

Childcare and Training

Qualifications have a significant impact on employability. Fewer than half of those with no qualifications were in employment in 2011 compared with 8 in 10 of those with at least one qualification (ONS, 2014). Supporting parents to increase their qualifications and employability can have significant positive impacts for families and make savings for the public purse (Gingerbread, 2014). However, childcare, and childcare costs in particular, can act as a significant barrier to parents who want to improve their employability through training.

The Government has included flexibility within the Universal Credit system for parents with young children to undertake training for up to a year, rather than immediately seek work, if this will improve their job prospects. It is positive that the Government has recognised that training can be an important step in the journey into work for these parents, but without adequate childcare support, they will not be able to take up these opportunities.

What support exists to help parents with childcare while training in England?

	Eligibility criteria	What is covered?
Care to Learn	Students must be: <ul style="list-style-type: none"> • Under 20 years of age at start of course • Using a registered childcare provider 	Childcare costs up to £160 per child per week outside London and £175 per child per week in London, including deposit and registration fees.
Childcare Grant	Students must be: <ul style="list-style-type: none"> • In full time higher education • Eligible for student finance 	Students can claim up to 85 per cent of childcare costs – though the actual amount will depend upon their household income, the cost of their childcare and the number of dependent children. The grant does not have to be paid back.
Discretionary Learner Support (DLS)	Students must be: <ul style="list-style-type: none"> • Studying a further education course funded by the Skills Funding Agency • Facing financial hardship <p>Learning providers have discretion to set their own criteria and determine who will receive funding.</p>	Learning providers decide how much support the student receives, what it covers and whether the money is offered as a grant or a loan.
Advanced Learner Bursary	Students must be: <ul style="list-style-type: none"> • 24 years old or over • Studying an approved Level 3 or Level 4 course • In receipt of an Advanced Learner Loan (to cover the cost of their course) 	The bursary can pay for things like accommodation and travel, course materials and equipment, classroom assistance for a disability or learning difficulty, and childcare.

	The bursary is means tested, with the eligibility criteria being determined by the learning provider.	
Flexible Support Fund	Mainly jobseekers, but can also be available for other low and middle income households.	Used to overcome barriers to employment, including childcare for training in some cases. Awards are discretionary.

Assessment of existing support

Low skilled parents seeking to improve their skills in order to get into work, often through a level 2 or 3 qualification, are most likely to seek childcare funding through DLS. An evaluation of the scheme in 2013 found that it was effective at helping people access training and education. 41 per cent of total DLS spend was on childcare, supporting around 29,000 children (Department of Business, Innovation and Skills, 2013).

However, a brief review of the application process for a number of different colleges highlighted some concerns that could limit access to the scheme:

- Training providers each set their own criteria for eligibility, creating complexity for parents
- Some training providers require the applicant to have both enrolled on a college course and entered into a contract with a childcare provider before they apply for DLS. Both of these may well involve upfront costs to the applicant which will not be reimbursed if their DLS application is unsuccessful and the applicant has to withdraw from the course.
- Some will not fund retainers, deposits, and administration costs and many will not cover the cost of childcare while travelling to and from the place of study.
- Some will only pay for childcare costs during term time. While it is reasonable to only pay for childcare costs when parents are undertaking training, some childcare providers will only accept children year round.

What is the solution?

The evidence tells us that those with higher skill levels tend to earn more, spend less time out of work, have improved job security and are less reliant on benefits. Investing in the skills of those who are currently furthest from the job market can also reap returns for the exchequer. In order to realise these gains, there needs to be clarity and consistency to enable low income families to access opportunities. There are two clear opportunities for improvement:

- ***Clear and consistent eligibility criteria for Discretionary Learner Support and the Advanced Learner Bursary***

In order to enable parents to easily understand what they are entitled to and be able to plan their learning and childcare, clear and consistent criteria are needed for the DLS fund and Advanced Learner Bursary, as there are with Care to Learn and the Childcare Grant. These criteria should be practical and workable for parents, working effectively with typical practices of childcare providers.

- ***Extend 30 hours free childcare to those studying and training***

Working parents of three and four year olds in England are entitled to 30 hours free childcare a week during term time. Extending this entitlement to children of parents who are in training on an approved course and for a minimum number of hours would enable parents to improve their skills and employability. This would particularly help parents of three and four year olds claiming Universal Credit for whom Government have recognised that training can provide an important step in the journey into work. We estimate that this would cost £57m per year, or an 8 per cent increase on the current cost of delivering 30 hours.

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