

SENEDD EQUALITY AND SOCIAL JUSTICE COMMITTEE

CHILDCARE AND PARENTAL EMPLOYMENT: THE PANDEMIC AND BEYOND

RESPONSE BY THE BEVAN FOUNDATION

1. The Bevan Foundation is Wales' most influential think tank. It develops solutions to poverty and inequality based on robust research and innovative insights. This response sets out the Bevan Foundation's views based on its previous research findings – we are also working with three community groups to support their own responses to the committee.

The extent to which current childcare provision in Wales sufficiently supports parents, particularly mothers, to enter, remain and progress in employment.

2. The current childcare offer is complex, with provision varying for different age groups as well as having specific criteria. This makes it difficult for parents to plan how they combine working with caring for their child. It is even more complicated if they have several children as each child will have a different entitlement.

Provision for 0-3 year olds

3. By far the biggest gap is in provision for under-3-year-olds which is the least generous in Britain.¹ There is no state-supported care for 0-1-year-olds while Flying Start for 2-3-year-olds has very limited geographical coverage and does not offer enough care to support most forms of employment. Parents of under-3-year-olds who want to work must therefore make their own arrangements using private nurseries, childminders or family members.
4. The cost of nurseries and childminders for 0-3-year-olds can be prohibitive, especially for any parents on median and below-median incomes. The average cost of a childminder place for an under-2-year-old for 25 hours per week – likely to be the amount of care needed by a part-time worker - is £112.37, while the cost for 50 hours a week of care – likely to be required by a full-time worker - is £213.29.² The table overleaf compares these average costs with women's weekly earnings at the median and for someone in the lowest paid quarter of earnings. It shows that childcare accounts for more than half the gross pay of all women workers except full-timers on median earnings, and that childcare accounts for a particularly high proportion of low-paid part-timers' earnings. There can be few parents who can afford to spend such a high share of their earnings on childcare, while for those on low earnings childcare is unaffordable.
5. Low-income households can get help with childcare costs from Universal Credit, which contributes up to 85% of the childcare costs up to a maximum of £646 a month for one child and £1,108 for two or more children. Although the help is valuable it leaves parents needing to make a substantial contribution. For example, the parental contribution towards the care of one child at a childminder for 25 hours a week is approximately £73 a month and £278 a month for a child receiving 50 hours a week of care.³ The contribution is very much larger for parents with two or more children receiving care because of the maximum UC payable.

	Average childminder cost per week	Female median weekly earnings	Female lowest quartile weekly earnings
Part-time	£112.37	£221.90	£142.20
Childcare as % of earnings		50.6%	79.0%
Full-time	£213.29	£528.30	£410.20
Childcare as % of earnings		40.4%	52.0%

Note: Part-time childcare is 25 hours p.w. and part-time earnings are for less than 30 hours p.w. Full-time childcare is 50 hours p.w. and full-time earnings are for 30 hours p.w. and over.

Source: Earnings data from Annual Survey of Hours and Earnings, residence based, 2021 via NOMIS; childcare costs from Jarvie, M., Shorto, S., and Parlett, H. (2021)

- In addition, many childcare providers require a month's payment in advance whereas UC contributions are paid in arrears, and some payments required by childcare providers e.g. retainers are not reimbursed by UC at all.

Provision for 3–4-year-olds

- The Welsh Government's childcare offer of 10 hours of universal entitlement and a total of 30 hours of care is a very welcome increase in the availability and affordability of care for this age group. However, our research has found that it has a number of limitations.
- Eligibility requirements:** The childcare offer is restricted to parents who work at least 16 hours a week. It therefore excludes parents who work fewer than 16 hours a week or who have variable hours contracts but cannot guarantee they will work an average of 16 hours. It also excludes parents in education or training as well as those without the right to work e.g. asylum seekers. Yet it is the parents in these precarious labour market positions or who are preparing to find work who are in most need of childcare to ease job entry.
- Fit with working hours:** Our research⁴ found that the 9am – 3pm typically provided by the childcare offer does not fit with the working hours of many parents, who may have different start or finish times. Evidence from the 2000s⁵ collated for the Welsh Government found that between 51% and 67% of working mothers worked atypical hours at that time. It also found that atypical hours are more common amongst low-income workers. There is little more recent data but atypical working is widely thought to have increased since then.
- Full-time provision:** We found that the 30 hours of care offered is sometimes more than parents need, e.g. because a parent works part time. Around half of mothers with a dependent child work for less than 30 hours a week^{6 7}, which suggests that there is over-provision of care for a large number of working parents. In contrast, the 10 hours of universal provision is unlikely to be sufficient to enable part-time employment and, in any case, awareness of this entitlement is low.
- Fit with other childcare:** For parents with more than one child, the opportunities created by the childcare offer are limited by the lack of availability and cost of childcare for children outside the 3-4 age range. Indeed the multiple pick-up and drop-off times and locations of care for

children of different ages that a parent with children in different childcare settings faces is a barrier to employment in itself.

12. **Gaps in specialist provision:** parents report the absence of provision for Welsh-medium care and care for disabled children. There are also gaps in provision for speakers of languages other than English or Welsh.

Provision for children aged 5 – 14 years old

13. **Before and after school provision:** After-school provision is by far the poorest form of childcare provision. A 2021 review of childcare costs and availability⁸ found that only 29% of local authorities said there was sufficient provision after-school for 5-11-year-olds in all areas, and only 6% said this for 12-14-year-olds. At an average cost of £54.13 a week for an after-school club the cost is also relatively high.
14. **School holiday provision:** There are striking gaps in the availability of childcare during the school holidays. A survey of holiday provision in 2019⁹ highlighted significant shortages of provision in some areas, especially rural areas, and for some age groups. It also showed a lack of provision outside the summer holidays, for example during half-term and inset days. It found that public sector schemes were usually low cost or free but all offered less than 7 hours of care a day. Other schemes provided more hours of care but had had an average cost of £129.77 a week. As before if care is available the cost accounts for a large share of women workers' earnings.

Impact on parental employment

15. The lack of availability, affordability and flexibility of care has a dramatic impact on parents, and especially mothers', engagement in employment. They combine to deter a significant minority from engaging in paid work because no suitable care is available or because it is not financially viable. Overall, women with dependent children are less likely to work than men with dependent children, with 90.9% of fathers being in work compared with 76.8% of mothers.¹⁰ It is also worth noting that the younger the child the less likely women are to work. This is illustrated by examples from a recent Bevan Foundation survey:¹¹

"I've tried [looking for a job]. I've looked around a lot. But they've got unsocial hours and cos I've got the baby - there's nobody to have the baby"

"The thing that stops me from working is that I don't have any close family that can help mind my children [aged 13 and 8] so when half term comes and summer holidays, ... I would love nothing more than to have a job but when half term comes, who am I going to have to look after them?"

16. The lack of affordable childcare also combines to constrain the employment options open to many women, pushing them into jobs with fewer hours than they might like or which are insecure. A UK survey found that 56.2% of mothers had changed their employment for childcare reasons, most often by reducing their hours of work, compared with 22.4% of fathers.¹² In Wales, mothers are five times more likely to work part-time than fathers: 37.9% of mothers work part-time compared with 6.9% of fathers.¹³

What changes might be needed to improve the effectiveness of childcare provision?

17. The Bevan Foundation has previously argued¹⁴ for a significant improvement in the provision of childcare. Our proposal envisaged the following arrangements:
- Free high quality part-time (e.g. 15-16 hours p.w.) childcare for all children whose parents want it irrespective of the parents' work status.
 - Free provision to be available from the end of Statutory Maternity Pay (39 weeks from birth) to the start of full-time school.
 - Affordable additional hours of care for 0 – 4 year olds.
 - Affordable wrap-around care available for children aged 5 – 14 for all children whose parents want it, irrespective of work status.
 - Free part-time care (e.g. 15-16 hours p.w.) in the school holidays for all children whose parents want it, with affordable additional hours of care available.
18. We envisage that our proposed universal part-time offer for 0-3 year olds would be funded by gradually reducing the current 30-hour free care offer to 15-16 hours, in effect increasing the number of children that could be provided with part-time care.¹⁵
19. For wrap-around care and holiday care above part-time provision, we envisage a step change in the number of places provided. There is a clear role for schools here, but other settings should also be provided especially for children who do not want to attend a school environment or who live some distance from their school. Provision should be affordable, based on standard charges in all maintained schools or publicly funded schemes with reduced rates for low-income families. Additional resources would be needed but we anticipate that there would be long-term savings that would help to offset the costs.
20. We also envisage local authorities' duties in respect of childcare sufficiency being strengthened, with more frequent assessments of sufficiency being undertaken. They should have an enhanced strategic role to ensure adequate provision, including filling gaps and reducing any duplication.

What impact the Childcare Offer has had in achieving the Welsh Government's objective of "helping parents, particularly mothers, to return to work or increase the hours they work".

21. The Welsh Government's childcare offer has undoubtedly benefited parents who work close to 30-hours a week and whose jobs have standard hours. It has also enabled parents who are already in employment when their child reaches the age of 3 to continue to work because they are able to satisfy the employment criteria immediately. We estimate that many of these are parents who were able to afford childcare provision when their child was younger and are therefore more likely to be on above-average incomes. The childcare offer is in effect a significant subsidy towards their childcare costs.
22. However not all groups of parents of parents have benefited from the offer because, as noted earlier, they are ineligible because of the terms of their employment, because the hours of care do not fit with atypical hours of work, or because they have children of other ages and cannot find or afford care for them. The parents who have not benefited from the offer are likely to be

those with lower household incomes who would gain the most from entering work or increasing their hours.

Whether Welsh Government-funded childcare provision is flexible enough to support employment of parents, particularly mothers, in different demographic groups

23. Current provision creates gaps in support for parents of disabled children or children with additional learning needs, for whom only 19% of local authorities report sufficient provision. It is also worth noting that Black and ethnic minority and migrant population parents disproportionately work shifts with atypical hours and so are affected by the lack of flexibility.

The impact of high-quality formal childcare provision on reducing the attainment gap, and the potential benefits of extending childcare provision to tackle inequalities.

24. The evidence on the impact of childcare on attainment is mixed. The attainment gap emerges early in a child's life and differences are already evident at the age of three. The quality of provision makes a significant difference to outcomes - disadvantaged children gain most from high quality care. Studies in England¹⁶ have questioned whether the quality of their 30-hours offer was high enough to close the attainment gap, with particular concerns being raised about the quality in deprived areas.
25. Extending and redesigning the childcare offer so that it reaches more children could have a significant impact on inequality. Increasing eligibility, providing seamless care for children of all ages, and ensuring care is flexible would enable people who would gain most from increased opportunities to work to benefit. Having two adults in work in a couple household reduces the risk of a child being in poverty 2.5 fold compared with having one adult in work.¹⁷ Being in paid work also increases women's independence and boosts their prospects in later life e.g. by enabling pension contributions. Filling gaps in provision in rural areas and deprived areas would help to reduce geographical inequalities.
26. The offer should also be redesigned to boost the quality of provision especially in deprived areas. This would help to close the attainment gap.

¹ Jarvie, M., Shorto, S., and Parlett, H. (2021) [Childcare Survey 2021](#), Coram Family and Childcare

² Ibid.

³ Calculated as 15% of the monthly cost of 25 hours p.w. and 50 hours p.w. respectively of childminder care.

⁴ V. Winckler (2019) [Trapped: Poverty amongst women in Wales today](#). Chwarae Teg

⁵ Marin, K. and Hudson, H. (2014) [Rapid Evidence Assessment: The childcare needs of parents/carers who work atypical hours or have additional needs](#). Welsh Government social research 66/2014

⁶ 45.5% of mothers in couples and 53.7% of lone parents

⁷ Office for National Statistics, [Families and the Labour Market, UK 2020](#) Table 16

⁸ Jarvie, M., Shorto, S., and Parlett, H. (2021) op. cit.

⁹ Cottell, C., Descateaux, S. and Coleman, L. (2019) [Holiday Childcare Survey 2019](#), Coram Family and Childcare

¹⁰ Office for National Statistics, [Families and the Labour Market, Wales 2020](#)

¹¹ V. Winckler (2019) op. cit.

¹² Ibid

¹³ Office for National Statistics, [Families and the Labour Market, Wales 2020](#) op. cit.

¹⁴ Bevan Foundation (2020) [A better future for the people of Wales](#)

¹⁵ NB higher adult to child ratios for under-3 year olds affects the increase in places

¹⁶ Ibid.

¹⁷ StatsWales, [Children in relative income poverty by economic status of the household](#)