

November 2003

## **Consultation response: 2004 spending review – childcare review**

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### **Introduction**

JRF welcomes the opportunity to respond to the 2004 Spending Review – Childcare Review. The Foundation's submission has been prepared by Shirley Dex in her role as Research Advisor to the Joseph Rowntree Foundation's Work and Family Life Programme. Shirley would be pleased to answer any specific queries you may have about the detail of the response. Her email address is: Shirley Dex ([sd@cls.ioe.ac.uk](mailto:sd@cls.ioe.ac.uk)).

The Work and Family Life Programme of JRF, 1998–2003, consisted of 19 projects undertaken by research teams based largely in British universities. The studies examined how parents manage work and family life, and the associated childcare issues. Empirical data have been collected through representative surveys and qualitative interviews with mothers, fathers, children and parents' employers. Interviews were located in parents' homes and in their workplaces, and have also covered childcare providers and the childcare labour force. A summary overview report was published in September 2003 (Dex 2003a, 2003b), which draws out some of the main conclusions from the 19 separate projects. A full list of each project's publications can be found in the overview report (Dex 2003a) available at <http://www.jrf.org.uk/knowledge/findings/foundations/923.asp>, and elsewhere on this web-site where downloadable summaries – *Findings* – are available for each project.

The responses given to questions asked by the review are based on evidence from these projects and a few related studies. The comments are not intended to represent the author's personal views, except where they already appear in the overview report. The questions are numbered to help with cross-referencing.

#### **1. The 2002 Childcare Review set out the government's vision that every parent be able to access affordable good quality childcare. Is this vision in line with your views?**

The relevant JRF studies found that this does not represent the views of all parents, for the reasons set out below.

A sizeable group of employed parents preferred to care for their own children themselves and had organised their paid work around a shift-parenting system. One parent was then available to provide childcare while the other parent was at work, and then they swapped over while parent number two stayed home and parent number one went out to work. While some of these arrangements were devised in order to raise income and keep the cost of childcare to a

minimum, in some families this was a device enabling parents to care for their own children, and was the method of care they preferred. As many as 29% of parents (of a child under 14) could be operating such a system, but the division between those who prefer this arrangement and those who do it of necessity was not entirely clear.

There is a sizeable minority of mothers who prefer to give up paid work to care for their own children, in order to give them what they feel is the best start in life. They are a declining group statistically. Some childminders have similar values. Feeling financial pressures, they became childminders as a way of raising cash while still being available to care for their own children. Again, the full extent of this preference is masked by the fact that some mothers who are working share this view, and some of the mothers who are not in paid employment would prefer to work.

The precise number of parents who disagree, for these different reasons, with the government's vision for childcare is unclear. Surveys have not been sufficiently sophisticated to differentiate how far parents' preferences and how far constraints are the main drivers of their choices. What the JRF studies revealed very clearly is that when parents are given more time and space in interview to have a say, there are some strongly held views and preferences of mothers and fathers that young (mainly preschool) children are best cared for by their parents, rather than by what they would call 'strangers'.

One major problem with the government's 'vision' is that it is not age specific. It is generally recognised that young children need different kinds of care at different ages. This is not part of the 'vision'. The possible interpretation that all children of whatever age are best placed in daycare from shortly after birth clearly flies against the majority of opinion of professionals and parents. Studies of professionals involved with children show that the majority think that care for babies is best from mothers until they reach 2–3 years old (Leach 1996). The majority of professionals think that children over the age of 3 years benefit from some sort of nursery care. Many parents share this general view. The JRF studies found many parents who strongly prefer to care for their own children, especially when they are young. These parents do not necessarily want paid work or more childcare places.

One longitudinal Economic and Social Research Council (ESRC) study of women becoming mothers, by Houston and Marks (2000), found that many mothers changed their minds about work as a result of having a child. Having started out before childbirth firmly intending to return to work after childbirth, the experience of motherhood changed their mind. These mothers were then less likely to want to return to work early, wanting instead to enjoy the experience of motherhood.

The government's childcare strategy seems to be too closely linked to mothers moving into paid employment. The feeling is growing that government is seeking to coerce all mothers, by

one means or another, to work – and as soon as possible after children are born. Although this is not strictly a stated part of the ‘vision’, the later questions in this Review clearly indicate that the government thinks that paid formal childcare is best for children, and that informal care is less preferred, or even substandard. A sizeable group of parents do not agree with this view. It would therefore be good to inject these concerns into the strategy – i.e. what is best for children of different ages and what would parents prefer? – taking a wider group of parents’ views into account.

In addition, many parent users of formal childcare in JRF studies expressed strong preferences about the sort of childcare they were happy with. Rather than being prepared to compromise on what was available, some parents’ views were so strong that they were prepared to put themselves to enormous time and trouble to take their children to what they thought of as suitable carers. What government thinks is ‘accessible care’ is not necessarily the type of care that parents think suitable for their children.

## **2. What are the gaps in childcare provision at present?**

Childcare provision was seen to be a problem for working parents of school-aged children:

- during the school holidays;
- when schools announced additional days’ holiday for training;
- for some parents working at atypical times of day and weekends;
- when children were just starting school and only attended part of the day.

An associated study (Kagan et al,1998) revealed that:

- greater attention needs to be paid to the childcare and associated transport needs of disabled children.

In addition, co-ordinating different childcare provision was problematic for some employed parents, especially in families with more than one young child. The problems were caused by:

- different childcare facilities having different start and finish times for a session, and these varying from the start and end times of the school day;
- schools having induction practices for their reception class intake that specified particular half days when the children were to come to school (e.g. mornings only for the first month; and sometimes afternoons for the subsequent month).

Getting children from care in one place to care in another, either early in the morning, at midday, or the end of school, led to considerable pressure on two-parent families and made some one-parent families feel it was so impossible that employment was not an option.

Coordinating childcare, the geographical spread of provision and associated transport needs, or providing children with wrap-around, seamless provision, need more detailed consideration in the National Strategy if lone parents and even some couples are to be able to manage the complexities of childcare, education and their own work commitments – especially if they have more than one child.

Although some gaps in provision are evident for childcare at atypical times of day, there are many serious problems with extending the current levels of childcare provision at atypical times of day and weekends. Existing childcare providers face significant problems in trying to extend their services outside of the normal working day, even where they are willing to do so. There are staffing as well as other barriers. Childminders have done most to offer flexible services by extending their hours a little either side of the standard working day. But all childcare providers thought further extension would encroach on their own family time, and was therefore unacceptable. Similarly, childcare providers other than childminders thought that there would be problems finding staff to work at atypical times, as well as having to face problems with premises and insurance.

In addition, the demand for childcare provision at atypical times of day is relatively low. This means that the business case for such provision is weak. One project found that innovative provision set up to offer childcare at atypical times of day, often with National Child Care subsidies for the first year, could not generate a viable business by the end of their funding period. Also, the real costs of supplying care at atypical times of day, sometimes being brought to the home, were considerably higher than parents are able to afford.

Offering additional subsidies for very costly childcare to particular groups who might benefit raises important questions of equity between families. Similarly, there are important equity issues to business when governments offer subsidised starts to some childcare businesses in an environment where others have started a business without government subsidy. These self-starters can even find their business undermined by government subsidy. These are important issues that have not been aired in the strategy.

JRF studies also showed that formal childcare demand is higher in communities that are more geographically mobile, and lower where communities are more stable.

### **3. What improvement in childcare provision do you consider would make the greatest difference to children and their families?**

Families would benefit from:

- better dovetailing of childcare provision with the education system to provide wrap-around care, especially at the end of the school day and during school holidays;

- more flexibility in the opening and closing times of education and childcare, more provision where care and education could be offered on the same sites;
- more help with transporting children from one venue to another, in order to address the difficult coordination problems some parents have; and
- childcare being organised to cover occasional training days for teachers, or other ad hoc school closure days on the school premises would be appreciated.

There is a problem for some couple families and lone parents who work at atypical times of day and at varying times each week, in that they cannot vary their childcare package and payments to fit with varying work schedules. Clearly, it goes against the interests of childcare providers to allow places to be filled some weeks but not others, with an associated loss of income. Solving this problem would make a big difference to some low-income families.

#### **4. What is your assessment of delivery of the government's childcare strategy so far? How could it be improved?**

The parents who used formal childcare providers were all reasonably satisfied with the quality of care. This was found across all types of providers, including childminders. DfES surveys of parents all show the same findings on nationally representative samples of parents. In JRF studies' findings, there was less satisfaction with the rigid session hours of particular providers and the inability to vary the sessions on a weekly basis without paying for sessions not wanted.

Improvements suggested by the JRF studies are listed in response to Question 3 above.

Norway and Finland give more choice to parents over childcare. They can have subsidised childcare, or cash to the same value. The adoption of such a scheme in Britain would enable all parents and children to benefit.

Greater attention should be paid to equity issues in offering subsidies to childcare businesses and to the business case for start-up. The fact that many new childcare businesses are not economically viable after their start-up grant ends suggests a more hard-nosed examination of the business case and the potential market is needed from the outset, to avoid further waste of public funds. One problem is that the providers of childcare do not come from business backgrounds and have little skill in running a business. The government's own evaluation of its business services for childcare provision start-up shows that business support has been sadly lacking, sometimes through under-recruitment. Overall, there is insufficient business experience and capacity in this sector.

#### **5. Given the very limited overall additional resources in 2004 Spending Review, what should the government's priorities for childcare funding be?**

Greater wrap-around care provision in term-time and across holiday times.

## **6. What interventions would produce the best outcomes in terms of child development?**

The evidence is mixed on this point. One JRF study, using state-of-the-art advanced statistical techniques and analysis of sibling differences (Ermisch and Francesconi 2001), found disadvantages for children from mothers working full-time in the pre-school years. The Effective Provision of Pre-school Education (EPPE) project studies have found some negative effects on children. Preliminary results from the recent Avon Longitudinal Study of Parents and Children (ALSPAC) study (Gregg et al.) have noted unsatisfactory child outcomes for pre-school children receiving informal care from relatives: this has been interpreted as saying that grandparent care is bad for young children. However, the ALSPAC study does not carry out a thorough study of the potential interaction effects, and does not use the same advanced level of statistical techniques as the Ermisch and Francesconi study – albeit with a more detailed data set. Further research and robust analysis is necessary before firm conclusions can be drawn.

Given the sensitivity of some of these issues, varying econometric techniques, and varying outcomes, *it would be extremely unwise to base intervention policy on the results of any one study.*

## **7. What interventions would produce the best outcomes in helping parents into employment, to stay in employment or to increase their hours of work?**

Clearly, childcare improvements at the margin are important in facilitating a minority of parents entering the workforce. But more important for some parents who depend on the benefit system is the risk involved in moving off benefits, where they have a relatively secure if low income but housing is paid for, to a position where they have a very insecure and only slightly higher income with which to pay for at least some housing and other costs. I cite below a quote from one such parent (in a JRF project) who moved from benefit into self-employment:

“I’ve never had much money. I wouldn’t say that I was well-off on benefits because I struggled to feed us and manage every week, but I knew that my rent was paid every week. I knew that my council tax was paid. I didn’t have to worry about anything like that.”

*(Self-employed lone mother: Baines et al. 2003).*

However, the JRF studies showed that there was a strong feeling among parents that cutting down their hours and even stopping work altogether were what they would prefer. The

strongest views were as follows:

- Mothers would like fathers to cut down long hours of work.
- Many mothers would prefer shorter hours of work, even giving up paid work altogether (as many as 50%), if they could afford it.
- Mothers and fathers (and even children) would prefer work for themselves and their partner that did not involve so much time at work on Sunday (especially) and at weekends (more generally).
- Both parents would like greater flexibility about work where they do not have it already.

## **Childcare for school-age children**

### **8. What are the barriers to integrating schools more into the Government's childcare strategy?**

While it may be possible, even efficient, for schools to play a bigger role in organising care, asking schools to be providers or organisers of childcare would involve a departure from their current education purpose and may be resisted. Teachers, in particular, see themselves as professional educators, whereas childcare is often viewed as low-skilled – and certainly not a professional job.

To integrate schools into a childcare strategy, using schools as the base for extending childcare, needs additional workers to be incorporated into schools. This would put more pressures on school management, which is already under severe pressure, with primary head-teachers' posts being difficult to fill. To be integrated into school provision, childcare needs to be upgraded to be on a par in status with education. Both of these are difficult to achieve.

To be more integrated into the childcare strategy schools need to:

- offer wrap-around childcare at either side of the school day, on the premises if possible;
- organise childcare for occasional training days for teachers or other ad hoc school closure days, on the school premises.

### **9. What kind of school activities reap the greatest benefits for children? How do the needs of secondary age children differ?**

No comments.

### **10. What kind of provision is most suited to the needs of parents?**

Nothing new to add from points made earlier.

## **Pre-school provision (early years educational entitlement and childcare provision)**

**11. What is your assessment of the impact of the early years education entitlement? How could it be made more effective?**

No comments.

**12. How could we better integrate early years education provision with childcare provision?**

Relevant points already made above at Questions 3 and 8.

**13. If additional investment were available, should it be focused on funding more hours of early years education, extending the age group covered by early years education or on more childcare provision for pre-school children?**

More wrap-around care is the most important, whatever adjustments are made to provision.

**14. Given limited resources, should government continue to focus on the most deprived areas, or should it extend coverage beyond the 20% most disadvantaged? If the focus should be extended, how far and how quickly should this be done?**

Parents in lower socio-economic groups were more likely to express strong preferences to care for their own children (and forgo paid work) or to prefer other informal care arrangements. If government wishes to get most value from its spending, it needs to ensure in advance that additional places in disadvantaged areas will be used if they were provided.

## **Workforce and training**

**15. What are the priority childcare workforce issues the government should address?**

Pay, status and training. Training is a particular problem for childminders (see Question 16).

**16. What further things should the government be doing to increase the status of the childcare profession?**

Higher wages is one approach, but a 'Catch 22' if passed on to parents. As one childminder said:

“You can’t charge too much, because you price yourself out of the market. So you’re not earning enough to be fully independent, but at the same time you can’t afford to ask for more, because then you’ll have no work at all.”  
(Mooney *et al* 2001)

Training is also important. A JRF study showed that there is no intrinsic opposition to training among the childminder workforce, but the interest in training faces structural constraints. As well as meeting the costs of training, there is the issue of childcare for the childminder’s own children during time spent training, and the loss of earnings while training (also disruption to the parents who use this childcare). These are not insurmountable problems if resources were available, but they need to be seriously addressed if childminders are to be expected to undergo further training. If training were required as an additional entry requirement to childminding (or for existing childminders), without payment while training, the numbers would be likely to decline further.

### **17. What workforce measures would reap the most significant benefits for children?**

More work–life balance policies in organisations will benefit parents and, thus, their children. Problems were identified in JRF studies about fully implementing work–life policies in workplaces. A series of recommendations were made about best-practice implementation of work–life policies in the workplace (listed in the Appendix below).

### **18. How should childcare workforce issues be integrated into the wider children’s workforce reforms outlined in the Green Paper, ‘Every Child Matters’?**

No additional comments to make.

## **Informal care**

### **19. What should government do to encourage more parents to use good quality formal rather than informal care?**

JRF studies showed that the implication that paid formal childcare is better than parental care – or care from family members – runs contrary to the instincts of many parents. Studies are mixed in their findings about this. Formal care during the first year of life has been identified as having negative effects, as has long hours in daycare. Where studies have found there are positive effects from formal care on children’s ability, they have often not controlled for genetic components of ability, and such studies have found negative effects on emotional and social development – to balance against the positive effects on language development etc.

There are also additional benefits to parents and children from using informal care, since it creates and maintains a set of important social networks and community ties. These relationships are the substance or 'glue' of communities. The importance of such relationships becomes more visible when families have to relocate and are torn away from such relationships, as several JRF studies showed. While paid services can replace reliance on family and friends to some extent, they cannot offer the same degree of flexibility, trust, reciprocity, or social cohesion that social relationships offer.

## **20. Other than availability and affordability why do parents use informal care?**

The idea that there is a hard and fast distinction between formal and informal care is mistaken. The vast majority of parents rely on informal childcare for some of their care needs. Even those who use formal provision as their main care to cover employment rely on informal care to cover emergencies, to provide flexibility, to transport children between carers, and as extensions to the childcare provider's hours.

Parents get flexibility and social cohesion from reliance on local friends and relatives for childcare. Social networks and social capital emerge from childcare networks in an increasingly atomised and individualised world.

JRF studies show that a sizeable group of parents – more especially but not exclusively in lower socio-economics groups – among the self-employed and some ethnic minority groups, express strong preferences for their own parental care for their children, or care by the child's grandparents. They think relatives are people they can trust, over anonymous childcare workers, to love and care for their child. Such parents, in their choices of care, are implicitly placing higher value on relationships than on any ability achievements for the child that may (or may not) arise in alternative care settings.

## **21. How can we best encourage informal carers to work towards registered/approved status? Should we focus on particular groups of informal carers?**

One suggestion, not based on research, is to try working through mums and toddlers groups. Many informal carers go to such groups to enhance their own social life while they are caring. It might be possible for community workers to work with the organisers of these groups to give occasional talks to carers, while the children play, about caring for children.

The problem here is that these people cannot both care and go to training courses. There may be some who could be persuaded to attend training if it were offered free during the day, with childcare provided for the children they are caring for, as has been suggested above for childminder training.

But the need for training is often not recognised by this group who think being a mother themselves and loving the child are the main criteria of good quality care.

## **Sustainability and affordability**

### **22. What evidence is there of sustainability problems amongst childcare providers?**

The majority of childminders see their job as one phase in their working life coinciding with having young children of their own (Mooney et al. 2001). Numbers of childminders, according to the DoH/DfES statistics and the members' register of the National Childminders Association (NCMA), declined in the 1990s. This programme's investigation of this issue did not provide definite answers as to why this was the case. One possible explanation was that there had been some tidying up of the registers, deleting those who were no longer working as childminders. But there was no hard evidence that this was part of the explanation. The Children Act of 1989, the National Childcare Strategy and, more recently, the switch of inspection and regulation to OFSTED have all left their mark on the regulation of childminding. Consequently, the process of registering as a childminder has been made more rigorous and, therefore, more difficult. Similarly, the standards expected of their home are more regulated and demanding to fulfil, although start-up grants to buy toys and other necessary equipment are now available. Even so, the new regulations may be off-putting to potential childminders.

The temporary life-cycle nature of this workforce, and the increased regulation and hurdles to become a childminder both suggest that this source of childcare cannot be expected to expand to help fulfil the government's targets for increases in provision. Innovation is clearly possible, as Mooney and Statham (2003) found. But it is on a very small scale and not always economically viable. Increases in a labour force can often be obtained by raising the wage rates. But again, this route to increasing the workforce – be it childminders or other childcare workers – is unlikely to be easy. There seems to be an overwhelming assumption that any childcare costs need to be paid out of the mother's earnings – and not the family's total earnings. This makes the mother's decision to work one based on a calculation of the economics of hourly wages minus hourly childcare costs. The viability of market childcare provision, therefore, is linked to women's wages in general. If these are low, as many are, then it becomes impossible to raise the price of substitute care.

Childminders' morale and motivation is also undermined by one of the same forces that has promoted mothers going into paid work in the first place. Childminders, like mothers who used to stay at home to look after their own children, feel that caring for children, even if it is paid, is not particularly valued by society at large. It can also be lonely, since it is done at home. In comparison, doing other paid jobs has higher status, a chance for social interaction that is valued by women, and often higher material rewards and satisfaction.

As far as the quality of care is concerned, there is a delicate balance to maintain. Too much additional regulation or inspection for this group, or mandatory training, would be likely to lead to further depletion of the stock of childminders.

Childminders are a group of the childcare workforce that unusually offer flexibility to parents. See the further discussion of this point at Question 2 above. Existing childcare providers face significant problems in trying to extend their services outside the normal working day, even where they are willing to do so. There are staffing as well as other barriers. See the further discussion of this point at Question 2 above.

In addition, the demand for childcare provision at atypical times of day is relatively low. This means that the business case for such provision is weak. One project found that innovative provision set up to offer childcare at atypical times of day, often with National Child Care subsidies for the first year, could not generate a viable business by the end of their funding period. See the further discussion of this point at Question 2 above.

**23. We know that childcare for pre-school children can be expensive, particularly for parents working long hours. Is there evidence that affordability is a problem for school-aged children also?**

One JRF study of lone parents found that affordability of holiday clubs for their school-aged children was an issue for them. Having to pay for after-school places on days when their shift pattern did not necessitate using the place was also a problem for some parents whose working times varied.

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## Appendix

### Summary: Recommendations from studies in the JRF programme

#### *Problems that needing addressing in workplaces*

While flexible working arrangements have been increasing, JRF studies found that implementing work–life policies still has some way to go:

- Communication and awareness about the work-life policies needs to be improved.
- Training of line managers needs increasing and improving.
- Flexibility needs to be part of workplace culture.
- More prominence and recognition should be given to the relatively neglected needs of those caring for older adults and disabled children.
- Measures are needed to address the ubiquitous long-hours culture, particularly prevalent among managers, that runs counter to work–life balance and sets working practice standards that many employees feel they cannot meet.
- The growth of weekend work raises issues for parents.
- The work–life balance issues for some groups of workers have not been considered: namely, the self-employed, employees who are relocated by their employer, and employees in predominantly male workplaces.

## ***Recommendations for extending best-practice flexible working arrangements in the workplace***

- Involve employees in devising flexible solutions. Customised solutions work best for employees. This also provides opportunities for greater employee partnership, initiative and autonomy.
- Review the overall organisation of work, rather than bolting on flexible working policies. This brings far greater benefits and also addresses ineffective and low productivity working practices.
- Carry out rigorous cost–benefit analyses of employee relocation, to test that it is necessary, as well as finding ways of alleviating some of the bad effects on families of this policy.
- Allow flexibility to both men and women in order to avoid discriminating in favour of one group. (This will also spread costs more evenly between employers.)
- Encourage the spread of multi-skilling, teamwork, rotating sabbaticals in other teams, and systems of explicit reciprocity between employers and employees.
- Encourage better communication between employers, managers and employees, and transparent policies so that employees and line managers are aware of organisation policies. This may mean avoiding over-long lists of policies and confusing names.