

P-06-1303: Create, fund and sustain sufficient affordable nursery and childcare places for all working parents

Y Pwyllgor Deisebau | 07 Tachwedd 2022
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Reference: SR22/3945-8

Petition Number: P-06-1303

Petition title: Create, fund and sustain sufficient affordable nursery and childcare places for all working parents

Text of petition: Too many parents with young families are prohibited from taking up opportunities in employment, education and training due to the lack of affordable local childcare. This is keeping children and families in poverty, reducing choice for employers, and negatively affecting the wellbeing of families and the economy of Wales. It needs intervention at a political level to ensure this situation is addressed.

As a former childcare development officer I can confirm the situation is worse now than it was 10-15 years ago with a huge reduction in childcare places for babies to older children. As part of a commitment to children and families in Wales the Welsh Government needs to urgently consider options to make affordable childcare a right for all families in the same way education is, and even consider siting nurseries and childcare on school grounds particularly for new builds or where space allows on existing school sites. Parents I know are unable to take up opportunities that would benefit their families because either they cannot afford childcare or more often there is no childcare available. There needs to be sustained investment at Welsh Government level both in providing and subsidising childcare places - let's lead the way for the rest of the UK!



1. Background

The Welsh Government currently funds several types of childcare provision for different age groups, in different geographical areas:

- All children in Wales are entitled to at least **10 hours per week Foundation Phase nursery care** from the term after their third birthday until they start school full-time. In practice many local authorities offer more.
- Under the Welsh Government's '**Childcare Offer**', **many working parents, and some parents in education or training, are eligible for 30 hours per week free childcare for 3 and 4 year olds** for 48 weeks per year. The 30 hours is made up of a minimum of 10 hours of early education a week and a maximum of 20 hours a week of childcare.
- The **Flying Start** programme provides **free childcare for parents of 2-3 year olds, living in areas defined as being the most disadvantaged in Wales**, for 2.5 hours per day, 5 days a week. This provision is available for 39 weeks per year, with at least 15 sessions of provision during school holidays. Plans to expand this are set out below.

The **Childcare Funding (Wales) Act 2019** 'gave Welsh Ministers the power to provide funding for childcare for qualifying children of working parents and to make regulations about the arrangements for administering and operating such funding.'

In its **Programme for Government**, the Welsh Government commits to funding childcare for more families 'where parents are in education and training or on the edge of work.' Furthermore, as part of the **Co-operation Agreement**, funded childcare provision will be extended to all two year-olds. On 15 March, the Welsh Government **set out details** of the first phase of this extension. In a **statement** in Plenary on the 27th of September 2022, Julie Morgan, Deputy Minister for Social Services, stated that the first phase is now being delivered. She went on to say that delivery of the second phase will begin in April 2023, starting with some of the most disadvantaged communities. It was also stated that over the following two years the Welsh Government would invest £26 million in expanding Flying Start childcare.

The Deputy Minister's recent **statement** also said that over this period that the government will be seeking to significantly increase the availability of Welsh medium childcare provision. Julie Morgan also **said** that 'additional funding of up to £3.787m will be provided to **Cwllwm** over the next three financial years to

support a range of measures, including additional and bespoke Welsh language training, dedicated support to Welsh medium settings...’.

The Government also announced a new three year capital work programme of £70 million that registered childcare settings will have the opportunity to access.

2. Gaps in, and critiques of, existing childcare provision

There are two types of key gaps in childcare provision, the first relates to a **deficit of childcare places**, the second relates to eligibility criteria based on age, location, and parental income.

2.1. Gaps in local provision

The Childcare Survey 2022 conducted by The Family And Childcare Trust showed that childcare sufficiency has decreased since 2021 for all categories in Wales, except afterschool care for 12-14 yearolds.

Local authorities in Wales are legally required to prepare and publish assessments of the sufficiency of the provision of childcare in their area.

The highest number of signatories to the petition at time of writing, by far, were recorded in Ceredigion, which according to its Childcare Sufficiency Assessment found there to be an insufficiency of Childcare places available to meet parents demand. Within the authority, it recorded a loss of 375 Childcare places across all childcare types between 2017–2022. The assessment gives registration of providers, recruitment, and lack of training, as being among the reasons for the deficit.

The Family And Childcare Trust report indicated that there are significant shortages of childcare for disabled children, and for children of parents working atypical hours, with no local authorities in Wales reporting that there is childcare ‘in all areas’ for these categories. The report also notes that sufficiency for families in rural areas is poor.

The Family And Childcare Trust Childcare Survey 2022 highlights that: of Wales Scotland and England, Wales had the highest increase in the cost of childcare between 2021 and 2022. However, the costs for Childcare in Wales remain lower than those in England for most categories of childcare.

2.2. Not all children are eligible

As noted above, the Childcare Offer builds on the universal entitlement of 10 hours per week foundation phase nursery, and provides up to a total of 30 hours early education and care per week over 48 weeks of the year for the 3 and 4 year olds of working parents. To qualify both parents (or one in the case of single parents) must be working, and earn (on average) the equivalent of working 16 hours a week at National Minimum Wage or Living Wage or more. There are some exceptions for children of parents in education as well as for parents unable to work due to disability. **For most children of non-working families there is no provision of child care under the Childcare Offer.**

Under the Flying Start scheme, part-time childcare is provided for 2 to 3 year olds in certain locations. As noted above there are plans to make this provision universal. However, at present it operates in 'areas defined as being the most disadvantaged' in Wales. There is also a small element of 'outreach' as part of the scheme, which allows local authorities to deliver aspects of the programme to children across the wider local authority. **For most children outside of the designated Flying Start areas, there is currently no provision of for 2 to 3 year olds.**

For 0 to 2 year olds, while there is some support available to help with the cost of childcare such as, Tax-Free childcare, there is no provision of free childcare.

The Family and Childcare Trust noted that, the complexity of the childcare system in Wales can make it difficult for parents to navigate, and access available care. This is a sentiment echoed by Jenny Rathbone MS, quoted in a Senedd Business article as saying, 'The current system doesn't make it easy; parents are having to navigate a complex system just so they can claim childcare support to be ready to go back to work.' The Evaluation of Year 4 of the Childcare Offer noted that a renewed focus on raising awareness of available childcare provisions under the Childcare Offer may be needed.

The Equality and Social Justice Committee inquiry into the barriers to working parents accessing childcare notes that, low-income families are particularly likely to be in atypical work, or to have zero hour contracts. Therefore, the lack of childcare for parents working atypical hours is likely to have a greater impact on low income families.

The inquiry also highlighted the gap in childcare between the end of maternity leave and eligibility for the Childcare Offer. The Family and Childcare Trust

Childcare Survey 2022 also shows that childcare for this age range is more expensive than for older age ranges.

In relation to scrutiny of the then Childcare Funding Bill, the Children's Commissioner raised a concern that an 'unintended consequence' of limiting childcare to children of working parents could exacerbate the divide between the most advantaged and disadvantaged children. This point is echoed in the Childcare Survey 2022 which notes that childcare can have a positive impact on a child's development.

3. The effect of childcare on employment

The Family And Childcare Trust Childcare Survey 2022 suggests that, increased childcare results in more parents (particularly mothers) returning to work. This trend has also been observed by academic research: a study of low-income parents in Minnesota, found that expansion of the childcare subsidy program led to 'increased employment among low-income parents with young children.' While another academic study, looking at the impact of subsidised childcare in Germany, found that an increase in subsidised care resulted in an increase in employment.

Academic research suggests that subsidised, or free child care, can increase employment (especially maternal employment), both in the long and short term. However, a comprehensive review of the impact of subsidised childcare on employment, argues that the impact 'depends on the policy design, the country context, and the characteristics of mothers of preschoolers.'

Year 4 findings from the Evaluation of the Childcare Offer for Wales indicate that the Offer has enabled many parents to increase their earnings, 'especially those within lower income groups'. The Evaluation found that, of the parents surveyed, one in ten said that they would not be in work if it wasn't for the support provided by the Offer.

A recent study focusing on the potential impact of childcare on increasing the labour force in England found little effect of part time provision on employment figures, but argued that full time provision results in a significant impact. The Swedish Gender Equality Agency, suggested that, the greatest impact is seen when funding is made available to unemployed mothers.

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