which ensures all children receive a developmental check on entry and exit from early education
- Ofsted and devolved regulators should align early years inspection frameworks with appropriate process quality measures
- UK governments should implement an early years workforce strategy and pay transformation programme to improve staff pay among private and voluntary sector childcare providers

Supporting parents through accessible, flexible childcare

- UK governments should develop a statutory admissions code of practice for children accessing early years provision in centre-based providers
- Each UK government should establish a well-funded social enterprise programme to promote inclusive pre-school nursery provision
- UK governments should introduce an entitlement to pre-school childcare across a full day throughout the year, supported by a stream of sufficiency funding for local authorities
- Each UK government should roll out a funded statutory early years inclusion framework that ensures children with special educational needs and disabilities are able to access a wide range of high quality childcare settings at no additional cost
- Government should fund graduate-led childminder networks for all childminders delivering free early education
- UK governments should provide 15 hours of free early education for all children aged two to four

Childcare and Universal Credit

- The government should increase the childcare element of Universal Credit to 100% for families with an income below the relative poverty threshold
- The Department for Work and Pensions should establish a facility to pay any up-front childcare fees for parents eligible for the childcare element of Universal Credit
- The government should uprate the Universal Credit childcare element cap in line with childcare costs and remove the two-child cap
- The childcare element of Universal Credit should be extended to jobseekers and parents participating in work preparation activities, including education and training
- The government should introduce a second earner allowance in Universal Credit, which creates realistic work incentives for second earners moving into work

- The Government should move quickly to initiate reform of early years childcare funding, moving to a supply-funded model and a simple, progressive fee structure

-reprinted from Nursery World

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