



House of Commons
Work and Pensions Committee

Childcare for Working Parents

Fifth Report of Session 2002-03

Volume I



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Report, together with formal minutes

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The Work and Pensions Committee

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Summary

The lack of good quality, affordable childcare is widely viewed as one of the main barriers to work for parents, particularly for mothers and for parents who are bringing up children alone. Since the introduction of the National Childcare Strategy, childcare provision has grown substantially. But for many parents, childcare remains inaccessible and expensive. As part of its anti-poverty strategy, the Government has introduced targets to increase lone parent employment, reduce the number of children living in workless households and reduce child poverty. Childcare is central to these targets being achieved. This Report sets out the findings of our inquiry into how suitable, affordable childcare can be provided for all parents who need it to enable them to work.

In spite of increased resources for childcare provided through the National Childcare Strategy, parents' demand for childcare provision continues to outstrip the supply. In addition, childcare providers face considerable funding and sustainability difficulties. Further resources were allocated to the childcare budget in the 2002 Spending Review, including funding for a further 250,000 childcare places and for Children's Centres in disadvantaged areas. The Committee concludes that, welcome though these additional resources are, they do not go far enough.

The Report raises a number of specific concerns regarding childcare expansion and funding. Most of the current and planned childcare initiatives are targetted on the 20% most deprived wards. However, not only are there still significant gaps in provision in areas of deprivation, but most low income households live outside the 20% most deprived wards. The Committee is extremely concerned that low-income parents in rural areas and in pockets of deprivation in towns and cities outside the 20% most deprived wards are not benefitting sufficiently from expanded childcare provision.

We welcome the creation of the new Childcare, Early Years and Sure Start Unit and recommend that it leads the way in instigating a joined-up approach to childcare funding.

Childcare Tax Credit plays an important role in providing funding direct to parents which enables them to take up paid work, yet it poses a range of complex and interlocking problems. We therefore recommend that the Government considers reducing the hours a second earner in a couple needs to work to qualify for Childcare Tax Credit, reducing the qualifying hours for Working Tax Credit, increasing the percentage of childcare costs covered; and raising the maximum which can be claimed by families with two or more children. We also recommend that further action be taken to deal with the regional variations in childcare costs.

From the evidence we have received, we conclude that the Children's Centre model is the most constructive way to provide childcare for parents, whether in work or not. We

welcome the Government's commitment to establishing, by 2006, Children's Centres in the 20% most deprived wards. We recommend extending this commitment to the 30% most deprived wards and urge the Government to make a long-term commitment to establishing Children's Centres in all areas. This would make an important contribution to the child poverty and lone parents employment targets and would have a significant impact on the lives of poor children and their families.

1 Introduction

1. The lack of good quality, affordable childcare is widely viewed as one of the main barriers to work for parents, particularly for mothers. The problem is exacerbated for parents who are bringing up children alone. Childcare is a crucial part of the welfare-to-work and anti-poverty strategies. There is no question that, since the introduction of the National Childcare Strategy, a substantial number of new places have been created, for three and four year olds, in nurseries and in after-school provision. The question is: do these meet the real needs – in terms of time, location and affordability – of a sufficient proportion of current and prospective working parents, and if not, what should the Government now do, urgently, to meet those needs?

The inquiry

2. We launched our inquiry into childcare for working parents on 18 December 2002, with particular reference to the following issues:

- a) What is the full extent of regional variations of both availability and cost in accessing childcare? Are area-based initiatives the best way forward to ensure adequate childcare provision for children in workless families?
- b) Is the Childcare Tax Credit working? Is it the best way to provide help with childcare costs for those on low incomes? What can be done to boost take-up?
- c) Will the additional funding provided by the 2002 Spending Review be enough to ensure sufficient childcare to enable the child poverty and lone parent employment targets to be met?
- d) Should employers be doing more to help with childcare for their employees?
- e) Should more financial assistance be made available to allow parents to use their network of family and friends to help provide childcare in order to enable them to work?
- f) Is there a lack of information on childcare services? How could it be improved?
- g) Are the needs of specific groups being met? For example, parents working shifts; teenage parents; babies, very young children, minority ethnic children and disabled children? What about those who want to care for their children themselves? What effect does this have on childcare places?
- h) Does the provision and funding of childcare places take into account the need for 'wrap-around care'?

3. The Committee received forty-two memoranda from a wide variety of individuals and organisations, and a number of useful background papers. We took oral evidence from four sets of witnesses, including Baroness Ashton, Minister for Childcare. We are most grateful to all who submitted evidence, both oral and written, to the inquiry.

4. We also considered it important to see for ourselves the issues that face current childcare providers. The Committee therefore visited two childcare providers in a disadvantaged area of West London and talked to staff and parents to find out what issues were of concern to them. We wish to thank those who helped arrange the visit and those who offered their views.

Background

The importance of childcare for children and parents

5. Childcare covers a large spectrum of provision. Parents themselves are usually the first providers of childcare, and childcare outside the home can cater for children from birth to 16 years old and at different times of the day, should parents require it. Registered childcare services include childminders and home childcarers, private, local authority and voluntary sector day nurseries and pre-school nurseries, nursery schools, after school clubs and holiday play schemes. There are also unregistered forms of childcare, such as nannies, au pairs and informal care provided by relatives and friends.

6. Childcare serves a multitude of functions for the communities in which people live. From the Department for Work and Pensions' point of view suitable, affordable childcare is essential for working parents. It enables them to take up paid work, secure in the knowledge that their children are being cared for by competent childcare workers. Childcare also enables parents to take up training and education opportunities which help them move into employment. Research commissioned by the Department for Education and Skills (DfES) found that 63% of non-working mothers and 78% of non-working lone mothers said they would prefer to go out to work or study if they had access to good quality, convenient, reliable and affordable childcare.¹

7. This report is primarily concerned with childcare for working parents. However, the Committee recognises that childcare has a significance which goes much wider and the report touches upon some of these issues, although they do fall outside the remit of the Committee. We acknowledge the comments submitted by some contributors on the wider benefits of childcare and on whether it is desirable to use childcare for young children, but we do not explore these issues in detail.

8. Ensuring that as many people as possible of working age, who would like to work, are in paid employment is key to the Government's anti-poverty strategy. The Government has set several targets in the drive to tackle poverty and social exclusion, including reducing child poverty by a quarter by 2004, reducing the number of children in workless households by 2006 and getting 70% of lone parents into paid work by 2010. Childcare is crucial if these targets are to be met.

9. Employment rates for women are closely linked to whether they are mothers and how old their children are. The employment rate for women with dependent children in spring 2002 was 65.4 per cent, compared with 72.4 per cent for women without dependent children. When broken down by the age of the youngest child further differences emerge.

¹ Woodland, S, Miller, M and Tipping, S (2002) *Repeat Study of Parents' Demand for Childcare* DfES Research Report 348

For all women with children under the age of 5 the employment rate was 52.9 per cent; for those with children aged 5–10 it was 70 per cent; and for those with children aged 11–15 it was 76.1 per cent.²

10. Childcare for working parents has to be available when parents need it. The issue of whether increased overall provision is available when parents need it to enable them to work is crucial. For parents of younger children a free nursery place for 2 ½ hours per day or a service that is only available from 9am to 3pm is of little use if they want to work full-time. Out of school care for all school-age children – right up to the teenage years – is also important for working parents. Equally, many parents now work outside of the ‘traditional’ working week. A recent study into atypical working hours and family life found that in the majority of two-parent families one or both parents frequently worked before 8.30am, after 5.30pm or at weekends. Just over half of employed lone parents also fell into this category.³ The issue of the school holidays is also a thorny issue for working parents who may already be juggling several sources of childcare.

The effect of childcare on children

11. There is an extensive body of research, much of it longitudinal research which follows children over several years, into the effect of early years and childcare provision on children. The issue of the impact of childcare upon children was not examined in great detail during the course of the inquiry as this issue falls mainly within the remit of the Department for Education and Skills. However, it is worth pointing out some of the key findings which were highlighted in the recent Inter-Departmental Childcare Review.

12. One of the main sources of evidence which was considered by the Childcare Review was the Effective Provision of Pre-School Education (EPPE) Project conducted by researchers at the Institute of Education, Birkbeck College and the University of Oxford. The EPPE research team also submitted written evidence to the inquiry.⁴

13. The Childcare Review concluded that the effects of childcare on a range of outcomes for children are positive. For pre-school children there is strong evidence that pre-school provision (such as LEA nursery schools and Early Excellence Centres) between 3 and 5 years result in higher educational attainment, both at primary school and long-term. There is consistent evidence that quality of provision, and particularly well-trained staff, is critical to improvements for disadvantaged children. There is also evidence that poor quality provision can be damaging. Childcare and early years provision also produces wider benefits, e.g. reduction in crime rates, improved health outcomes and attitudinal outcomes, such as self-esteem and aptitude for learning. EPPE also found that learning at home with parents, combined with high quality pre-school education, makes a positive difference to children’s social and intellectual development.

14. The Review also concluded that, for older children, out of school activities and care and study support have positive effects, particularly for disadvantaged children. Holiday schemes can substantially reduce crime levels.

2 Labour Market Trends, November 2002: *Trends in female employment 2002*

3 La Valle, I et al (2002) *Happy Families? Atypical work and its influence on family life*, Joseph Rowntree Foundation

4 Appendix 13

15. The Social Market Foundation submitted written evidence which reviewed the research from the United States and concluded:

“...it is clear that pre-school care, when targeted at the right people and provided in the correct manner, can have a huge impact on the life chances of the individual. Short term gains, leading to “school readiness”, set children on a higher trajectory of achievement leading to longer term improvements in the quality of life. Certain factors – namely the quality of the pre-school programme, its timing and its duration all affect a pre-school programme’s beneficial impact.”⁵

16. It should also be pointed out that there is a substantial body of work that disputes the benefits of childcare. Written memoranda from organisations such as Full Time Mothers⁶ and WATCh?⁷ strongly argue against the principles of childcare for pre-school age children. However, to illustrate the continuing dispute between the two opposing camps, very recent research published shortly before this report showed that children under 3 who were looked after in day nurseries while their parents worked “suffered no measurable psychological or behavioural ill effects because of their mothers’ absence”.⁸

Current childcare picture

17. The demand for childcare provision continues to outstrip the supply. The DfES regular survey which analyses parents’ demand for childcare shows that a quarter of all families (or approximately 1.3 million) had reported not being able to find a childcare place when they needed it.⁹ Lone parents in particular cite the lack of childcare as an issue which is detrimental to their ability to take up paid work. The DfES survey also found that 30% of non-working lone mothers cite the lack of affordable childcare as a reason for not being able to work. A further 20% said that the lack of childcare at suitable times was also significant. Nearly four out of five (78%) non-working lone mothers said they would prefer to go out to work or study if they had access to ‘good quality, convenient, reliable and affordable childcare’.

18. The supply of childcare has increased in recent years, although this hides the fact that certain types of childcare providers, namely childminders, are decreasing in number. There were 109,200 childminders in 1992 and this has consistently fallen to 72,300, providing 304,600 places, in 2001 (see figure 1). This is worrying because it has the potential to restrict parental choice. In comparison, the number of day nurseries has risen from 2,900 in 1990 to 7,800 in 2001 – an increase from 87,500 places to 285,100 places (see figure 2). There has been a similar rise in the number of out of school clubs and holiday schemes. There are now 152,800 places in 4,900 out of school clubs and 598,000 places in 12,900 holiday schemes (see figure 3).¹⁰

5 Appendix 29,

6 Appendix 8

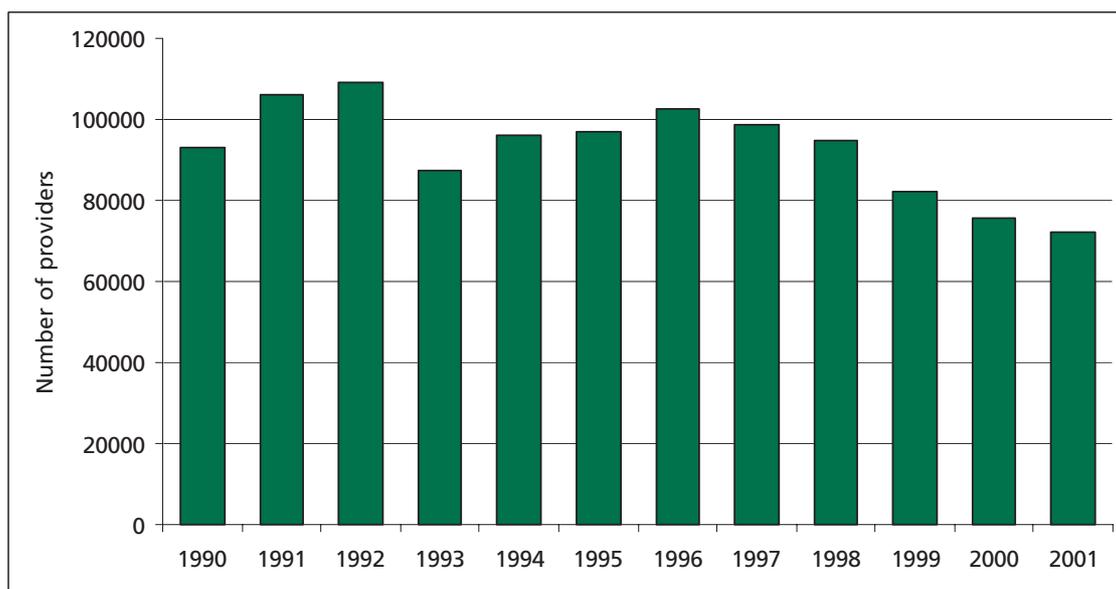
7 Ev 209

8 Working mothers’ children ‘do not suffer’. *BBC News Online*, 2 May 2003, news.bbc.co.uk

9 Woodland S et al (2002) *Repeat Study of Parents’ Demand for Childcare* DfES Research Report 348

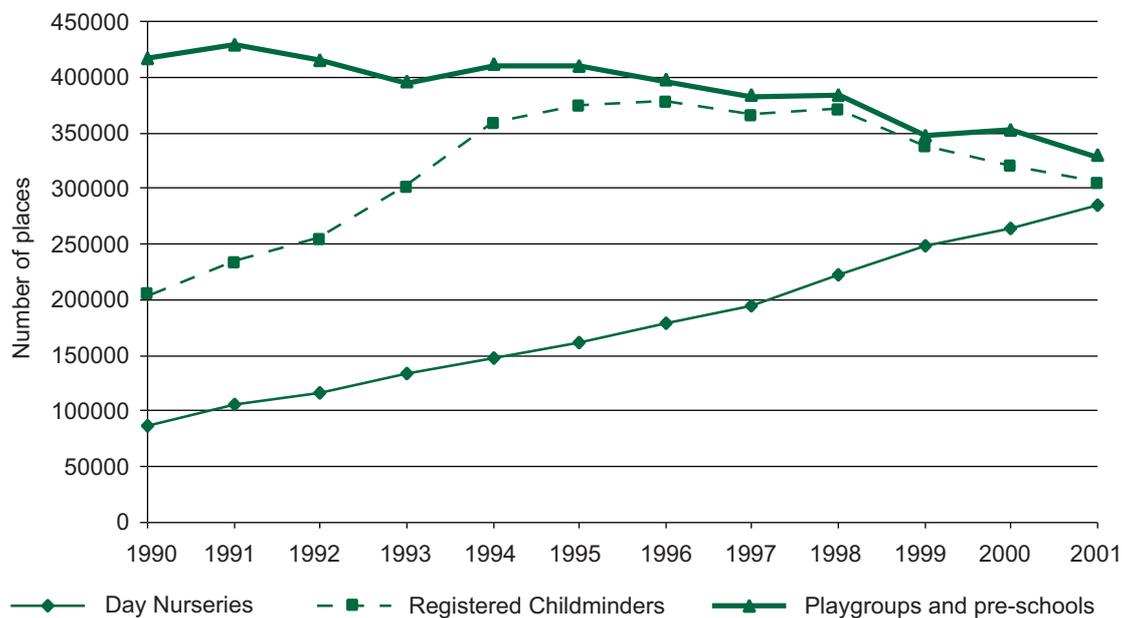
10 DfES (2001) *Children’s Day Care Facilities at March 2001 England*, Issue No 08/01. These were the most up-to-date figures available at the time the report was agreed. New figures for March 2003 have since been published by Ofsted. See www.ofsted.gov.uk/publications

Figure 1: Number of childminders, 1990-2001



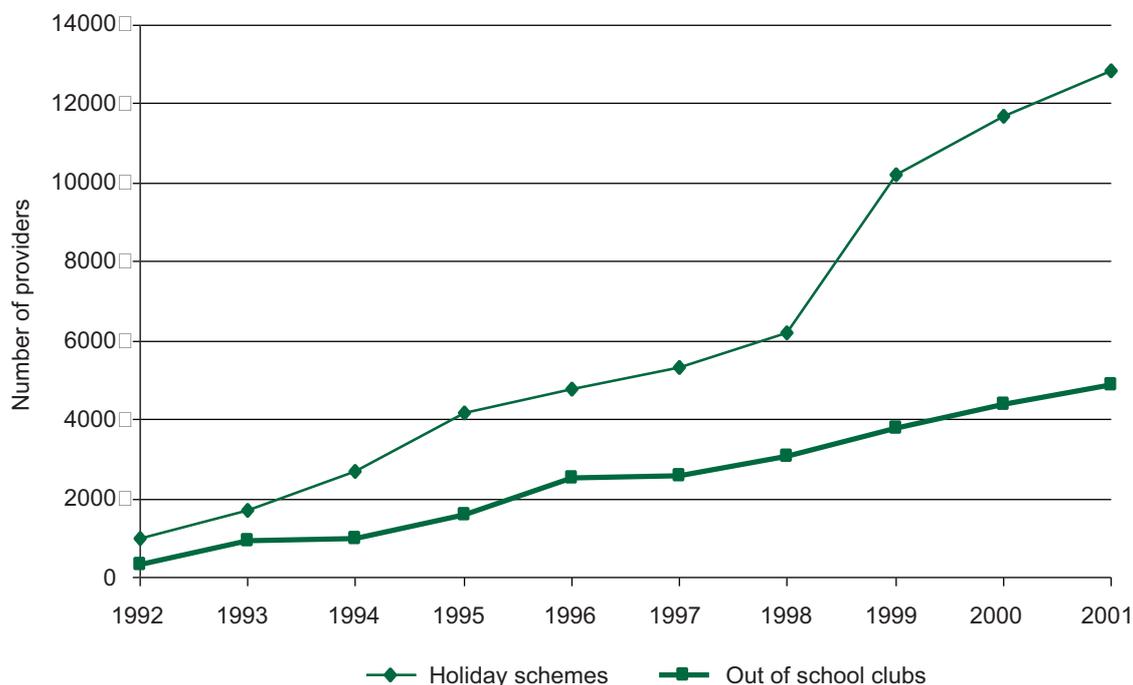
Source: DfES (2001) *Children's Day Care Facilities at March 2001, England, Issue No 08/01*

Figure 2: Number of places in day nurseries, with childminders and in playgroups and pre-schools 1990-2001



Source: DfES (2001) *Children's Day Care Facilities at March 2001, England, Issue No 08/01*

Figure 3: Number of out of school clubs and holiday schemes, 1992-2001



Source: DfES (2001) *Children's Day Care Facilities at March 2001, England, Issue No 08/01*

19. For most working parents, childcare is expensive. According to the Daycare Trust, British parents pay three-quarters of the costs of childcare compared with 30% in most other European countries.¹¹ Their annual survey of the costs of childcare show that for a child under two the typical cost of a nursery place is now £128 a week, or £118 for a childminder, up 6.7% in the last year. Inner London has the highest childcare costs – £168 for a nursery place and £139 for a childminder for an under two year old. Costs are slightly less for a child over two. The average cost for an after school club is £34 for 15 hours per week.¹²

20. The high cost of childcare, along with the lack of available places, is one of the reasons why parents are more likely to use informal childcare. The DfES survey shows that 72% of families used an informal childcare provider in the past year compared with 52% who had used either early years education or some other form of formal childcare.¹³

Policy initiatives to expand childcare

21. The National Childcare Strategy (NCS) was launched in May 1998, alongside the Sure Start initiative. It aims to deliver quality, affordable and accessible childcare in every neighbourhood. The NCS significantly expanded the childcare and early years budget in order to achieve the Service Delivery Agreement (SDA) targets for 2004 to:

11 Ev 53, 199

12 Ev 53

13 Woodland S et al (2002) *Repeat Study of Parents' Demand for Childcare* DfES Research Report 348

- provide a nursery education place (for 2 ½ hours per day) for all 3 and 4 year olds
- create new childcare places for 1.6 million children
- establish 100 Early Excellence Centres
- establish 900 Neighbourhood Nurseries in disadvantaged areas; and
- ensure that 500 Sure Start programmes will reach up to one third of young children in poverty and their families.

22. The primary mechanism for expanding childcare is through pump-priming funds to encourage private sector development, especially in disadvantaged areas. The development and implementation of childcare and early years services in England are the responsibility of Early Years Development and Childcare Partnerships (EYDCPs).

23. The NCS marked a significant step forward in the development of childcare provision. Childcare now undoubtedly has a much higher place on the public policy agenda and the NCS has increased the availability of childcare for many parents, while initiatives like Neighbourhood Nurseries and Sure Start are improving the quality of care. Despite the undoubted success of this programme, the Committee is concerned that it is not yet providing enough places or enough hours to fit in with parents' work patterns.

24. Since the NCS was launched in May 1998, further developments have taken place and more resources have been allocated. These are outlined in more detail in the next chapter.

2 The Inter-Departmental Childcare Review

25. The Inter-Departmental Childcare Review was announced in October 2001 to consider childcare in England as part of the 2002 Spending Review. It was led by Baroness Ashton (Minister for Sure Start, Early Years and Childcare) and also included Baroness Hollis (DWP), Dawn Primarolo MP (Treasury) and Barbara Roche MP (Minister for Women). The main objectives of the Inter-Departmental Review were to assess the future demand and need for childcare; to assess the effectiveness of different types and qualities of childcare; and to develop a 10 year vision and strategy.¹⁴

26. The main conclusions of the Review were that childcare helped disadvantaged children and brought wider benefits to society; new investment was needed to support the lone parent employment and the child poverty targets; more funding was needed to ensure childcare is available when parents want it; and funding and delivery mechanisms needed to be reformed to improve accountability and co-ordination. The Review also concluded that the childcare market is failing, particularly in disadvantaged areas where the risk of setting up a financially viable childcare business is deemed to be too high for private providers.

The childcare vision

27. The Review outlines the Government's vision for children as one in which every parent can access affordable, good quality provision. This was described by Baroness Ashton in oral evidence to the Committee:

“The ambition is that every family that wishes could find childcare for their children appropriate to the age of the children, because a family's desire to have different childcare is often based around the age of the child or their own personal preferences, and that is for them. We would want to make sure that any family would be able to find adequate childcare. That does not mean we would pay for it as a Government; it means it is a mixture of Government money, through tax credits and through family income, to support those children.”¹⁵

28. Several of those submitting evidence to the inquiry remarked on the narrow focus of childcare provision in the UK.¹⁶ In his oral evidence, Professor Peter Moss said that childcare should not just be about freeing parents so that they are able to work.¹⁷ This creates an exclusive and divisive childcare structure which fails to exploit the cohort effects of having children from different backgrounds and of different abilities educated together. In his view, childcare is a public good which is the right of all children, regardless of whether their parents work or not.¹⁸ Professor Moss criticised the Childcare Review for

14 Cabinet Office (2002) *Inter-Departmental Childcare Review – November 2002: Delivering for Children and Families*

15 Q 192

16 Appendices 11, 15 and 21

17 Qq 1, 4

18 Qq 4, 18, 45

failing to look at the bigger picture. He believes that the Review should have taken a more fundamental look at childcare in the UK to see where we want to be in twenty years time. The Review should have questioned existing initiatives, such as tax credits, and moved childcare provision away from being a private commodity towards being a universal, free service.¹⁹

29. The questions raised by Professor Moss suggested that the Government may be placing too much emphasis on a labour-market driven strategy as the basis for childcare policy. His evidence opened up an alternative vision of childcare, based upon the choices made by parents and families themselves. The rolling out of more Children's Centres by the Government would certainly be consistent with such a vision, since the provision that Children's Centres offer is available to all parents, whether active in the labour market or not. Further to raise the rate of benefits and credits for younger children, which can be used to fund childcare provided by parents themselves as well as other forms of childcare, both formal and informal, would be consistent with this principle of choice for all parents. It would also be consistent with Professor Moss's view of childcare as a public good, since tax assistance is used to encourage developments which help build up the public good, and child benefits and credits are essentially transferred tax assistance.

30. Professor Moss was not alone in believing that the UK should be moving towards universal childcare provision, backed up by a comprehensive system of parental leave (see chapter 5 which discusses this further). The importance of universal provision was mentioned by another witness, Ms Garnham of One Parent Families, who was questioning the likelihood of meeting the lone parent employment target:

“...the single most striking characteristic of some of the other countries that have a very high level of employment amongst lone parents, above 70 per cent, which is the target that we are aiming for, is that they tend to have almost universal childcare provision.”²⁰

31. As Baroness Ashton admits, the UK is a long way from universal childcare provision.²¹ But the situation has improved since the National Childcare Strategy was launched. The conclusions drawn from the Childcare Review led to further funding allocations in the 2002 Spending Review. These are outlined below.

32. It should be noted that although the Committee has a UK wide remit, the inquiry was restricted to looking predominantly at childcare in England as this is the remit of the National Childcare Strategy. Scotland and Wales have their own childcare strategies and are the responsibilities of the devolved administrations. However, the Childcare Tax Credit does cross the national boundaries and therefore comments on this issue are not restricted to England. Although it was not possible in this short inquiry to compare the situation across the UK in detail, the Committee hopes that an open dialogue can be initiated in order to ensure that best practice in childcare is being shared.

19 Qq 18-21, 27-28, 43

20 Q147

21 Q194

The 2002 Spending Review

33. The approach taken by the Government is to stimulate the demand and supply of childcare through a range of measures.²² The 2002 Spending Review provided an increased budget of £1.5 billion by 2005/6 for childcare, early years and Sure Start. This will provide resources for:

- At least 250,000 new childcare places by 2006, in addition to the previous target of new places for 1.6 million children by 2004
- Targetted assistance for a wide range of providers in disadvantaged areas
- A greater role for schools as bases for wider community and family services, including childcare
- New Children's Centres in disadvantaged areas offering education, childcare, health and family support services, reaching at least 650,000 children and their families by March 2006
- Ongoing support for over 500 local Sure Start programmes

34. Evidence submitted to the inquiry shows that there is wide-ranging support for the additional investment in childcare provided by the 2002 Spending Review.²³ However, many also say that it still does not go far enough and the extra finances will still not be enough to create the childcare places needed to meet the Government's child poverty and lone parent employment targets.²⁴ According to the Daycare Trust, 400,000 additional childcare places are needed to meet these targets.²⁵

35. It should also be mentioned that childcare places are very difficult to count and monitor. This is because families usually need more than one place for each child. A lone parent in full time work may, for example, needs to arrange help for someone to drop their child at school or nursery at 9; pick the child up at the end of the session or school day; and care for the child during the holidays. A family with two children aged 3 and 5 attending different schools or nurseries would need to put together such a jigsaw of care provision that the problems would be almost insurmountable without considerable informal support. According to the Government's response to the Committee's Employment Strategy Report,²⁶ as the overall policy is one of targetting and measuring growth, the Government uses a simple measure of growth in the number of places. This may cause confusion as, for example, one part-time nursery place may not be sufficient to enable a lone parent to take up work of 16 hours a week. Careful monitoring is needed to ensure that the figures are easily understood and do not obscure gaps in childcare provision.

22 Q 193

23 Ev 51, 84, 196, 40 and Appendix 10.

24 Ev 132, 205, 209, 211

25 Ev 132, pg 10

26 Department for Work and Pensions, *Report on the Government's Employment Strategy, Reply by the Government to the Third Report of the Work and Pensions Select Committee*, Session 2001-02 [HC815] CM5599, October 2002

36. The Committee is concerned that the 250,000 childcare places financed by the Spending Review will not be sufficient to meet the 2010 targets on child poverty and lone parent employment. We agree with those calling for further investment in childcare to ensure that the targets can be met. Given the importance of childcare and nursery education for children's life chances and their parents' employment, consideration should be given to switching resources from other budgets if extra funding is not available.

37. We also recommend that the statistics on childcare places are presented in a sufficiently transparent manner to make it clear whether the additional childcare places are full-time or part-time and whether they are sufficient to enable parents to enter employment.

38. Increasing childcare provision can be achieved in different ways: through focussing on the supply side, the demand side or a combination of the two. The following two chapters explore this in greater detail by concentrating on the Government's strategy to increase the supply of childcare through targeted initiatives and developing the childcare market; and through putting money to pay for childcare in parents' pockets via the Childcare Tax Credit.

3 Targetted initiatives and regional variations

39. The regional disparities in the availability of childcare places are marked. Deprived wards have 6–8 childcare places per 1,000 children whereas the average across all wards is 12–14 places.²⁷ Figures from the DfES show that the number of day nursery places can vary from 64 to 120 places per thousand children. The number of childminder places varies from 33 to 82 places per thousand children, out of school club places from 57 to 210 places per thousand children and holiday scheme places from 69 to 200 places per thousand children.²⁸

Table 1: Regional variation of childcare places per thousand children

	Day nurseries	Playgroups and pre-schools	Childminders	Out of school clubs	Holiday schemes
North East	64	70	65	90	100
North West	120	110	58	100	96
Merseyside	130	75	40	70	120
Yorkshire and Humber	85	86	61	75	120
East Midlands	88	110	50	83	160
West Midlands	110	95	61	77	68
Eastern	68	138	60	57	81
Inner London	110	40	33	210	200
Outer London	75	87	59	67	160
South East	100	150	82	58	140
South West	95	170	81	75	120
England	95	110	63	82	120

Source: Department for Education and Skills (2001) *Children's Daycare Facilities at 31 March 2001, England*

40. The differences in the type of childcare provision in different areas can be explained by a range of factors. For example, housing costs tend to be higher in metropolitan areas, making it less likely that childminders will be able to afford to live there. In sparsely populated areas, using local childminders (if there are any available) may be easier for parents rather than travelling long distances to centre-based care.²⁹

27 Cabinet Office (2002), *Inter-Departmental Childcare Review – November 2002*, pg 17

28 Department for Education and Skills (2001) *Children's Daycare Facilities at 31 March 2001, England*, Issue No 08/01

29 Ev 15

41. The Institute for Fiscal Studies (IFS) has conducted research into the effect of childcare availability upon mothers' propensity to work. In oral evidence Gillian Paull of the IFS stated:

“One of the interesting things we found was that in areas with high provision there are also high employment rates amongst mothers. That begs the question of whether in areas of high provision it has enabled more mothers to go out to work or is it that in areas where more mothers work anyway that has drawn forth more childcare places. Although we know there is a relationship between the two, we do not know whether one is driving the other or not. It is certainly true that there might be an historical precedent in some areas, that areas traditionally with high areas of provision have encouraged mothers to come into work and therefore mothers in work have encouraged the childcare provision to remain at a high level. In that situation you might argue that there is a case for doing some sort of kick-start to provision within areas and that you might encourage more mothers into work and then raise the demand and then the natural level might continue at a high level.”³⁰

42. The effect of regional disparities in childcare are aptly illustrated by the statistics showing that the number of lone parents who gained employment through the New Deal for Lone Parents averaged 51% across the UK. Regional variations show that in London 39% of participants entered employment compared with highs of 53% in Scotland and 56% in the North East.³¹ Research carried out by the Department of Work and Pensions into the issue of lone parents and employment in London confirmed that there were three main barriers to moving into work: the availability and cost of childcare; concerns about financial uncertainty on moving into work and the cost of housing and council tax.³²

43. Most of the current and planned childcare initiatives, such as Sure Start, Neighbourhood Nurseries and Children's Centres are targeted in the 20% most deprived areas. Many of those submitting written evidence pointed out that two-thirds of poor families do not live in these areas.³³ According to the Index of Multiple Deprivation 2000, 54% of poor children live in the 20% most deprived wards. Much of the written and oral evidence received criticised this approach as not reaching enough children who are living in poverty.³⁴

44. Parents living in rural areas are one of the groups who have particular problems in accessing childcare.³⁵ Targetted childcare initiatives do not necessarily reach rural areas and childcare providers find it very difficult to sustain provision as demand for childcare can be low due to the small number of children.³⁶

45. In her evidence, Baroness Ashton was very clear that the targeted initiatives are seen very much as a starting point. One way of expanding the initiatives outside of the most

30 Q 59

31 HC Deb 26 March 2003, col 298w

32 O'Connor, W and Boreham, R (2002) *Investigating Low Labour Market Participation Among Lone Parents in London*, Dwp In-house Report No 104.

33 Ev 52, Appendices 3 and 5

34 Ev 43, 54, 78, 149, Q 113, Appendices 5, 10

35 Appendix 31

36 Ev 209

deprived areas, she said, was to mainstream the principles of Sure Start to all areas.³⁷ In other words, promoting and enabling the collaborative approach so that professionals can be more creative in the help they can give to families. However, this was an approach, according to Baroness Ashton, that does not necessarily need resources. Whether or not the Sure Start, Early Years and Childcare Unit can persuade local authorities to mainstream Sure Start principles without additional funding remains to be seen.

46. The Committee recognises that, with resources always being limited, targetting on areas of deprivation is both important and desirable. However, it remains the case that, not only are there still significant gaps in provision in areas of deprivation, but most low-income parents in rural areas, and in pockets of deprivation in towns and cities outside the 20% most deprived wards are not benefitting sufficiently from expanded childcare provision. We recommend that the Government works across Departments to develop strategies to increase and sustain childcare provision in these areas.

Childcare providers, the funding jigsaw and sustainability

47. Childcare organisations have long expressed their concerns and frustration at the current funding mechanisms. They argue that the funding environment is fragmented and piecemeal, as different programmes cater for different ages; it is too complicated with too many funding streams; it is not sufficiently strategic, as childcare can come under different policy initiatives with different objectives; and it does not provide funding to sustain childcare provision over the long term.³⁸

48. The area-based approach is strongly criticised because the targetting of funding and resources is not always properly planned and can even lead to ‘swamping’ in some areas, so that funding is duplicated and not always used up.³⁹ Ms Lochrie argued:

“What is needed is a far more focussed strategy and a coherent funding environment, rather than a lot of disparate initiatives, which is capable of targetting the obstacles to expansion particularly in the areas of disadvantage rather than a scattergun approach in terms of disparate initiatives.”⁴⁰

49. The Pre-School Learning Alliance also pointed out that the roll-out of Neighbourhood Nurseries has been held back due to the complexity of funding arrangements.⁴¹ The Department admitted that problems with the capital development of the Neighbourhood Nursery programme had limited the progress.⁴² The Pre-School Learning Alliance also pointed to the difficulties caused by the inter-relationship between the roll-out of the NCS and the funded nursery education which creates competition for nursery education funding.

37 Q 197-198

38 Ev 132, 205, 178

39 Ev 181, 209

40 Q 99

41 Ev 205

42 Ev 110

50. Speaking of the funding complexity, overlap and the difficulty EYDCPs have in co-ordinating the funding streams, Ms Longfield of Kids Clubs Network said:

“I think there could be better, effective use of central Government money if the targetting is done in a joined up way. At the moment you have got crime prevention strategies running up against regeneration strategies running up against childcare strategies and the like. If that money was co-ordinated with central purposes and objectives then that would be a more effective use of that funding, which means it could be better timed, it could be more accessible and it could be better spent in many ways, too. So nationally it has to be joined up. Locally too, but frankly, there are so many different initiatives that it is a full-time job for most people in partnerships to even know those things exist, never mind join them up.”⁴³

51. The funding jigsaw was aptly illustrated during the Committee’s visit to a community nursery in West London. The nursery manager told the Committee that since the withdrawal of local authority funding which provided 70% of their annual running costs (£143,500), they were forced to seek funding wherever they could find it. The manager’s office contained a large whiteboard with details of all funding applications submitted and whether a response was pending, was successful or had failed. In total, more than 20 funding applications to a wide range of funding sources were listed, including Sure Start, the EYDCP, the Community Fund, Housing Regeneration and charitable sources such as Nationwide, the Campden Charities and Help a London Child.⁴⁴

52. Funding sustainability is a huge problem for childcare providers. Ms Lochrie of Pre-School Learning Alliance also criticised the targetted approach which offers pump-primed funding that tapers sharply after one year and runs out after three years. She said, “It is a very challenging assumption that childcare can be sustainable through demand side funding and tax credits in three years”⁴⁵ **We recommend that there should be a strong presumption that revenue funding for childcare be made ongoing and not time limited.**

53. The problem of securing funding which is sustainable also affects out of school care providers. Kids Club Network expressed concern that the crucial set-up funds from the New Opportunities Fund for providers of out of school care was to lapse in June 2003.⁴⁶ According to research carried out by Kids Club Network, two-thirds of out of school clubs said that their funding was not sustainable even for the next year. Nearly a quarter of these went on to say that if things did not improve they might have to close.⁴⁷ The Department said that funding will still be available through a new Out of School programme funded through the Spending Review settlement.⁴⁸ In spite of this commitment, it still appears that provision may not be sustainable.

54. It is clear that local authorities have widely differing approaches to their own responsibilities for childcare, and that the non-statutory nature of these responsibilities

43 Q112

44 Appendix 33

45 Q 112

46 Ev 46

47 Ev 47

48 Ev 117

means that such provision is vulnerable to general financial pressures. As it is local authority subsidised, provision has reduced dramatically over the last decade—from providing around 30% of childcare places to less than 10%.⁴⁹ Our visit to West London illustrated the problem, with both local authorities concerned having cut their direct contributions to pre-school provision, whilst at the same time either benefitting from, or applying for, new Government assistance via programmes such as Sure Start, the Neighbourhood Nurseries Initiative and Children’s Centres. The Committee is concerned about the future of local authority funding, given the pressure some councils are now under, especially from the competing demands of the statutory schools sector. We are also concerned about the possibility of central Government programmes substituting for those currently funded by other sources, which, whilst maintaining important community provision, nevertheless result in no net increase in services and can breed cynicism about the value of the childcare strategy.

55. The Government has chosen to concentrate its efforts on three primary objectives: early years education for three and four year olds, general early years intervention in many (though not all) deprived communities through the Sure Start programme, and childcare linked to employment objectives, supported through the tax credit. There is much to commend this approach, not least the fact that it ensures a spread of resources amongst different groups and different areas of the country. However, there are also a number of inherent weaknesses which impact upon parents and providers alike.

56. For parents, the way the funding streams are structured can mean that they cannot receive the help they need — either because they live just outside the designated priority areas, even if they themselves are in identical circumstances to those within, or because, as non-working, but poor households, there are no sources of support for them. Indeed, there is evidence that some of the poorest parents— in training or on benefit— are actually losing their pre-school places as providers raise fees or switch to serving different user groups to survive. Yet many of these parents are tomorrow’s employees, even if they are not today’s, and there is nothing to be gained, socially or economically, from worsening their situation. Meanwhile small and community based providers are forced to operate with no margin or spare capacity to meet local needs, as the ‘childcare market’ and local priorities often conflict.

57. The Committee is concerned that the funding environment for childcare providers is very confusing and precarious. Local Authorities should play a more active role in co-ordinating childcare provision and we welcome the recommendations in the Childcare Review to that effect. The new Sure Start, Early Years and Childcare Unit will also help to provide a more joined-up approach. However, we are also concerned that wider Government initiatives are not linking in to the childcare strategy. We recommend that the new Unit should instigate effective liaison across Government Departments to ensure that initiatives which may involve childcare are effectively joined-up with existing provision.

49 ‘Facing the Childcare challenge’ *Poverty*, Autumn 2002, Child Poverty Action Group

Integration of childcare provision and wrap-around care

58. Childcare for working parents needs to be available where and when parents need it. Working parents using childcare can often be using a multitude of providers. It is not unusual for parents to use two or three different types of childcare providers in one day. This can even be multiplied if they have more than one child of different age groups.⁵⁰

59. Several of those submitting evidence pointed to the long and complicated journeys parents have to undertake to get their children to school and childcare facilities and then themselves to work.⁵¹ This can be particularly problematic for parents with more than one child and for those living in rural areas or where public transport is inadequate.

60. The issue is also significant for shift-workers. The GMB quoted a nurse who participated in research they conducted who said:

“Childcare is a hideous, stressful nightmare. My daughter is exhausted as she is up at 5.30 some days. She is woken early (I have no transport), walked to a childminder which takes half an hour. She’s been up for 3 hours before she’s at school. Some days it is awful, it really is.”⁵²

61. Wrap-around care is usually taken to mean childcare for young children beyond the 2½ hours per day early education place. Taken in a wider sense, it can also apply to older children and out of school care more broadly. Demand for both types of care is high. For parents with young children, assurance that co-ordination of their child’s move from one service to another is paramount.⁵³

62. Many private sector nurseries now incorporate wrap-around care to make a cheaper full-time day. However, the GMB pointed out that parents would have greater flexibility if the early education place could be claimed as a weekly entitlement rather than daily.⁵⁴ This would enable parents to better combine early education with, for example, a childminder or nursery place.

63. Out of school care has grown extensively in recent years. According to Kids Club Network there are now 8000 clubs in the UK and there is one club to every 3 primary schools.⁵⁵ As outlined above, lack of funding sustainability means that many out of school clubs may be in jeopardy. Kids Club Network believes that there is demand for an out of school club for every school, creating places for over 2 million children. The Network recommends that, as a first step towards this goal, a start-up fund of £250 million is created with the goal of establishing 500,000 new out of school places by 2010.⁵⁶

50 Appendix 5

51 Appendices 3, 5, 21, Ev 78, 87

52 Appendix 5

53 Ev 117

54 Appendix 5

55 Ev 45

56 Ev 47

64. The next section deals with the subject of Children's Centres. It is worth pointing out that a wrap-around care service would not be necessary if families could use an integrated Children's Centre which provided a range of services under one roof.

65. The Committee recommends that the Sure Start, Early Years and Childcare Unit examines the case for increasing the flexibility of early years education places so that parents can use more than 2½ hours of their entitlement per day. This would give parents more flexibility when planning their childcare 'package'. The Committee also urges the Government to investigate urgently the funding sustainability of out of school clubs, some of which face closure, given that the New Opportunities Fund lapsed in June 2003. Out of school care is crucial for working parents of school-age children. We recommend that further expansion of out of school care should be developed as a priority.

Children's Centres

66. The Government's long-term aim is for all young children living in the 20% most disadvantaged wards to have access to Children's Centre services. By March 2006 the aim is to reach at least 650,000 pre-school children – and to create nearly 43,000 extra childcare places for them. Children's Centres will provide a range of services for children and families including full day care provision (8am – 6pm and at least 48 weeks a year) and early education, parental outreach, family support services, child and family health services, ante-natal services and support for families with special needs. Children's Centres will also facilitate links between training and education providers and Jobcentre Plus and will provide support for childminders.

67. A range of organisations, with the campaign being led by Daycare Trust, has called for Children's Centres for some time.⁵⁷ The Government's commitment to begin establishing Children's Centres in the most deprived areas is a huge step forward which has been widely welcomed. As might be expected, the campaign to extend Children's Centres beyond the 20% most deprived wards is one of the priorities of the campaign.⁵⁸ Daycare Trust estimates that universal provision of Children's Centres, that is, one in every community, would cost an additional £1 billion plus £2.5 billion revenue expenditure. Those advocating Children's Centres admit that they are not cheap, but that they are the most effective way to provide universal childcare. Mr Burke explained that Daycare Trust's view was that Children's Centres should provide childcare for all those who want it. For parents who are not working this would be funded through supply side subsidies, direct to the childcare providers. Once the parent enters work they begin paying fees which are means-tested and subsidised by the taxpayer.⁵⁹

68. The Committee believes that the Children's Centre model is the most constructive way to make progress. However, we recognise that the cost reduces the likelihood of securing the Government's commitment to universal roll-out. According to a recent parliamentary answer, extending Children's Centres to cover the 30% most disadvantaged wards in

57 Ev 51, 84, Also see "Charter calls for 'entitlement to childcare for all' 17/12/01. www.daycaretrust.org.uk

58 Q96 (Mr Burke) 19, 153, Appendix 21

59 Q124-6

England would reach approximately 340,000 additional children.⁶⁰ This would have a substantial effect since more than two-thirds (67%) of children in poverty live in the 30% most disadvantaged wards.⁶¹ **We recommend that sub-ward data be analysed in order to target pockets of deprivation within wards.**

69. Since Government has had the courage to commit itself to a target of eradicating child poverty within a generation, surely it can also commit to establishing a world-class network of childcare provision which the UK deserves. **The Committee urges the Government to roll-out Children's Centres beyond the planned 20% most deprived wards to the 30% most deprived wards. In our view this would make a significant impact on the lives of poor children and their families and would make an important contribution to the child poverty and lone parent employment targets. We recommend rolling out Children's Centres to the 30% most deprived wards by 2006 and urge the Government to make a long-term commitment to establishing Children's Centres in all areas.**

60 HC Deb, 9 April 2003, col 289W

61 D.E.T.R (2000) Index of Multiple Deprivation

4 Childcare Tax Credit (CCTC)

70. CCTC is targetted at working parents and is part of the Government's strategy to make work pay and to tackle in-work poverty. The CCTC is part of the Working Families Tax Credit (WFTC) and is available to single parents who work at least 16 hours per week and to couples where both partners work at least 16 hours, or one works 16 hours and the other partner is incapacitated. Families can receive up to 70% of their eligible childcare costs, subject to limits of £135 for one child and £200 for two or more. From April 2003, CCTC became the childcare element of Working Tax Credit (WTC). The structure is largely unchanged from the former system of CCTC.

71. Only 22% of lone parents and 3% of couple families who are claiming WFTC also claim CCTC—a total of 178,000 families.⁶² There are also striking regional variations in levels of receipt of the tax credits, which cannot be entirely attributed to differences in economic circumstances. Put another way, only 3% of all families, 10% of lone parents and 1% of all other families, claim CCTC.⁶³ However, this does not indicate a failure to take up the credit. Take-up of CCTC is low partly because it only applies to registered childcare. DWP's Family and Children Survey (FACS) found that where WFTC recipients are paying eligible childcare costs, they do seem to be receiving the CCTC (85% of parents and 90% of lone parents using eligible childcare claimed CCTC).⁶⁴

72. According to the IFS, one of the reasons for the low claim rates of CCTC is that the eligibility criteria are too tough. Speaking of the effectiveness of CCTC Mr Brewer from the IFS stated:

“What it does not do is provide a subsidy across the majority of families with children because it has got this fairly aggressive means test and this work requirement and this requirement that you use formal childcare. There are three hurdles [you] have to jump over in order to claim the credit: you have to have all the parents in the household working, you have to earn sufficiently low amounts and you have to use formal childcare, and not many families pass those three hurdles. It is good at helping low earning families with their formal childcare costs. It is just that there are not very many of those families, that is, low-income families who work.”⁶⁵

How could CCTC be improved?

73. Several organisations, including the IFS, outlined some of the problems with CCTC and their ideas on ways in which CCTC could be improved or better targetted.⁶⁶ These include: raising the proportion of costs met by CCTC above 70%; raising the upper limits on the costs met by CCTC; ensuring that parents get more support for two or more

62 Inland Revenue (2003) *Working Families, Tax Credit Quarterly Enquiry*, November 2002

63 Ev 2

64 Ev 108

65 Q 80

66 Appendices 7, 21, 22, Ev 13, 78

children; raising the income thresholds for means-testing; extending support to non-working parents and those who are moving into work; and extending CCTC to cover informal care.

74. Raising the proportion of costs covered by CCTC was probably the most often mentioned change that those giving written evidence said they would like to see.⁶⁷ It was pointed out that for families living on low incomes finding the 30% of childcare costs not covered by CCTC can be the difference between being better or worse off in work and can mean that parents choose not to take up paid work. This is particularly problematic in high-cost areas where a full-time childcare place can easily cost in the region of £200 per week. As Ms Green of One Parent Families pointed out:

“...childcare in London is particularly costly...the structure of the Childcare Tax Credit leaves this 30 per cent gap in funding support and 30 per cent of a large number is a large number.”

75. Research evidence shows that for lone parents, the gains from moving off benefits and into paid work are relatively modest. Once childcare costs are taken into account, the lone parent may actually be worse off.⁶⁸ Research conducted by Professor Holly Sutherland shows that the average gain for lone parents entering work at 16 hours on the National Minimum Wage is £34.03 and for 30 hours is £67.95. For lone parents working 16 hours at £5.50 an hour, the average gain for 16 hours work is £43.51 and for 30 hours is £76.96. But this is before childcare costs are taken into account. Professor Sutherland also analysed two scenarios where a lone parent is working 30 hours at the National Minimum Wage: childcare costs of £20 (of which 30%, or £6, would have to be paid); and childcare costs mirroring the maximum costs allowed under tax credits (i.e. £135 for one child). Under the low cost scenario, the average gain of moving into work is less than £57. Under the high cost scenario, nearly half of lone parents would actually be worse off.⁶⁹

76. It is arguable whether parents are likely to make the move into work when they may only be a few pounds a week better off. This is further complicated by the complexity of the tax credits system which makes it difficult for parents to know exactly what their financial situation will be.⁷⁰

77. The IFS estimates that raising the eligible proportion of childcare costs to 100% would raise the annual cost from £195 million to £317 million.⁷¹ However, this modelling assumes no change in childcare choices. Different scenarios bring about different estimates. For example, if the eligible proportion of childcare costs was raised to 100% and all current users expanded their expenditure to the current weekly ceilings, the annual cost would become £1.8 billion – a significant increase to the Exchequer.

78. IFS believes that raising the ceilings of childcare costs which can be claimed would have very little impact, as very few families (less than 2%) who meet the work rules and income

67 Appendices 5, 7, 20, 21, 22

68 Appendix 7, Ev 72

69 Ev 72, 73

70 Appendix 7

71 Appendix 36

tests for CCTC spend more than the current ceilings (i.e. £135 for one child and £200 for two or more). However, there were strong calls to rectify the anomaly whereby parents receive much less CCTC for second and subsequent children.⁷² This situation can be particularly hard for parents with two or more pre-school children who generally face higher childcare costs and are at a much higher risk of poverty than are smaller families. On this issue, GMB pointed out that childcare for under 3s is expensive because of the higher staff-child ratios required. They went on to say that the problem is compounded for parents with more than one child under 3 and that many women are not able to return to work after the birth of a subsequent child, potentially adding to the child poverty and workless family rates.

79. Far fewer couples than lone parents receive CCTC. This is because couples only qualify when both partners work at least 16 hours and where this is the case they tend to be earning above the income thresholds for WFTC.⁷³ The new tax credits system should increase the number of couples who are eligible to claim as eligibility extends further up the income scale. Changing the means-test so that more dual earner couples could qualify would be another option.⁷⁴

80. IFS have costed three different options for changing the means-test.⁷⁵ All options are costed assuming no changes in childcare response. Doubling the income thresholds for means-testing increases the annual cost from £195 million to £270 million. Means-testing on the prime carer's earnings raises the cost to £739 million and removing means-testing altogether increases the cost to £1,370 million. These options might enable more couple families to enter employment. The drawback is that CCTC would not be as well targeted towards poorer families. IFS therefore suggests reducing the number of hours that a second earner has to work from 16 hours to any hours. This would enable second earners in couples to work at least some hours, although there is the danger that those working 16 hours might choose to reduce their hours. The estimated cost of this change would be an increase in the annual budget from £195 million to £208 million.

81. Considering that early years education places are only available for 12½ hours per week, a reduction in the work requirement would be a useful option to pursue. A related issue, which would particularly benefit lone parents, would be to reduce the qualifying hours for the Working Tax Credit to bring it in line with the 12½ hours early years nursery places.

82. Extending CCTC to cover informal care was frequently mentioned by witnesses, although with some caution.⁷⁶ This option would undoubtedly be popular with parents although it would be extremely difficult to prevent costs spiralling out of control. It would also be extremely difficult to police. If current users of informal childcare became eligible for CCTC the cost would rise from £195 million to £263 million. This seems a relatively low increase, but if current users expand their expenditure to the current weekly ceilings,

72 Appendices 5, 7, 21

73 McKay, S, (2003) *Working Families' Tax Credit in 2001*, DWP Research Report No 181, Leeds: CDS

74 Ev 80

75 Appendix 36

76 Informal care is also covered in the following chapter.

the Exchequer cost would jump to £3.9 billion. The most expansionary scenario, where all those eligible used informal care up to the maximum ceilings, would cost £8.2 billion.⁷⁷

83. As the written evidence from IFS concludes, responses to childcare choices could have very large impacts on the CCTC budget even in the absence of any change in employment. In addition, due to the currently low usage of formal care the costs rise most substantially when families not using childcare begin to use it. IFS also concludes that if childcare use did expand the ceilings on the credit amount for each family would play a crucial role in controlling the annual budget.⁷⁸

84. It should also be noted that all of the options for changing CCTC create incentives for a greater use of childcare, but unless sufficient childcare places are available demand will continue to outstrip supply. As Ms Lochrie pointed out, tax credits will not provide the capital that is needed to create childcare provision.⁷⁹ It is true that, in eligible areas, the Neighbourhood Nurseries Initiative helped fulfil the needs for capital, but the issues of longer-term sustainability, and affordability in high-cost areas remain.

85. The Committee recognises that the CCTC is an important component of the Government's anti-poverty and childcare strategies, and valuable to many parents. However, it poses complex and interlocking problems about take-up, eligibility, qualifying hours, the proportion of costs which should be covered, regional disparities and the funding of informal as well as formal childcare. These are perhaps inevitable problems if a credit is to be provided which seeks to correct market failure, and which is therefore only available to those parents active in the labour market. The CCTC is certainly not consistent with Professor Moss's view of childcare provision as a public good which is the right of all children, whether their parents work or not. Nor is it consistent with a childcare vision based on the choices made by parents and families themselves, since it is only available to some of them.

86. We strongly urge the Government to invest more in childcare. We therefore recommend that, in order to increase the effectiveness of the tax credits system as a tool for funding childcare and facilitating more parents into work, the Government urgently considers: reducing the hours a second earner in a couple needs to work to qualify for CCTC; reducing the qualifying hours for Working Tax Credit; increasing the percentage of childcare costs covered by the tax credit; and raising the maximum which can be claimed by families with two or more children needing childcare. We also recommend that further action be taken to deal with the regional variations in childcare which disadvantage families in high cost areas.

Non-working parents and the transition to work

87. The demand side mechanism of subsidising childcare through tax credits is not enough to give parents the confidence to make the transition into work.⁸⁰ There needs to be more support to enable parents to move into employment. For parents, one aspect of this is the

77 Appendix 36

78 Appendix 36

79 Q 123

80 Q 127

need to ensure that their children are settled in their childcare before they make the move into work. Several witnesses pointed out the difficulties in finding a job, then finding childcare, ensuring that transport, clothing and so on are all available and then getting it all aligned for the parents' first day at work.⁸¹ There is also the issue that many childcare providers require advance payment or a deposit to secure a childcare place, which can be very difficult for low-income parents to budget for.

88. A simplistic approach would be to look at further extending tax credit subsidies to cover a larger group of parents. However, there are problems with extending subsidies to all parents. As Ms Paull of the IFS put it:

“I think the fundamental conflict here is that if you wish to use childcare subsidies to encourage people to work you cannot then say that you can get the subsidies whether you work or not because there will be no incentive to work then, that is the core of the subsidy issue.”⁸²

89. Alternative approaches include building on the current help available by the Adviser Discretion Fund or providing direct assistance to Early Years Development Partnerships in the form of a ‘flexibility fund’. The Adviser Discretion Fund, as the name suggests, is available to personal advisers within Jobcentre Plus to use at their discretion to help people who have been out of work for more than 6 months, including lone parents on Income Support. The Fund was criticised for being badly promoted, for being too discretionary rather than having clear entitlement and for being too short-term. It was suggested that the Fund could be replaced with a wider ranging grant to cover the costs associated with moving into work.⁸³ However, the danger is that this would extend further what is already a patchwork system of support.

90. A ‘flexibility fund’, managed by the Early Years partnership, could operate alongside existing EYDCP-managed resources, such as the Neighbourhood Nurseries Initiative, to meet short-term or sub-regional needs in recognition of the fact that there will be very local and specific issues which, at present, no national funding streams are able to respond to. The advantage such a scheme would have over a further extension of the Adviser Discretion Fund is that it would involve providers as well as offering individual response to individual parents.

91. It is, of course, true that any additional funding streams add to the complexity of what is already a complex system. However, this is arguably less serious a problem than the fact that parents and children risk losing their childcare place and providers risk financial instability because existing funding streams are complex, yet not sufficiently flexible.

92. Finally, there is also the problem of the effect on childcare arrangements if parents are claiming tax credits and their job ends. It may only be a temporary period of unemployment for a few weeks, but unless the parents can find the funds to pay for any formal childcare costs they risk losing their place which can be very unsettling for the

81 Q 165

82 Q 85

83 Q 166

children concerned.⁸⁴ To alleviate this situation, it has been suggested that a childcare costs run-on could be established so that CCTC could continue to be paid.⁸⁵ This suggestion also forms one of the recommendations in the recent report from the National Employment Panel.⁸⁶

93. The Committee recognises that parents face a very difficult time when making the transition into work. This transition needs to be smoother. Ensuring that parents have a childcare place with the costs covered would be a tremendous boost. **We recommend that the Government investigates the possibility of a ‘flexibility fund’ operated through Early Years Partnerships, in order to help respond to short-term or very local issues which can undermine the effectiveness of the National Childcare Strategy. We also recommend that the Government establishes a childcare costs run-on system so that parents do not lose contact with the labour market in a period of temporary unemployment because their childcare arrangements have fallen through. The Committee believes that while some of the complex and interlocking problems posed by the CCTC can be addressed, they are perhaps to some degree an inherent part of the credit. We therefore believe that in the longer term, the CCTC may have a less central role and recommend that the Government expands the role that Children’s Centres could play in providing a holistic service for all parents, regardless of their working status.**

84 Q 166 (Ms Martin)

85 Ev 83

86 Verwaayen B (2003) *Work Works: Final Report of the National Employment Panel’s Steering Group on Lone Parents*.

5 Parental choice

94. The majority of parents who use childcare for their children actually use informal care, most commonly provided by grandparents and other relatives.⁸⁷ While this may be a consequence of a lack of formal childcare options,⁸⁸ some parents, especially lone parents,⁸⁹ actively choose informal care. The Childcare Review also acknowledges the important role informal care plays in plugging the gaps left by formal childcare.⁹⁰

95. The DfES study into parents' demand for childcare asked parents what their ideal childcare arrangements would be if availability were not a problem. Some three-quarters (72%) of parents said they would choose a formal childcare provider, such as a nursery or childminder, even though only 39% had actually used a formal childcare provider in the past year. This suggests that although most parents use informal care, many would opt for formal childcare given the opportunity. However, another study for the Cabinet Office Women's Unit, which canvassed the opinions of women in Britain during the last Parliament said that '...the key criterion which appeared to underpin women's assessment of the different types of childcare was the extent to which it minimised any potential harm caused by the absence of the mother. This led to a general preference for family members, particularly grandparents, to be the replacement carer rather than "strangers"'.⁹¹

96. One Parent Families were keen to point out that lone parents' confidence in formal care is likely to be low if they have never used it before.⁹¹ Handing over your child, who may be quite young, to strangers can be a very daunting prospect, especially if at the same time you are moving into a job which may or may not work out. Childcare 'taster' schemes, which would enable parents to try out childcare services in advance of taking up paid work have been suggested.⁹² This idea has also been taken up by the National Employment Panel who advocate that Jobcentre Plus should offer free 'childcare taster' weeks to increase lone parents' confidence in using formal care and to help them make the transition into paid work.⁹³

97. The Committee recommends that childcare 'taster' weeks should be established for all low-income families to enable them to move into paid work safe in the knowledge that their children are being cared for in quality childcare settings. This would ensure that the childcare market is not stifled by the lack of demand from parents who are concerned about using formal childcare provision.

Should informal care be funded?

98. One in five lone parents who use informal childcare also pay for it at an average of £21 per week and one in ten low or moderate income couples who use informal childcare pay

87 Woodland et al (2002) *Repeat Study of Parents Demand for Childcare*

88 Ev 58

89 Q 149, Ev 76, 89

90 Cabinet Office (2002) *Inter-Departmental Childcare Review – November 2002*

91 Q 175

92 Ev 77

93 National Employment Panel (2003) *Work Works*

an average of £20 per week.⁹⁴ This begs the question of whether informal childcare should be subsidised.

99. Concerns about funding informal childcare were expressed by several contributors to the inquiry. National Day Nurseries Association (NDNA) described it as a “...dangerous route” and a “step backwards”.⁹⁵ The reasons for this strong description are that children have a right to regulated childcare which operates under the National Standards. The Childcare Review concurs with this viewpoint. Others focus on the fact that the top priority should be developing quality formal care to bring the UK in line with its European counterparts.⁹⁶ However, developing childcare provision takes time and time is of the essence for the child poverty and lone parent employment targets.

100. Some have suggested that supporting informal care should be a priority in the short-term as formal care will take a long time to develop, and without some form of childcare, disadvantaged groups (such as lone parents, shift-workers, minority ethnic families and parents of disabled children) will find it very difficult to take up paid work.⁹⁷ However, funding informal childcare will not necessarily increase the supply of childcare providers as many informal carers will simply be providing the care they would have provided anyway.⁹⁸

101. A highly contentious way of subsidising informal care would be to extend CCTC to cover informal care. Analysis produced by the IFS shows that this would benefit 188,000 families at a cost of £263 million.⁹⁹ This is covered in more detail in the previous chapter.

102. The Committee does not believe that funding informal care through CCTC is the best way forward – it is too costly and would not greatly expand the number of childcare providers.

103. Another way that informal care might be funded is if the carers register as childminders or home childcarers. This is suggested by several organisations¹⁰⁰ as well as in the Department’s written submission to the inquiry. The Department suggests that:

“This would have many advantages as it would provide the carers with the opportunities to receive training and grants to raise the quality of care and the environment they provide for the child; it would help to ensure the safety of the children involved; and it would mean they could derive a genuine income from what they do, particularly if they take on a number of children.”¹⁰¹

94 McKay S (2002) Low/Moderate Income Families in Britain: Work, Working Families Tax Credit and Childcare in 2000 DWP Research Report 161

95 Appendix 16

96 Appendix 5, Ev 58

97 Q175, Appendices 3, 10, 32

98 Q 149, Appendix 22

99 Appendix 36

100 Appendix 5, 20

101 Ev 113

104. Baroness Ashton expanded on this in oral evidence¹⁰² and informed the Committee of initiatives such as a ‘buddying’ scheme between childminders and informal childcarers to help provide information on becoming a formal childcarer.

105. Some concerns were expressed about the difficulty of regulation for informal childcarers. GMB suggested that the registration process should remain the same as for other childminders but that there should be no compulsion to undertake training.¹⁰³

106. We recommend that the Government invests more in providing accessible information to existing informal childcare providers of how they can register to become childminders and home childcarers.

Lack of information about childcare

107. Parents find it difficult to locate information about childcare and also find it difficult to judge the quality of childcare provision.¹⁰⁴ This makes it hard for them to exercise any choice on the type of childcare they want for their children. Information on childcare is provided at local level by the Children’s Information Service (CIS). However, according to DfES research, most parents actually receive information about childcare through word of mouth and other informal sources. The research also found that only 3% of parents had used their local CIS and only 1% had used the Childcare Link website.¹⁰⁵

108. Several witnesses pointed out that for childcare information to be relevant it has to be up to date and contain details of current vacancies.¹⁰⁶ Parents also need to be sure that the information is reliable. Current childcare information was criticised for not being high profile enough and it was suggested that more visible branding would improve the situation.¹⁰⁷

109. Childcare Partnership Managers are a new development in the drive to increase the lone parent employment target and to raise awareness of childcare issues. They will be based in Jobcentre Plus offices and will work closely with the New Deal for Lone Parents staff. According to DWP, Childcare Partnership Managers will provide advice and information, make childcare contacts, identify and resolve childcare issues, and provide support for lone parents wanting to return to work.¹⁰⁸

110. The newly established Childcare Partnership Managers were treated with caution by witnesses. One of the key criticisms was the fear that they would simply duplicate services that were available elsewhere, primarily through the CIS and EYDCP.¹⁰⁹ However, the Minister was keen to get across what she regarded as their unique role in understanding the childcare barriers faced by lone parents coming into Jobcentre Plus offices and what

102 Q 224

103 Appendix 5

104 Ev 90, Q134, Appendix 3

105 Woodlands *et al* (2002) *Repeat Study of Parents’ Demand for Childcare*

106 Q 134, 135

107 Q 135

108 Ev 107

109 Q 137, 156

their needs are.¹¹⁰ It was also suggested that Childcare Partnership Managers could play a useful role in investigating where the job opportunities and childcare gaps were.¹¹¹

111. The Committee is concerned that parents still face an information gap when wanting to find out about childcare provision in their area. Children’s Information Services are under used by parents who need to find reliable and up to date information. We urge the Government to put adequate resources into promoting Children’s Information Services at a local level. Following our Employment Strategy Report,¹¹² we continue to be concerned about the role Childcare Partnership Managers have in Jobcentre Plus offices. We recommend that comprehensive guidance is provided to ensure that they do not overlap with services already provided by Early Years Development and Childcare Partnerships and Children’s Information Services.

Parents of disabled children

112. Almost half a million children and young people have a disability, chronic illness or special need.¹¹³ Those commenting on the availability of childcare for working parents with disabled children were especially critical that the supply of childcare had not increased. Mencap stated:

“There is no evidence that four years of the National Childcare Strategy has delivered an increased supply of affordable childcare for the parents of disabled children...They continue to experience all forms of childcare as unavailable, inaccessible and unaffordable.”¹¹⁴

113. Parents of disabled children face several barriers additional to those faced by other parents who wish to work and therefore have fewer childcare choices than other parents. These barriers include discrimination from childcare providers; childcare not being available for older children who may need care beyond the ages deemed necessary for non-disabled children; and additional costs.¹¹⁵ Childcare for disabled children can be prohibitively expensive due to the increased staff:child ratio.¹¹⁶ The Disability Alliance suggested that, although families with disabled children are disproportionately at the lower end of the income scale, they do not necessarily live in the most disadvantaged areas¹¹⁷ and therefore are missing out on the targetted childcare initiatives (which are discussed in more detail in the following chapter).

114. The Committee urges the Government to address the additional barriers faced by parents of disabled children as a matter of urgency. We recommend that additional funding be provided for formal childcare providers to cover the additional costs necessitated by the higher staff:child ratios. The Committee also recommends that the

110 Q 204

111 Q 156

112 Work and Pensions Committee, Third Report of Session 2001–02, *The Government’s Employment Strategy* HC 815

113 Appendix 10

114 Appendix 9

115 Appendix 10, 32

116 Appendices 9, 32

117 Appendix 10

Sure Start, Early Years and Childcare Unit should explore in further detail the needs of parents of disabled children and how childcare services could be better targeted.

Parental care and parental leave

115. The other side of the childcare issue is that some parents choose to stay at home to look after their children themselves and others would like to do so, especially in the first year or two of their child's life. The New Deal for Lone Parents evaluation found that over half (53%) of non-working lone parents said that they did not want to leave their child with anyone else.¹¹⁸

116. Current measures enable mothers to take up to one year of maternity leave (although only 26 weeks is paid, most of it at £100 per week) and fathers to take one or two week's paternity leave (also at £100 per week). Parents with a child aged 5 or under may also take up to 13 weeks parental leave, with no more than four weeks being taken in one year, and parents with a disabled child up to age 18 may take up to a total of 18 weeks. Parental leave is unpaid. Parents also have the right to request flexible working arrangements. These are important developments which, alongside the development of childcare provision, can enable parents to combine work and caring for their children.

117. Speaking of parents' choice to stay at home to look after their children, Ms Haynes of the National Childminding Association said:

“Certainly we have to accept the reality of the research which says that 54 per cent of mothers would really rather stay at home with their babies in the first year of their life. That is their preference. I think the Government has gone a long way in introducing employment legislation which gives people the right to ask for time off, but of course in the most disadvantaged areas having the right to time off without any money is a rather dubious right, is it not?”¹¹⁹

118. This point was echoed by Professor Peter Moss who said that parents simply do not take poorly paid or unpaid leave.¹²⁰ In his evidence, Professor Moss argued that funding of childcare needs to take account of both paid parental leave and formal childcare services.¹²¹ He pointed to the Swedish system in which parents are entitled to 16 months paid parental leave, including 12 months at 80% of earnings. Most children then enter publicly-funded Children's Centres where parents pay, on average, 15-20% of costs.

119. The UK is clearly a very long way from such a system. This example aptly illustrates the importance of parental leave and its interaction with childcare provision: the two must be closely aligned. A recent consultation paper from the Treasury and the Department of Trade and Industry stated that they were looking at enabling parents to take their full entitlement of parental leave at the end of their maternity or paternity leave period.¹²² This

118 Lessof C, et al (2002) *New Deal for Lone Parents Evaluation: A Quantitative Survey of Lone Parents on Income Support*, ESR 101, November 2001

119 Q 131

120 Q 5

121 Ev 2

122 HM Treasury, *Balancing Work and Family Life: Enhancing Choice and Support for Parents*, January 2003

is a welcome development which will give some parents further flexibility, but only if they can afford to take unpaid leave.

120. The Committee welcomes the recent introduction of wider family-friendly working initiatives such as flexible working, paid paternity leave and extended maternity leave. These are crucial developments which can help parents combine work and caring for their children. Increasing numbers of parents are being required to work on Saturdays or Sundays and in some cases on both days, which can cause difficulties for some parents when arranging childcare, whilst other parents choose weekend working precisely to assist with childcare arrangements. **The Committee recommends that, in considering the case for attaching parental leave onto the maternity/paternity leave period, the Government considers the implications for the interaction of this change with childcare provision.**

6 Employers and childcare

121. Employers contributing towards childcare for their employees are currently very rare. Research shows that only 2% of employers provide workplace crèches, 1% subsidise nursery places and 12% provide information about local childcare provision.¹²³ The Family Resources Survey found an even worse picture, with only 0.4% of working mothers with pre-school children using employer-provided nurseries.¹²⁴ Help with childcare from employers is often focussed on as an issue that should be developed further and this was recognised in the Childcare Review.

122. A number of reasons were offered on why employers should help with childcare. Adequate provision of childcare contributes to the overall economic well-being of an area.¹²⁵ It can also help to improve job recruitment and retention and it also helps with absenteeism, makes staff more motivated and helps bring job satisfaction. Employers have the finances to set up and maintain childcare facilities and they also have a customer base.¹²⁶

123. However, this does not necessarily mean that employer-provided childcare is desirable. Several witnesses were opposed to such a move, even stating, “Employer involvement in providing services for children is wrong in principle and not viable in practice.”¹²⁷ Ms Paull from the IFS listed some of the reasons why employers should not have a role in childcare provision. For example, the employer may have to cut back on salaries to pay for the provision; centre-based care ties parents – particularly mothers – to a job which is not good for gender equality or for career progression; and small employers are unlikely to be able to provide such support.

124. Where workplace nurseries do exist they tend to be over-subscribed and expensive for many employees. There is also the issue that they are narrowly focussed and do not address the needs of older children.¹²⁸ That said, the NHS was sometimes cited as an employer which provides a positive contribution to their employees’ lives by supporting childcare development. The NCMA said:

“Recent developments in the NHS are impressive but it is still the case that the majority of employers tend only to become involved when there is a significant retention issue e.g. nurses.”¹²⁹

125. It was also suggested that the NHS should be taken as a model for other public services.¹³⁰

123 DfEE (2000) Work-Life Balance Baseline 2000: Results from the Baseline Study

124 Ev 21

125 Appendix 24

126 Q 86

127 Ev 1

128 Appendix 21

129 Ev 38, 39

130 Appendix 5

126. One suggestion for involving employers in childcare was to place a requirement on them to contribute to childcare costs based on their company turnover – effectively becoming a direct tax to pay for childcare.¹³¹ This is a controversial but interesting proposition. Other suggestions included providing resources directly to local childcare providers to ensure sustainability;¹³² buying or sponsoring childcare places from childcare providers; providing emergency back-up childcare; developing a childminder network; and having childcare as part of a relocation package.¹³³

127. A crucial role that all employers could have is providing information on local childcare provision to their employees. Most employers have the capacity to do this in some way. For example, they could include local Childcare Information Service telephone numbers on notice-boards and in employee information packs, especially for new employees and those on maternity, paternity and parental leave.

Tax incentives

128. Some of the suggestions outlined above are problematic as employees face a tax liability if employers provide financial help with childcare, other than provided in a workplace nursery. Employers receive tax relief on any contribution they make towards employees' childcare but also bear a National Insurance Contribution liability where they pay cash allowances, or something which has a similar effect (eg settling an employee's childcare bill for them), to employees. To address this situation, the Treasury launched a consultation in February 2003 on 'Employer-Supported Childcare' which aims to expand and simplify tax and National Insurance incentives.

129. Views on the consultation were broadly welcoming as an additional aspect of childcare which will help some working parents. Some responses provided constructive comments on aspects of employer support. For example, GMB was of the view that the employer contribution must not be a salary sacrifice. Additionally, employer support should not be weighted towards higher paid employees and must be available for new recruits, to encourage job applications from non-working parents.¹³⁴ The Equal Opportunities Commission (EOC) considered that Government policy should both encourage employer support for childcare and allow them flexibility over the form of support of involvement this should take.¹³⁵

130. Others were not so sure of the benefits. When asked his views on the consultation, Mr Brewer from the IFS thought:

“...it was written by somebody who cared more about the inequities in the tax system than somebody who was really keen to promote a joined-up childcare policy.”¹³⁶

131 Ev 39

132 Appendix 31

133 Appendix 22

134 Appendix 5

135 Appendix 22

136 Q 88

131. One of the reasons for his opposition was that it is potentially confusing to have both tax relief on employer-provided childcare and a tax credit when parents pay for childcare. How will parents know which to use? In her evidence, The Minister responded that the consultation will help to provide some answers on the right strategy to take.¹³⁷ However, the cost of any increases in the cost of tax incentives should be weighed against the opportunity to put that funding into other programmes like Sure Start or Children's Centres.

132. The Committee believes that employers can play a small but useful role in helping employees with childcare which can be expanded. However, they should not be relied upon as key providers of childcare in the community. We recommend that the Government encourages innovation in the types of support that employers provide, for example, by developing childminder networks and emergency back-up care and ensuring that even small employers provide information about local childcare provision.

7 The childcare workforce

133. The majority of those commenting on the issues facing the childcare workforce pointed out that childcare provision relies upon a low-paid, poorly trained and undervalued workforce.¹³⁸ The EOC points out that 98% of that workforce is female and that the hourly rate is around £5.50 for supervisors and £4.45 for other staff in the nursery and playgroup sector. The high proportion of women in the workforce raises issues of sex equality and the extent to which caring work is valued by society. As Professor Moss pointed out, most occupations staffed mainly by women in the caring field are suffering crises of recruitment and retention.¹³⁹

134. The issue of low pay is complicated by the fact that any rise in childcare providers' costs is usually met by parents. However, the converse of this is also relevant. The NCMA argued that the debate about affordable childcare is usually conducted from the parent's perspective. While not wishing to downplay the importance of this, they also argued that the voices of childcare providers were rarely heard. A survey of their 5,000 childminder members showed that the average full-time pay for childminders is £2.49 per hour. However, since most childminders provide care on a part-time basis, the average weekly wage is £103. They go on to point out, "...what parents can 'afford' to pay becomes the 'going rate' for childminding fees."¹⁴⁰

135. In evidence, Baroness Ashton made it quite clear that Government has no control over pay in the childcare workforce but said that assistance could be given to help keep costs down in other areas, for example, with building and premises costs.¹⁴¹

136. Unless the workforce expands rapidly, there is a real danger that the childcare sector will not be able to keep up with demand. The childcare workforce needs to expand at a rate of around 8% per year in order to meet the Government targets on childcare growth by 2006.¹⁴² In oral evidence, Baroness Ashton described this target as "challenging but achievable".¹⁴³

137. The issue of retaining the childcare workforce within the childcare sector, as well as recruitment, came up several times.¹⁴⁴ Baroness Ashton spoke of her desire to create career progression, for example by helping childminders move into different sectors of the childcare field such as teaching.¹⁴⁵ The earlier section on informal childcare¹⁴⁶ also outlines Baroness Ashton's points on moving informal carers into the formal sector and thus expanding the workforce further.

138 Ev 2, 39, 52 & Appendix 21

139 Q 34

140 Ev 37

141 Q 210

142 Cabinet Office (2002) *Inter-Departmental Childcare Review* pg 21

143 Q 235

144 Q4, 35, 129, 179

145 Q230

146 See paragraphs 99–103

138. Targetted recruitment campaigns are also an important step forward in expanding the childcare workforce. Targetting people who are already working with children in other settings is one focus of the Unit's work.¹⁴⁷ A campaign is also currently underway to promote childcare as a career choice for men.¹⁴⁸

139. Finally, the issue of training and qualifications for childcare workers cannot be ignored. A Foundation Degree for senior practitioners in childcare was launched last year and represents an important step forward. According to one witness, making the jump from a poorly trained to a graduate level workforce is necessary and can be done. However, as Professor Moss pointed out, no comparable European country has an all-graduate profession. 30% of the staffing requirements in Sweden and Denmark are provided by assistants.¹⁴⁹

140. The Committee is concerned that without Government intervention, pay in the childcare sector will barely rise above National Minimum Wage levels. We urge the Government to work with childcare providers to establish how staff pay levels can be improved without passing unreasonable costs to parents.

Home Childcarers

141. It is hoped that another form of expansion of the childcare workforce will be through the recent creation of Home Childcarers. The Home Childcarer's scheme aims to provide registered childcare in the home and is particularly aimed at helping parents who work unsocial hours and those with disabled children. Home Childcarers first need to register as a childminder before they can become a Home Childcarer, although the Government is considering how to extend eligibility to people who are not currently registered childminders.

142. There was broad support for the implementation of the new Home Childcarer's scheme. Suggestions for improvement included: a fast-track registration route for relatives already providing informal care if they pass a police check; and extending registration to qualified nannies undergoing police checks.¹⁵⁰

143. The Committee is very concerned that unless the childcare workforce can be significantly expanded within the next few years, childcare provision will suffer as there simply will not be enough workers to go around. We urge the Government to step up the information and recruitment campaign to expand the reach and to continue to target specific groups such as men and ethnic minorities.

144. The Committee welcomes the Home Childcarers scheme as an important step forward in expanding the childcare workforce and widening the choice of childcare for families. We recommend that the Government extends the scheme to those who are not currently registered as childminders as soon as possible.

147 Q235

148 See www.daycaretrust.org.uk or www.nationalsurestartmonth.com for further details

149 Q35

150 Appendix 5

8 Conclusion

145. Access to suitable, affordable childcare is a key part of the Government's anti-poverty strategy. Since the launch of the National Childcare Strategy, childcare provision has grown substantially, and the Committee welcomes the progress that has been made. But for many parents childcare remains out of reach because it is not available in their area, it is not available when they need it, or it is too expensive. Childcare remains a significant barrier to work for many parents, especially for lone parents.

146. The Committee welcomes the Government's commitment to expanding the quantity and improving the quality of childcare, as demonstrated by the additional funding provided by the 2002 Spending Review. However, we are seriously concerned that it does not go far enough. The first stage of the child poverty target is drawing very close and significant in-roads still need to be made for the lone parent employment target to be met. We do not believe that the budget for the Sure Start, Early Years and Childcare Unit will be sufficient to deliver the childcare places that parents desperately need in order to work. We are also anxious to ensure that the overall strategy is not undermined by the re-classification of existing services with the aid of what should be entirely new and additional government programmes. We repeat that an expansion of Children's Centres is essential if childcare for working parents, and indeed all parents, is to be adequately addressed. We consequently urge the Government to put more funding into rolling these out beyond the 20% most deprived areas as a matter of urgency, so that the United Kingdom can begin to compare with countries which have a comprehensive childcare infrastructure, such as France, Sweden and Denmark.

147. If Children's Centres are free at the point of use, they would not give rise to some of the problems which arise from other elements of the Government's childcare policy, and which are described in this report. They would not discriminate against parents who are outside the labour market. They would not, as the childcare credit does, pose problems concerning cost to the payer, take-up, eligibility, qualifying hours, the proportion of costs which should be covered, regional disparities and the funding of informal as well as formal childcare. They would offer solutions to the childcare challenges posed by part-time work and shift work. Their expansion would offer a means of simplifying the funding jigsaw. Nor are Children's Centres inconsistent with the Government's anti-poverty strategy, since they are first being rolled out in the 20 per cent most deprived areas, and they are compatible with Sure Start and Neighbourhood Nurseries. Parents who want either not to use them, or use them with other forms of childcare, are left free to use combinations of informal care, childminders, home childcarers, pre-school nurseries, day nurseries, after-school clubs and holiday play schemes.

Conclusions and recommendations

1. The Committee is concerned that the 250,000 childcare places financed by the Spending Review will not be sufficient to meet the 2010 targets on child poverty and lone parent employment. We agree with those calling for further investment in childcare to ensure that the targets can be met. Given the importance of childcare and nursery education for children's life chances and their parents' employment, consideration should be given to switching resources from other budgets if extra funding is not available.(Paragraph 36)
2. We also recommend that the statistics on childcare places are presented in a sufficiently transparent manner to make it clear whether the additional childcare places are full-time or part-time and whether they are sufficient to enable parents to enter employment.(Paragraph 37)
3. The Committee recognises that, with resources always being limited, targeting on areas of deprivation is both important and desirable. However, it remains the case that, not only are there still significant gaps in provision in areas of deprivation, but most low-income parents in rural areas, and in pockets of deprivation in towns and cities outside the 20% most deprived wards are not benefitting sufficiently from expanded childcare provision. We recommend that the Government works across Departments to develop strategies to increase and sustain childcare provision in these areas.(Paragraph 46)
4. We recommend that there should be a strong presumption that revenue funding for childcare be made ongoing and not time limited.(Paragraph 52)
5. The Committee is concerned that the funding environment for childcare providers is very confusing and precarious. Local Authorities should play a more active role in co-ordinating childcare provision and we welcome the recommendations in the Childcare Review to that effect. The new Sure Start, Early Years and Childcare Unit will also help to provide a more joined-up approach. However, we are also concerned that wider Government initiatives are not linking in to the childcare strategy. We recommend that the new Unit should instigate effective liaison across Government Departments to ensure that initiatives which may involve childcare are effectively joined-up with existing provision.(Paragraph 57)
6. The Committee recommends that the Sure Start, Early Years and Childcare Unit examines the case for increasing the flexibility of early years education places so that parents can use more than 2½ hours of their entitlement per day. This would give parents more flexibility when planning their childcare 'package'. The Committee also urges the Government to investigate urgently the funding sustainability of out of school clubs, some of which face closure, given that the New Opportunities Fund lapsed in June 2003. Out of school care is crucial for working parents of school-age children. We recommend that further expansion of out of school care should be developed as a priority.(Paragraph 65)

7. We recommend that sub-ward data be analysed in order to target pockets of deprivation within wards.(Paragraph 68)
8. The Committee urges the Government to roll-out Children's Centres beyond the planned 20% most deprived wards to the 30% most deprived wards. In our view this would make a significant impact on the lives of poor children and their families and would make an important contribution to the child poverty and lone parent employment targets. We recommend rolling out Children's Centres to the 30% most deprived wards by 2006 and urge the Government to make a long-term commitment to establishing Children's Centres in all areas.(Paragraph 69)
9. The Committee recognises that the Childcare Tax Credit is an important component of the Government's anti-poverty and childcare strategies, and valuable to many parents. However, it poses complex and interlocking problems about take-up, eligibility, qualifying hours, the proportion of costs which should be covered, regional disparities and the funding of informal as well as formal childcare. These are perhaps inevitable problems if a credit is to be provided which seeks to correct market failure, and which is therefore only available to those parents active in the labour market. The Childcare Tax Credit is certainly not consistent with Professor Moss's view of childcare provision as a public good which is the right of all children, whether their parents work or not. Nor is it consistent with a childcare vision based on the choices made by parents and families themselves, since it is only available to some of them.(Paragraph 85)
10. We strongly urge the Government to invest more in childcare. We therefore recommend that, in order to increase the effectiveness of the tax credits system as a tool for funding childcare and facilitating more parents into work, the Government urgently considers: reducing the hours a second earner in a couple needs to work to qualify for Childcare Tax Credit; reducing the qualifying hours for Working Tax Credit; increasing the percentage of childcare costs covered by the tax credit; and raising the maximum which can be claimed by families with two or more children needing childcare. We also recommend that further action be taken to deal with the regional variations in childcare which disadvantage families in high cost areas.(Paragraph 86)
11. We recommend that the Government investigates the possibility of a 'flexibility fund' operated through Early Years Partnerships, in order to help respond to short-term or very local issues which can undermine the effectiveness of the National Childcare Strategy. We also recommend that the Government establishes a childcare costs run-on system so that parents do not lose contact with the labour market in a period of temporary unemployment because their childcare arrangements have fallen through. The Committee believes that while some of the complex and interlocking problems posed by the Childcare Tax Credit can be addressed, they are perhaps to some degree an inherent part of the credit. We therefore believe that in the longer term, the Childcare Tax Credit may have a less central role and recommend that the Government expands the role that Children's Centres could play in providing a holistic service for all parents, regardless of their working status.(Paragraph 93)

12. The Committee recommends that childcare ‘taster’ weeks should be established for all low-income families to enable them to move into paid work safe in the knowledge that their children are being cared for in quality childcare settings. This would ensure that the childcare market is not stifled by the lack of demand from parents who are concerned about using formal childcare provision.(Paragraph 97)
13. The Committee does not believe that funding informal care through Childcare Tax Credit is the best way forward – it is too costly and would not greatly expand the number of childcare providers.(Paragraph 102)
14. We recommend that the Government invests more in providing accessible information to existing informal childcare providers of how they can register to become childminders and home childcarers.(Paragraph 106)
15. The Committee is concerned that parents still face an information gap when wanting to find out about childcare provision in their area. Children’s Information Services are under used by parents who need to find reliable and up to date information. We urge the Government to put adequate resources into promoting Children’s Information Services at a local level. Following our Employment Strategy Report, we continue to be concerned about the role Childcare Partnership Managers have in Jobcentre Plus offices. We recommend that comprehensive guidance is provided to ensure that they do not overlap with services already provided by Early Years Development and Childcare Partnerships and Children’s Information Services.(Paragraph 111)
16. The Committee urges the Government to address the additional barriers faced by parents of disabled children as a matter of urgency. We recommend that additional funding be provided for formal childcare providers to cover the additional costs necessitated by the higher staff:child ratios. The Committee also recommends that the Sure Start, Early Years and Childcare Unit should explore in further detail the needs of parents of disabled children and how childcare services could be better targetted.(Paragraph 114)
17. The Committee recommends that, in considering the case for attaching parental leave onto the maternity/paternity leave period, the Government considers the implications for the interaction of this change with childcare provision.(Paragraph 120)
18. The Committee believes that employers can play a small but useful role in helping employees with childcare which can be expanded. However, they should not be relied upon as key providers of childcare in the community. We recommend that the Government encourages innovation in the types of support that employers provide, for example, by developing childminder networks and emergency back-up care and ensuring that even small employers provide information about local childcare provision.(Paragraph 132)
19. The Committee is concerned that without Government intervention, pay in the childcare sector will barely rise above National Minimum Wage levels. We urge the

Government to work with childcare providers to establish how staff pay levels can be improved without passing unreasonable costs to parents.(Paragraph 140)

20. The Committee is very concerned that unless the childcare workforce can be significantly expanded within the next few years, childcare provision will suffer as there simply will not be enough workers to go around. We urge the Government to step up the information and recruitment campaign to expand the reach and to continue to target specific groups such as men and ethnic minorities.(Paragraph 143)
21. The Committee welcomes the Home Childcarers scheme as an important step forward in expanding the childcare workforce and widening the choice of childcare for families. We recommend that the Government extends the scheme to those who are not currently registered as childminders as soon as possible.(Paragraph 144)

22. Formal Minutes

Tuesday 17 December 2002

Members present:

Sir Archy Kirkwood, in the Chair

Miss Anne Begg	Rob Marris
Ms Karen Buck	James Purnell
Mr Andrew Dismore	Andrew Selous
Mr Paul Goodman	Mr David Stewart
Mrs Joan Humble	

The Committee deliberated.

Draft Report (Childcare for Working Parents), proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 and 2 read, amended and agreed to.

Paragraphs 3 and 4 read and agreed to.

Paragraph 5 read, amended and agreed to.

Paragraph 6 read as follows:

'Childcare serves a multitude of functions for the communities in which people live. From the Department for Work and Pensions' point of view, childcare is essential for working parents. It enables them to take up paid work, secure in the knowledge that their children are being cared for by competent childcare workers. Childcare also enables parents to take up training and education opportunities which help them move into employment. Research commissioned by the Department for Education and Skills found that 63% of non-working mothers and 78% of non-working lone mothers said they would prefer to go out to work or study if they had access to good quality, convenient, reliable and affordable childcare.'

Amendment proposed in line 9 after 'childcare' to insert:

'This headline finding does not, of course, differentiate between full-time and part-time work. And other surveys referred to in evidence presented to the enquiry reached different, even contradictory conclusions.

There is, arguably, a tension between the Department of Work and Pensions' point of view and that of mothers and families. Since evidence was presented to the enquiry which suggested that some mothers do not want to enter the labour market at all, and that some want to enter it part-time rather than full-time, there is at least

some evidence to suggest that the point of view of the Department differs from the point of view of mothers and families. This is bound to raise the question of whether the Government's anti-poverty strategy is consistent with the childcare needs of families and whether, therefore, it is the right starting point for its childcare policy.'—
(Mr Paul Goodman)

Question put, that the Amendment be made.

The Committee divided.

Ayes, 2

Mr Paul Goodman
Andrew Selous

Noes, 7

Miss Anne Begg
Miss Karen Buck
Mr Andrew Dismore
Mrs Joan Humble
Rob Marris
James Purnell
Mr David Stewart

An amendment made.

Paragraphs 7 to 12, read, amended and agreed to.

Paragraph 13 read as follows:

'The Childcare Review concluded that the effects of childcare on a range of outcomes for children are positive. For pre-school children there is strong evidence that pre-school provision (such as LEA nursery schools and Early Excellence Centres) between 3 and 5 years result in higher educational attainment, both at primary school and long-term. There is consistent evidence that quality of provision, and particularly well-trained staff, is critical to improvements for disadvantaged children. There is also evidence that poor quality provision can be damaging. Childcare and early years provision also produces wider benefits, eg reduction in crime rates, improved health outcomes and attitudinal outcomes, such as self-esteem and aptitude for learning. EPPE also found that learning at home with parents, combined with high quality pre-school education, makes a positive difference to children's social and intellectual development.'

Amendment proposed in line 2 to leave out from 'positive' to the end of the paragraph and insert:

'But the findings of the report should bear careful study, especially those relating to very young children. For children between three and five years old, there is evidence that pre-school provision (such as LEA nursery schools and Early Excellence Centres) result in higher educational attainment, both at primary school and long-term. For children under three years old, and particularly under two years old, there is evidence that high levels of group care are associated with higher levels of anti-social behaviour at age three. There is consistent evidence that quality of provision,

and particularly well-trained staff, is critical to improvements for disadvantaged children. There is also evidence that poor quality provision can be damaging. EPPE also found that learning at home with parents, combined with high quality pre-school education, makes a positive difference to children's social and intellectual development.'—(Mr Paul Goodman)

Question put, that the amendment be made.

The Committee divided

Ayes, 2

Mr Paul Goodman
Andrew Selous

Noes, 7

Miss Anne Begg
Ms Karen Buck
Mr Andrew Dismore
Mrs Joan Humble
Rob Marris
James Purnell
Mr David Stewart

Another amendment proposed to insert new paragraph, as follows:

‘ Before proceeding to spend in excess of £300 million on nursery provision, we urge the Government to take note of the fact that:

1) the Government’s own research shows that, while children show intellectual and social benefits from being in nurseries from the age of three, that there are clear negative effects for children who had been in nurseries from their first year of life.

2) Government research also acknowledges that high levels of group care before the age of three (and particularly before the age of two) are associated with higher levels of anti-social behaviour at age three, this effect being largely restricted to children attending private and local authority day nurseries, where substantial numbers attended from infancy onwards.

3) the Government’s own EPPE (Effective Provision of Pre-school Education) research project shows that while more than 20 hours in a nursery in the first year of life is linked to negative behaviour on school aged children, children looked after by childminders show negative effects after 40 hours of care.

We recommend that the Government reassess spending public money on nursery provision for very young children and ensures that

a) parents and providers are given full information on the care needs of very young children

b) a one to one ratio of carers to children is established as the norm for children under 12 months

c) a greater appraisal of the Scandinavian model is undertaken where more parents care for their children up to the age of 16 months and more parents are active in the labour market after that point.

d) the supply of childminders has been as greatly expanded as possible, given that parents using childminders were the most satisfied with their childcare by the time their children were 18 months old.’ – (Andrew Selous)

Question put that the amendment be made.

The Committee divided.

Ayes, 2

Mr Paul Goodman
Andrew Selous

Noes, 7

Miss Anne Begg
Ms Karen Buck
Mr Andrew Dismore
Mrs Joan Humble
Rob Marris
James Purnell
Mr David Stewart

Paragraphs 14 and 15 read and agreed to.

Paragraph 16 read, as follows:

‘It should also be pointed out that there is a substantial body of work that disputes the benefits of childcare. Written memoranda from organisations such as Full Time Mothers and WATCH? strongly argue against the principles of childcare for pre-school age children. However, to illustrate the continuing dispute between the two opposing camps, very recent research published shortly before this report showed that children under 3 who were looked after in day nurseries while their parents worked “suffered no measurable psychological or behavioural ill effects because of their mothers’ absence”.’

Amendment proposed in line 8 after “absence” to insert:

“The two camps, or rather elements within them, are bound to differ, since they draw upon conflicting philosophical viewpoints about childcare. Their dispute can only be settled, if at all, by more research, and it is in any event largely beyond the scope of this enquiry. But it raises important questions about what effect childcare has on children, and what role the Government should play in promoting and supporting it, if any.” – (Mr Paul Goodman)

Question put that the amendment be made.

The Committee divided.

Ayes, 2

Mr Paul Goodman
Andrew Selous

Noes, 7

Miss Anne Begg
Ms Karen Buck
Mr Andrew Dismore
Mrs Joan Humble
Rob Marris
James Purnell
Mr David Stewart

Question put that the paragraph stand part of the report.

The Committee divided.

Ayes, 8

Miss Anne Begg
Ms Karen Buck
Mr Andrew Dismore
Mr Paul Goodman
Mrs Joan Humble
Rob Marris
James Purnell
Mr David Stewart

Noes, 1

Andrew Selous

Paragraph 17 read and agreed to.

Paragraph 18 read, amended and agreed to.

Paragraph 19 to 22 read and agreed to.

Paragraph 23 read, as follows:

“The NCS marked a significant step forward in the development of childcare provision. Childcare now undoubtedly has a much higher place on the public policy agenda and the NCS has increased the availability of childcare for many parents. Nonetheless, the Committee is concerned that high profile Government initiatives, such as Neighbourhood Nurseries and Sure Start, are not necessarily resulting in childcare places for parents who really need them. In addition, childcare providers face considerable funding and sustainability difficulties. Both these issues are addressed in more detail throughout the report.”

Amendment proposed in line 2 after “provision” to insert:

“in relation to the Government’s childcare strategy.” – (Mr Paul Goodman)

Question put that the amendment be made.

The Committee divided.

Ayes, 2

Mr Paul Goodman
Andrew Selous

Noes, 6

Miss Anne Begg
Ms Karen Buck
Mrs Joan Humble
Rob Marris
James Purnell
Mr David Stewart

Other amendments made.

Paragraphs 24 to 27 read and agreed to.

Paragraph 28 read, amended and agreed to

A paragraph—(Mr Paul Goodman)—brought up, read the first and second time and inserted (now paragraph 29)

Paragraphs 29 and 30 (now paragraphs 30 and 31) read and agreed to.

Paragraph 31 (now paragraph 32) read, amended and agreed to.

A paragraph—(Mr Paul Goodman)—brought up and read as follows:

"The Committee congratulates the Government on its commitment to a childcare strategy, and on undertaking its Inter-Departmental Review. However, it is concerned that the Review failed adequately to address some of the wider issues raised by Professor Moss and others, in particular whether the Government's anti-poverty strategy is the right foundation upon which to build its childcare policy."

Question put, that the paragraph be read a second time.

The Committee divided.

Ayes, 2

Mr Paul Goodman
Andrew Selous

Noes, 7

Miss Anne Begg
Ms Karen Buck
Mr Andrew Dismore
Mrs Joan Humble
Rob Marris
James Purnell
Mr David Stewart

Paragraphs 32 and 33 (now paragraphs 33 and 34) read and agreed to.

Paragraph 34 (now paragraph 35) read, amended and agreed to.

Paragraph 35 (now paragraph 36) read as follows:

“The Committee is concerned that the 250,000 childcare places financed by the Spending Review will not be sufficient to meet the 2010 targets on child poverty and lone parent employment. We agree with those calling for further investment in childcare to ensure that the targets can be met.”

Amendment proposed in line 3 after ‘for’ to insert:

‘a cost benefit analysis on’

Question put that the amendment be made.

The Committee divided.

Ayes, 1

Andrew Selous

Noes, 7

Miss Anne Begg
Ms Karen Buck
Mr Andrew Dismore
Mrs Joan Humble
Rob Marris
James Purnell
Mr David Stewart

Another amendment made.

Paragraphs 36 to 40 (now paragraphs 37 to 41) read and agreed to.

Paragraph 41 (now paragraph 42) read, amended and agreed to.

Paragraphs 42 to 44 (now paragraphs 43 to 45) read and agreed to.

Paragraph 45 (now paragraph 46) read, amended and agreed to.

Paragraphs 46 to 50 (now paragraphs 47 to 51) read and agreed to.

Paragraph 51 (now paragraph 52) read, amended and agreed to.

Paragraph 52 (now paragraph 53) read and agreed to.

Paragraph 53 (now paragraph 54) read, amended and agreed to.

Ordered, That further consideration of the Chairman’s draft report be now adjourned.—
(*The Chairman*)

Report to be further considered on Wednesday next.

[Adjourned till Wednesday 18 June 9.30 am

Wednesday 18 June 2003

Members present:

Sir Archy Kirkwood in the Chair

Miss Anne Begg	Rob Marris
Ms Karen Buck	James Purnell
Mr Andrew Dismore	Andrew Selous
Mr Paul Goodman	Mr David Stewart
Mrs Joan Humble	

The Committee deliberated.

Consideration of the Chairman's draft Report resumed.

Paragraphs—(Ms Buck)—brought up, read the first and second time and inserted (now paragraphs 55 and 56)

Paragraphs 54 to 58 (now paragraphs 57 to 61) read and agreed to.

Paragraph 59 (now paragraph 62) read, amended and agreed to.

Paragraphs 60 and 61 (now paragraphs 63 and 64) read and agreed to.

Paragraph 62 (now paragraph 65) read, amended and agreed to.

Paragraphs 63 and 64 (now paragraphs 66 and 67) read and agreed to.

Paragraph 65 (now paragraph 68) read, amended and agreed to.

Paragraphs 66 and 67 (now paragraphs 69 and 70) read and agreed to.

Paragraph 68 (now paragraph 71) read, amended and agreed to.

Paragraphs 69 to 72 (now paragraphs 72 to 75) read and agreed to.

Paragraph 73 (now paragraph 76) read, amended and agreed to.

Paragraphs 74 to 80 (now paragraphs 77 to 83) read and agreed to.

Paragraph 81 (now paragraph 84) read, amended and agreed to.

Paragraph 82 read, amended, divided and agreed to (now paragraphs 85 and 86).

Paragraphs 83 and 84 (now paragraphs 87 and 88) read and agreed to.

Paragraph 85 (now paragraph 89) read, amended and agreed to.

Paragraphs—(Ms Buck)—brought up, read the first and second time and inserted (now paragraphs 90 and 91).

Paragraph 86 (now paragraph 92) read and agreed to.

Paragraph 87 (now paragraph 93) read, amended and agreed to.

A paragraph—(Mr Goodman)—brought up and read, as follows:

“Since this is a report about the employment aspects of childcare, we cannot resolve some of the important questions about childcare which range wider. Does childcare have some positive or negative effects on the development of young children? To what degree do these effects vary according to the type of childcare provided? How should Government policy respond to the effects of childcare? Is there any evidence that the Government’s anti-poverty strategy (parts of which seek to draw the parents of young children into the labour market), serves parents better than young children, or that the interests of the two diverge as far as childcare is concerned? Is the Government right, as far as childcare is concerned, to treat parents who are active in the labour market? These questions are necessarily touched upon by this report, although the answers lie beyond its scope.”

Question put that the paragraph be read a second time.

The committee divided.

Ayes, 4

Noes, 4

Mr Paul Goodman

Miss Anne Begg

Rob Marris

Ms Karen Buck

Andrew Selous

Mr Andrew Dismore

Mr David Stewart

Mrs Joan Humble

Whereupon the Chairman declared himself with the Noes.

Paragraph 88 (now paragraph 94) read and agreed to.

Paragraph 89 (now paragraph 95) read, amended and agreed to.

Paragraphs 90 to 98 (now paragraphs 96 to 104) read and agreed to.

Paragraph 99 (now paragraph 105) read as follows:

“Some concerns were expressed about the difficulty of regulation for informal childcarers. GMB suggested that the registration process should remain the same as for other childminders but that there should be no compulsion to undertake training.”

Amendment proposed in line 4 at end to insert:

“The Government should be aware that in many areas the numbers of childminders have reduced since greater regulation was introduced.”—(Andrew Selous)

The Committee divided.

Ayes, 2

Mr Paul Goodman
Andrew Selous

Noes, 7

Miss Anne Begg
Ms Karen Buck
Mr Andrew Dismore
Mrs Joan Humble
Rob Marris
James Purnell
Mr David Stewart

Paragraphs 100 to 106 (now paragraphs 106 to 112) read and agreed to.

Paragraph 107 (now paragraph 113) read, amended and agreed to.

Paragraphs 108 to 113 (now paragraphs 114 to 119) read and agreed to.

Paragraph 114 (now paragraph 120) read, amended and agreed to.

Paragraphs 115 to 120 (now paragraphs 121 to 126) read and agreed to.

Paragraph 121 (now paragraph 127) read, amended and agreed to.

Paragraphs 122 to 124 (now paragraph 128 to 130) read and agreed to.

Paragraphs 125 to 127 (now paragraphs 131 to 133) read, amended and agreed to.

Paragraphs 128 to 132 (now paragraphs 134 to 138) read and agreed to.

Paragraph 133 (now paragraph 139) read, amended and agreed to.

Paragraphs 134 to 136 (now paragraphs 140 to 142) read and agreed to.

Paragraph 137 (now paragraph 143) read, amended and agreed to.

Paragraph 138 (now paragraph 144) read and agreed to.

Paragraphs 139 to 141 (now paragraphs 145 to 147) read, amended and agreed to.

Summary agreed to.

Resolved, that the Report, as amended, be the Fifth Report of the Committee to the House.

Ordered That the Chairman do make the Report to the House.

Ordered, That the provisions of standing order No. 134 (Select Committees (Reports)) be applied to the Report.

Several papers were ordered to be appended to the Minutes of Evidence.

Ordered, That the Appendices to the Minutes of Evidence taken before the Committee be reported to the House.—(*The Chairman*)

[Adjourned till Wednesday 25 June at half-past Nine o'clock

23. Witnesses

Wednesday 25 March 2003

Page

Professor Peter Moss, Institute of Education.

Ev 4

Ms Gillian Paull and **Mr Mike Brewer**, Institute for Fiscal Studies (IFS).

Ev 23

Wednesday 26 March 2003

Ms Gill Haynes, National Childminding Association, **Ms Margaret Lochrie**, Pre-school Learning Alliance. **Ms Anne Longfield**, Kids' Clubs Network, and **Mr Stephen Burke**, Daycare Trust.

Ev 58

Wednesday 2 April 2003

Ms Alison Garnham and **Ms Kate Green**, National Council for One Parent Families, and **Ms Elizabeth Martin**, One Plus.

Ev 92

Wednesday 9 April 2003

Baroness Ashton of Upholland, a Member of the House of Lords, Parliamentary Under-Secretary of State at the Department for Work and Pensions and the Department for Education and Skills.

Ev 119

24. List of written evidence

1	Professor Peter Moss, Institute of Education	Ev 1
2	Institute of Fiscal Studies	Ev 13; Ev 31; Ev 254
3	National Childminding Association	Ev 36
4	Pre-School Learning Alliance	Ev 40
5	Kids' Clubs Network	Ev 44
6	Daycare Trust	Ev 51
7	National Council for One Parent Families	Ev 70
8	One Plus	Ev 85
9	Department for Work and Pensions	Ev 103; Ev 134
10	Marianne Grace, South West Bedfordshire	Ev 132
11	Tricia Pritchard	Ev 135
12	Department of Social Policy at the University of Hull	Ev 135
13	Centre for Economic and Social Inclusion	Ev 148
14	Playday Nursery Limited	Ev 150
15	GMB	Ev 151; Ev 157
16	New Policy Institute and Islington Play Association	Ev 160
17	Full Time Mothers	Ev 166
18	Mencap	Ev 169
19	Disability Alliance	Ev 170
20	National Assembly of Women	Ev 176
21	Apricot Nursery	Ev 177
22	Effective Provision of Pre-School Education Project	Ev 178
23	North Cornwall District Council	Ev 181
24	Professor Hilary Land	Ev 182
25	National Day Nurseries Association	Ev 185
26	London Borough of Newham Social Regeneration Unit and Early Years Unit	Ev 188
27	Cross River Partnership	Ev 189
28	Buffer Bear Limited	Ev 189
29	Gingerbread	Ev 191
30	Women's Budget Group	Ev 194
31	Equal Opportunities Commission	Ev 198
32	Chris Wainright	Ev 205
33	Local Government Association	Ev 206
34	Soho Family Centre	Ev 209
35	Zacchaeus 2000 Trust	Ev 209
36	Single Parent Action Network	Ev 211
37	Dr Brian Iddon MP	Ev 213
38	Social Market Foundation	Ev 214
39	Council for Disabled Children	Ev 220
40	Scottish Out of School Care Network	Ev 245
41	Capability Scotland	Ev 248
42	Note by Committee Specialist of Visit to London Childcare Providers	Ev 251

- 43 WATCH? Ev 252
- 44 Letter by Second Clerk of the Committee to Institute for Fiscal Studies Ev 254

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Fifth Report	Childcare for Working Parents	HC 564

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Second Report	Pension Credit	HC 638
Third Report	The Government’s Employment Strategy	HC 815

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