



A CHILDCARE REVOLUTION IN WALES

summary and action

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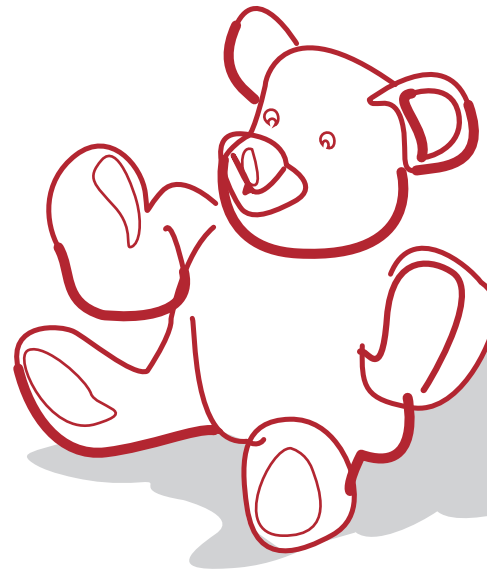
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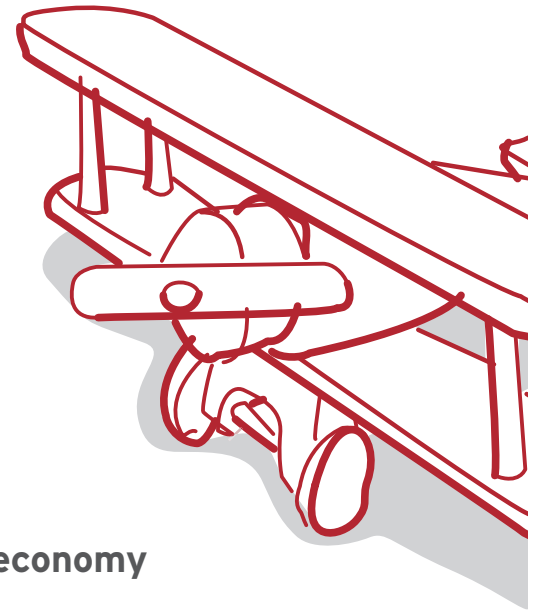
BACKGROUND

Suddenly, childcare is a big political issue that is occupying a central place on the political agenda. After years in which childcare, if discussed at all, was seen to be of minor interest and a 'women's issue', it has become a topic of national importance. From the announcement of the Chancellor of the Exchequer's 'childcare revolution' at the end of 2004 to the Welsh Assembly Government's commitment to children, childcare is at the centre of governments' ambitions.

But what is the reality like in various parts of Wales? What are the experiences of parents in different communities and different circumstances in Wales? What are the links between childcare provision and poverty? And what needs to be done to ensure that there is a 'childcare revolution' that meets the needs of children, especially poor children, women and men in Wales?

This report is based on research undertaken by the Bevan Foundation, with the support of Oxfam Cymru's UK Poverty Programme, the Equal Opportunities Commission Wales, BT Wales and Chwarae Teg. It brings together the findings of other research, looks at the experiences of parents in four contrasting communities, and makes recommendations to achieve a step-change in provision in Wales.

THE IMPORTANCE OF CHILDCARE



Childcare provides real benefits for society and the economy in general, as well as for individuals and families.

REDUCING CHILD POVERTY

Almost one in three children in Wales (30%) lives in poverty - some 200,000 under sixteen year olds. Many studies have shown that poverty affects children's health, is associated with poor housing, and in turn is linked with lower educational attainment and exclusion from participation in society.

The provision of childcare enables both parents to access the labour market and is an essential ingredient in the drive to eradicate child poverty.

PROMOTING EQUALITY OF OPPORTUNITY

Despite the huge influx of women into employment in recent years, women in Wales are less likely to work than men in Wales or than women in the UK as a whole. Those women who do work earn less than men in Wales, and also earn less than the UK average for females. Women's employment patterns tend to be very different to men's, typically featuring gaps of non-employment or part-time work whilst they care for young children. So, traditional gender divisions remain, poverty and low wages are endemic amongst women, and many women do not contribute to society as much as they might otherwise do.

Numerous studies have shown that the availability of childcare greatly enhances women's access to employment and enables them to realise their potential. For example, lack of affordable and accessible childcare is perceived to be the greatest barrier to lone parents entering the workforce.



As parents in our case studies said:

“I need to work, it’s not just the money. I’d go mad staying at home, much as I love him.” Parent, Britannia nursery

“I want to be a social worker because I want to help people and support people.” Parent, MEWN Swansea crèche

“I want this so much, it’s not a hassle when you want something so bad! I take two of my children to a childminder at 6.45 each morning then go to the station [to university].” Parent, Genesis Project

SUPPORTING BUSINESS COMPETITIVENESS

Childcare makes sound business sense. It improves recruitment and retention, reduces absenteeism, enhances productivity and performance, and gives better returns on staff training. Some employers recognise this and provide on site crèches or childcare subsidies for their staff. There is a sound economic case for childcare provision. As employees with Britannia Insurance, where there is an onsite nursery, said:

“I wouldn’t consider looking for another job - there are too many advantages here.” Parent, Britannia nursery

Despite the obvious benefits to parents, the Government has done little to encourage or reward employers who make provision for their staff. Encouragement for employer provision needs to be considered as a key aspect of making childcare affordable and accessible to working parents.

ENCOURAGE CHILD DEVELOPMENT

We now know that good quality and appropriate childcare benefits children's development. Research by the Daycare Trust and others shows that childcare provides an environment in which children can flourish, supports children's social development, secures their cognitive development and lays a foundation for effective learning. Quality childcare has also been shown to contribute to higher lifetime earnings and also equalizes the cultural stimuli that children receive.

The benefits were noted by several parents in our case studies:

“It does them good. My sister stays at home with her two boys and they are very clingy. I couldn't cope with that.” Parent, Britannia nursery

“My mother-in-law comments on how advanced [my daughter] is in speech for her age. She gets stimulation here.” Parent, Britannia nursery

In other words, childcare offers multiple benefits: reducing child poverty, helping child development, promoting equality of opportunity and supporting the economy. It lies at the heart of achieving these goals.

NEW DIRECTIONS IN CHILDCARE PROVISION



The welfare state in Britain is founded on the 'male breadwinner' model in which women were not expected to work outside the home. Childcare was simply not an issue. The approach now is very different - the model is of the 'universal adult worker' in which all people are expected to provide for themselves. Caring for children is therefore very much on the agenda.

The last eight years have seen a number of UK government policy initiatives to improve the quality of childcare, make childcare more affordable for lower income families, provide information and encourage collaboration between different agencies. These developments have been coupled with changes to employee rights, such as longer maternity leave and higher maternity pay, paternity leave and measures to support flexible working. Most recently, the Chancellor of the Exchequer has announced plans for further improvements to parents' employment rights, and the tax credit system. A considerable enhancement of actual provision of childcare in England is also proposed, although much will continue to be provided by the private and voluntary sector. Paid work for parents is at the centre of these policies.

In Wales, the Welsh Assembly Government's approach has been primarily driven by a concern with child poverty, notwithstanding the key input from Chwarae Teg and its partner organisations on economic and employment aspects. The Assembly Government's Childcare Action Plan, published in 2002, was followed by work of the independent Child Poverty Task Group, published in June 2004, and the interim findings of the Childcare Working Group, also published in June 2004.

Key Assembly initiatives have been around the provision of information and the formation of various frameworks and structures to support childcare provision, including better regulation and quality, streamlined funding, and provision of information. The main planks in direct childcare provision are the offer of a free, part-time nursery school place for all three year olds, and the introduction of an integrated children's centre in each local authority. However, the majority of care provision is, as in the UK, left to the private and voluntary sector to respond to local demand.

Elsewhere in Europe, childcare provision is much better established than in the UK. Different approaches in the Nordic countries, France and Denmark provide possible models from which lessons might be learned for Wales.



CHILDCARE - THE REALITY

The ambitions of both UK and Assembly Governments are laudable indeed. But how far is there to go before childcare provision amounts to 'a revolution' and the multiple benefits of good quality, affordable childcare are realized?

AVAILABILITY

The picture on the ground shows that there is a very, very long way to go to make childcare readily available for the majority of children in Wales. At an all-Wales level, there are just under 3,600 registered childcare places for 0-8 year olds - including childminders, day nurseries and holiday or after-school provision. This amounts to just one registered childcare place for every seven children aged under eight, hardly substantial provision in one of the poorest countries in the UK.

The position in some of Wales' most disadvantaged communities is even worse: just one childcare place for every twenty children aged 0-8 in Blaenau Gwent, one for every fifteen under eights in Neath Port Talbot, and one place for every twelve under eights in Merthyr Tydfil and Rhondda Cynon Taff. In Merthyr Tydfil, for example, with approximately 5,800 children under eight, there are only 497 childcare places in total and just fourteen registered childminders. This is in an area where 49% of all children lived in households living on benefit and 32% of primary school pupils were entitled to free school meals (compared with an all-Wales figure of 20%).

In other words, the areas where children are most likely to live in poverty, and where their parents are least likely to have paid work, offer the least help to get children out of poverty and their parents into work. This is a cycle of deprivation, poverty and disadvantage that must be tackled.

Part of the reason for the dearth of formal childcare provision is that private sector-led childcare provision responds to demand from working mothers and fathers with sufficient income to cover costs. However, it is unlikely that there will ever be sufficient privately provided care in disadvantaged areas: there is simply insufficient market demand even though there is clearly overwhelming need.

Interviews with parents also highlighted a number of other issues.

AFFORDABILITY

For many parents, the costs of formal childcare are simply prohibitive. With an average weekly disposable household income of £354, the typical cost of a day care place for a child under two of £134 a week is unaffordable, even allowing for a tax credit of 70% towards the cost of childcare. The childcare costs for larger families are astronomical, not least as tax credits cover the costs of a maximum of two children.

“The cost of childcare is disgusting. I couldn’t afford it if it wasn’t for [this scheme].” Parent, Genesis Project

“My friend says it costs her around £330 a month and that’s out of her nurse’s wage. I couldn’t pay that.” Parent, MEWN Swansea crèche

Parents also highlighted concerns about the way in which tax credits are paid. The vast majority of childcare providers require payment in advance, sometimes up to four weeks ahead, yet tax credits are paid in arrears, leaving parents with a substantial sum to find.

“You can’t get childcare until you’ve got a job, and then they don’t pay for weeks and they don’t pay all of it, there’s still a lot to pay. I couldn’t afford it.”
Parent, Genesis Project

The staffing requirements for day care of one member of staff for every three or four children (depending on age) coupled with the provisions of the National Minimum Wage mean there is - quite rightly - a 'floor' below which charges cannot fall, no matter how low parents' earnings may be.

In contrast, the discounts offered to staff at the Britannia nursery (from 20% after two years' service to 40% after ten years' service) were greatly appreciated and undoubtedly contributed to the retention of staff:

“It definitely keeps me here - if I left it would have to be a weekend or evening job. I couldn't think of leaving.” Parent, Britannia nursery

FLEXIBILITY

What childcare provision there is often does not match the demands of the local job market, for example local shift patterns and late night work in supermarkets. Where provision is flexible, it is highly prized by parents. For example, the Britannia nursery offers a baby-sitting service for parents in the evening as well as day care for 0-4 year olds and some after-school care.

“It gives you flexibility - if I have to work over, I don't have to worry.”
Parent, Britannia nursery

INFORMATION

Discussions with parents identified a lack of readily available information about childcare facilities and financial help. This seemed to deter many parents from taking up what is available.

“Around here people don't go in to libraries and things where they put up posters.” Parent, Genesis project

“I don't know of any nurseries which go with the job.”
Parent, MEWN Swansea crèche



PARENTS' PREFERENCES

Many - but not all - parents prefer informal care for their children, from family and friends, as they regard it as more affordable, flexible and appropriate for their child. For some, lack of affordable formal provision means that there is no alternative to informal care. Seventy per cent of parents in Wales rely on informal arrangements, with the main providers being grandparents.

“Mothers in this area won't use childcare, they use their own mothers.”

Childminder, Play Radnor

Other parents had firm views on whether play-based care or a more structured, 'school-like' approach was most desirable.

“I'd want my children to be taught something not just allowed to play all the time.” Parent, MEWN Swansea crèche

Some parents also prefer their children to be cared for through the medium of Welsh and this appears to be particularly difficult to find.

“The only slight drawback is that there is not enough tuition in Welsh. We're both Welsh speakers and would like this to be done more” Parent, Britannia nursery

And of course some parents prefer to provide full-time care for their children themselves and they should be enabled and supported to do so. At present this is a choice that is denied to many low income families.

“I don't want to go back to work - I would worry about [my daughter] if she was with someone else.” Parent, Play Radnor

“I'd like to be able to afford not to work when the children are small but to have lots of playgroups.” Parent, Britannia nursery

“If I had the money I'd rather stay at home and not work.”

Parent, MEWN Swansea crèche



A WAY FORWARD IN WALES

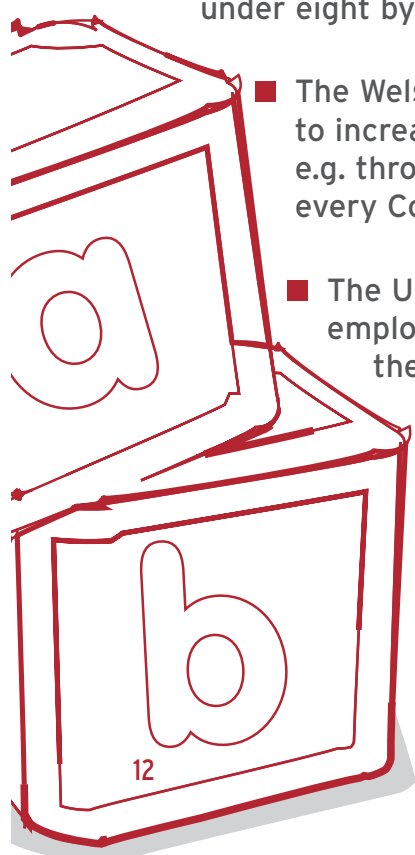
Wales should lead the way in the 'childcare revolution'. There are multiple gains for children, women, men and the economy and society as a whole by providing childcare that offers diversity, flexibility and is affordable, within an accessible and universal system. Our key recommendations are as follows.

CHILDCARE - A NEW PUBLIC SERVICE

A childcare revolution requires childcare that is available to all, irrespective of the ability to pay and local labour market conditions. The only way to achieve universal provision is for childcare to be provided as a public service, offering pre-school learning and care for all 0-4 year olds. This is particularly important in disadvantaged areas where provision is currently very low. The costs of providing childcare services should be offset by savings made in services later in children's lives.

We recommend:

- The Welsh Assembly Government should aim to exceed the UK Government's targets for childcare provision by ensuring a childcare place for every child whose parents want one, with the aim of one place for every four children under eight by 2010;
- The Welsh Assembly Government should take immediate action to increase childcare availability in disadvantaged communities e.g. through the provision of an integrated children's centre in every Communities First area;
- The UK government should require large public and private sector employers to provide a minimum level of childcare provision for their employees;
- Local authorities should include childcare provision in their community plans and plans for sustainable development (as part of the new duty proposed by the Chancellor of the Exchequer for local authorities to secure sufficient supply of childcare).



AFFORDABLE CHILDCARE

The cost of formal childcare remains a formidable barrier to many parents, especially those with larger families, children with special needs and families on low incomes.

We recommend:

- The Welsh Assembly Government, working with the UK Government, should ensure that childcare is free for parents on low incomes;
- The childcare element of tax credits should be paid in advance and should be payable for all children.

INFORMATION ABOUT CHILDCARE

Parents need to be able to make informed decisions about childcare.

We recommend:

- A step change in the profile, quality and scope of the childcare information service in Wales. It needs to be branded and promoted through the internet, media advertisements, direct contact with parents, schools, playgroups, post offices etc.;
- Provision of information about tax credits for working parents alongside information about childcare.

FLEXIBLE CHILDCARE

'Dawn to dusk' provision may not meet the needs of all parents, e.g. those working shifts or with long travel-to-work times.

We recommend:

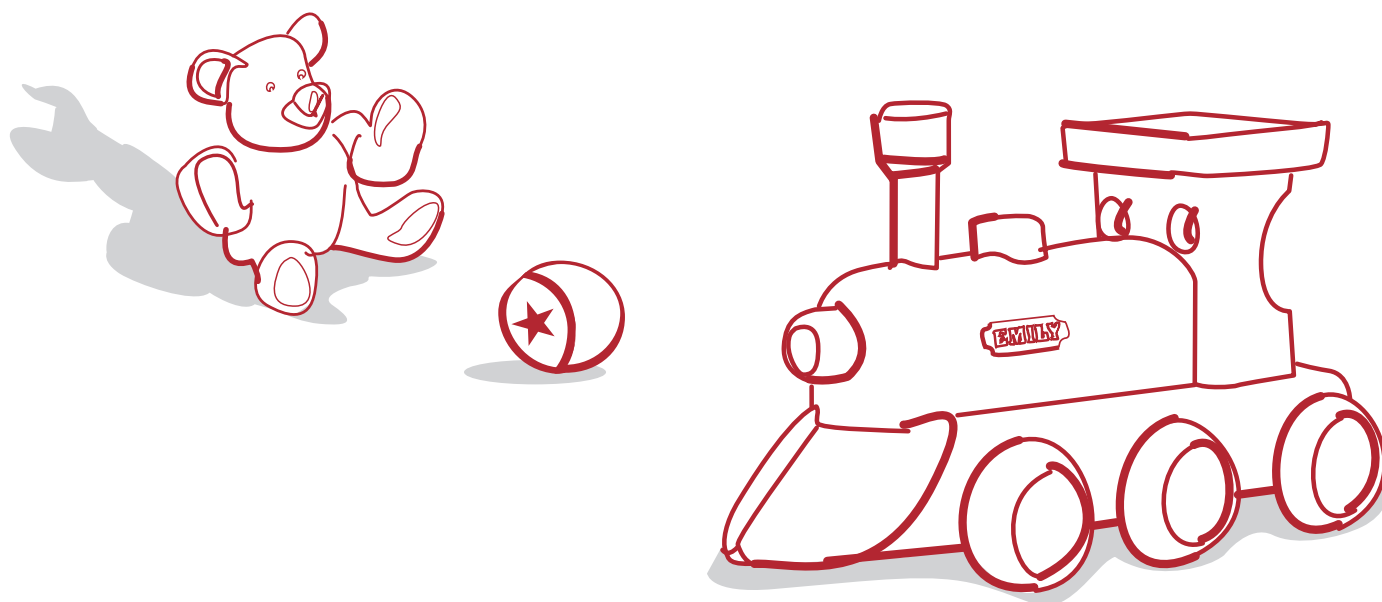
- Local Children's Partnerships should investigate the demand for childcare outside 8 a.m. - 6 p.m. provision and take active steps to meet it;
- The Welsh Assembly Government should provide financial support for out-of-hours care and develop models of care to demonstrate different ways in which needs might be met.

QUALITY CARE OF DIFFERENT KINDS

A key message is that parents have different preferences for the type of care their children receive: formal or informal, cultural content, and the relative emphases on play and education. The bottom line is quality, and urgent action is needed to enhance the skills, qualifications, employment conditions and status of childcare workers.

We recommend:

- Parents should be consulted about their childcare preferences including support for informal carers, Welsh language provision, and different approaches within care settings;
- Local Children's Partnerships should undertake annual audits of provision, including the type of care offered, as well as number of places, hours etc., and encourage a range of providers and approaches;
- Specific action should be taken to ensure that parents are able to choose a childcare setting where their child can be cared for through the medium of Welsh;
- The UK and Welsh Assembly Government should collaborate to raise standards of childcare workers, through the Children's Workforce Development Council and action by ELWa.



THE GENESIS PROJECT

The Genesis Project was set up in Rhondda Cynon Taff to combat child poverty. The project funds formal or informal childcare costs of any parent who is working, learning or training. It also helps parents to find appropriate work, education or training opportunities. Childcare places are purchased from local childcare providers, including four new community nurseries as well as private sector providers and childminders. The project also runs a mobile childcare service, which provides short-term care in a variety of venues. The project is also developing and supporting childminding provision in the area.

The Welsh Assembly Government has recently announced that the approach will be rolled out across Wales.

PLAY RADNOR

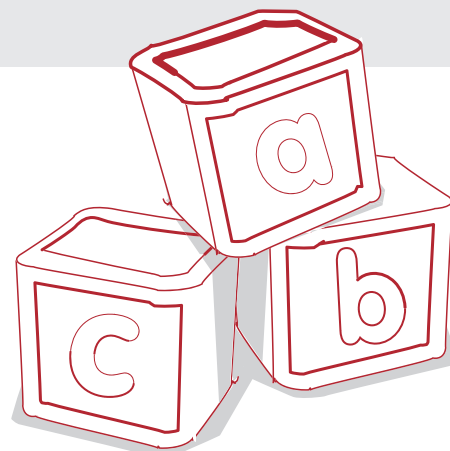
Play Radnor is a voluntary scheme, based in Llandrindod Wells, and is part of Powys Sure Start. It provides structured play opportunities for pre-school children, on a drop-in format, including provision for children with special needs. Users include childminders and other carers as well as parents themselves.

NATIONAL BRITANNIA NURSERY

National Britannia is a large financial services provider based in Caerphilly since 2000. The company envisaged that attracting high quality staff may be difficult and following a survey of its employees opened an on-site nursery. It provides care for children aged 0-4 and some after-school care for older children.

MEWN SWANSEA CRÈCHE

MEWN was established in Swansea in 1995 to address the needs of minority ethnic women in the area. The free crèche operates alongside education courses provided in the same premises, and support and advice services, e.g. benefits advice, housing and employment support. It provides care from 8.30a.m. - 5p.m., Monday - Friday.



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Equal Opportunities Commission Wales

BT Wales

Chwarae Teg

The research was undertaken by Anthea Symonds and Anne Rex Kelly. The full report is available from the Bevan Foundation priced £5.00 plus £1.50 p&p.

The Bevan Foundation is an independent think tank, undertaking research and promoting new ideas to tackle poverty and disadvantage in Wales.

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