

About Coram Family and Childcare

Coram Family and Childcare works to make the UK a better place for families, focusing on childcare and early years to make a difference to families' lives now and in the long term.

We are a leading voice on early education and childcare, carrying out research to aid understanding and drive change in national and local policy. Every year, we publish our annual Childcare Survey and Holiday Childcare Survey – the definitive reports on childcare costs and availability across Great Britain. These surveys give a unique insight into patterns and changes across the years. The findings are widely used by policymakers and academics in all parts of the UK and beyond.

Our network of local Parent Champions schemes reach thousands of parents each year, with dedicated local volunteers ensuring parents are aware of their rights and entitlements, improving children's outcomes.

We deliver the National Association of Family Information Services (NAFIS) – the only national membership organisation supporting essential Family Information Service staff in local authorities to deliver high-quality information and advice to families.

We deliver responsive, family-focussed projects, often in partnership with other expert organisations, reaching some of the most disadvantaged families and levelling the playing field for disadvantaged children.

We are a member of the Coram group of children's charities and organisations. Coram changes lives, laws and systems to create better chances for children, now and forever.

Read Coram's Charter for Children here.

Introduction

Years of underfunding of key planks of the childcare offers, and a lack of vision or strategy for the early years sector has led to a childcare system that is both unaffordable and inaccessible.

Parents tell us they struggle to pay their high childcare bills, and we have seen growing childcare shortages across the country meaning many parents struggle to get a place, especially if they are on low incomes, from migrant backgrounds or their children have special educational needs or disabilities (SEND) such as autism. We know that many hardworking, dedicated staff are leaving the sector due to poor pay and limited career progression. Taken together, this means too many children miss out on the high-quality early education that can boost their outcomes in childhood and beyond.

Now is the time for reform. Below, we set out the problems facing the early years sector and our recommendations on how to fix them. Reform is needed for a childcare system that serves the interests of society, parents and children.



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Recommendations

System reform

- Introduce a right to early education, with a guarantee of funded childcare hours, bringing early years in line with schools
- **Simplify and streamline** the childcare offer to families, with a single scheme that follows children from end of parental leave until the end of primary school

Workforce

- Introduce and fund a workforce strategy, and introduce annual monitoring of pay and conditions
- Appoint a dedicated Chief Early Years Officer

Funding

- Bring the Early Years Pupil Premium in line with the Primary Pupil Premium
- Introduce responsive SEND funding
- Make sure that funding meets the cost of provision

What is the problem?

High-quality childcare boosts children's outcomes in childhood and beyond. The benefits are particularly significant for children living in poverty, children with SEND and children who speak English as an additional language (EAL) [1].

Cost

Childcare in the UK is expensive. Since the beginning of our annual Childcare Survey in 2001, we have observed price increases year on year, usually above the rate of inflation. For many families, the cost of childcare is so great that their income is insufficient in providing a route out of poverty [2].

Investment announced in 2023 will provide more funded childcare to eligible working parents but significant practical barriers to access remain. Furthermore, this investment prioritises the needs of working parents rather than the developmental needs of children and is likely to widen the attainment gap.

- A part-time nursery place for a child under two costs an average of £158 per week in Great Britain [3], or £7,569 a year [4].
- A single parent working full-time, earning minimum wage and claiming the childcare element of Universal Credit has, on average, an effective hourly rate of £4.91 after childcare costs [2].
- To access their funded childcare hours, many parents have to pay additional charges. Of the local authorities who are aware of this practice, at least a third say that all or almost all providers have additional charges for three- and four-year-olds claiming both the 30 hour and 15 hour entitlements [3].

Quality

Childcare in Britain is not of consistently high enough quality to make a real difference to children's outcomes [2]. We are seeing providers being forced to take steps that will reduce the quality of provision in order to remain financially sustainable.

- Staff qualifications are key influencers on quality [5]. However, 10% of local authorities report that 'at least some' of their local childcare providers have reduced their number of graduate (Level 6) qualified staff due to financial pressures [6].
- Low child to staff ratios [7] are also significant predictors of quality. 18% of local authorities report that 'at least some' of their local childcare providers have increased their child to staff ratios [8] due to financial pressures [6].

^[1] Melhuish, E (2004) A literature review of the impact of early years provision on young children, with emphasis given to children from disadvantaged backgrounds. London: Institute for the Study of Children, Families & Social Issues

^[2] Coram Family and Childcare (2023). Tackling disadvantage through childcare

^[3] **Childcare Survey 2024**. Coram Family and Childcare

^[4] Based on 48 weeks per year

^[5] Melhuish, E and Gardiner, J (2019) Structural factors and policy change as related to the quality of early childhood education and care for 3–4 year olds in the UK. London: Frontiers in Education

^[6] Childcare Survey 2023. Coram Family and Childcare

^[7] Few children per members of stat

^[8] More children per member of staff

Inclusion

We have an inclusion crisis. Children who stand to gain the most from high-quality childcare are also most at risk of missing out. Extremely low availability of childcare for disabled children [3] and an overly complex system result in children with SEND, children in poverty and children from migrant families being less likely to access early education [9].

- Only 6% of local authorities in England report having enough childcare for children with disabilities [3].
- Children living in poverty are less likely to take up their funded early education entitlement [10].

Access

Across Britain, both families who pay for childcare and families who are eligible for funded early education entitlements can struggle to secure childcare due to a lack of available places [3] driven by staff shortages and low government funding. Historically, the allocated funding rate for early education entitlements does not cover the cost of provision [11].

- Only a third (34%) of local authorities in England report having enough childcare for parents working full-time and for children under the age of two (35%) [3].
- Less than half of local authorities (41%) are confident in meeting demand for the September 2024 expansion of funded childcare, and 75% identified the local childcare workforce as their biggest concern [15].



[9] Chadwick, T, Chidley, S and Jones, H (2018) Low and middle-income parents' understanding of childcare entitlements: a qualitative study. London: NatCen [10] Campbell, T, Gambaro, L and Stewart, K (2019) Inequalities in the experience of early education in England: access, peer groups and transitions. London: London School of Economics

[11] Women's Budget Group (2024) <u>Updated analysis: Early Years Education and Childcare funding shortfall</u>

Recommendations for reform

Our recommended changes to the early years **system**, **workforce** and **funding** address the causes of high costs and low-quality provision, the difficulties in accessing a childcare place and the barriers that exclude some children and families.

A right to early education

The next government should introduce a right to early education, with a guarantee of a funded childcare place for all children regardless of their or their parent or carers' background, bringing early years in line with schools. Disadvantaged children are currently getting less early education than their more advantaged peers; removing the work criteria from funded childcare eligibility would rebalance the system to prioritise all children's outcomes.

Simplify and streamline

The childcare offer to families needs to be simplified and streamlined, with a single scheme that follows children from end of parental leave until the end of primary school.

We recommend a universal free hour offer, with all children eligible for 30 hours per week from the age of nine months until starting school. Families wishing to access additional childcare hours would do so via a single, means-tested co-payment system and families below the poverty line would pay nothing.

Workforce strategy

An estimated 27,500 additional early years educators are needed by 2028 to deliver the planned expansion of childcare entitlements [12]. The workforce crisis is not only driven by low recruitment, but by low retention too. Nursey staff and childminders cite poor pay and career progression as reasons for wanting to leave the sector [13].

We want to see the government introduce and fund a workforce strategy and introduce annual monitoring of pay and conditions to address challenges with recruitment and, crucially, with retention. This plan should address continuing professional development, career progression and mandatory pay levels across the private, voluntary and independent sector. A dedicated Chief Early Years Officer in government should be appointed to help safeguard the interests of early years educators.

[12] Nesta (2023). How many early-years professionals do we need?

[13] Early Education and Childcare Coalition (2023). Retention and return: Delivering the expansion of early years entitlement in England.

A dedicated Chief Early Years Officer

Early years educators play an indispensable role in children's lives, and their work is essential to our economy and infrastructure. We recommend that the government establishes a dedicated Chief Early Years Officer which would ensure the profession has an advocate centrally placed in the Department for Education with a seat at the table and a mandate to advocate for them and for better policy and practice. More than any other stage in a person's life, the early years hold the power to improve social, cognitive and economic outcomes; this should be reflected in government.

Bring the Early Years Pupil Premium in line with the Primary Pupil Premium

Primary Pupil Premium, set at £1,480 per child per year in 2024/25, is considered to be an effective mechanism for tackling educational disadvantages [14]. In 2024/25, the Early Years Pupil Premium will be set at a maximum of £388 per child per year, based on 68p per hour for 15 hours a week, spread across 38 weeks a year. As high-quality early years education is proven to be more effective – and more cost-effective – at reducing the attainment gap than later interventions, such a low Early Years Pupil Premium funding rate presents a missed opportunity to reduce inequalities.

Introduce responsive SEND funding

Childcare is currently largely inaccessible to children with SEND; only 6% of local authorities in England report sufficient childcare for children with disabilities [3]. A key barrier to inclusion in the early years is that additional funding is often complicated to apply for, slow to access and insufficient in facilitating inclusion.

Following the planned expansion to funded early education entitlements, 80% of early education and care will be publicly funded, providing an opportunity and an obligation to end current unequal access. We recommend that the government increases the value of early years SEND funding and ring-fences the high needs block funding for early years. Government should introduce responsive SEND funding, delinked from other assessments such as Disability Living Allowance (DLA) and Education, Health and Care Plans (EHCPs) which do not accurately reflect need for the youngest children, and should issue guidance on how this funding should be used to ensure that children with SEND are not excluded from the early education and care they are entitled to.

Make sure that funding meets the cost of provision

In 2023, 56% of local authorities reported that the inadequate funding rate of early education entitlements was decreasing the business sustainability of providers in their area [8]. We want to see the government work to agree a funding settlement that accurately reflects the cost of provision, and that this includes additional quality and SEND supplements to drive up quality across the system and improve access for children with SEND.

Conclusion

A well-functioning childcare system is key social and economic infrastructure. It enables parents, especially mothers, to participate more fully in the workforce, balance their work and family responsibilities as well as boost family finances.

Early education has a significant impact on children's cognitive and social development, levelling the playing field for children from disadvantaged backgrounds and providing the foundation for their future success.

Investment in high quality early years education can lead to cost savings in the long term by offering children a strong start in education.

Our recommendations set out how the government can fix the problems of high **costs** and low **quality**, and barriers to **access** and **inclusion** by reforming the **system**, resolving the **workforce** crisis and allocating sufficient **funding** to the early years sector.

If our recommendations were implemented, we would expect to see a reverse in the trend of rising childcare costs, and childcare costs would no longer be a barrier to work providing a route out of poverty for parents. The attainment gap between disadvantaged children and their better-off peers would decrease, and children with SEND would be just as likely to access early education as the general population. We would expect to see the availability of childcare places increase, evidenced in our annual Childcare Survey.

With this system reform, government can facilitate a sufficient, high-quality childcare system that values staff, enables all parents and carers to work, and is available to all children, no matter their needs or where they live.



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