

Election watch

As the politicians gear up for next year's general election, *Nursery World* asked six nursery chains what policies they would like to see the parties committing to. Interviews by *Charlotte Goddard*

MARG RANGLES BUSY BEES CO-FOUNDER AND MANAGING DIRECTOR

Whichever government ends up in power they will have challenges balancing the books. It is a near impossible job keeping everyone happy.

There is generally an all-round commitment to support the families most in need. We currently have a universal offer for three-year-olds of 15 hours and there are proposals to extend this – perhaps it would be better to focus any further funding proposals on the most disadvantaged families rather than extending the current 15 hours for all.

More changes to the curriculum and inspection framework have been recently implemented. It would be helpful if those can become embedded before more are made. It would be truly inspirational if there were a cross-party consensus on the direction of childcare, as it provides great outcomes for all children. The benefits of high-quality childcare last throughout a child's life. We all need to agree to get it right.

Many providers are supportive but fearful of the living wage as this will undoubtedly impact on the cost to parents, meaning that any support currently provided will be once again diluted due to essential increases in fees to ensure sustainability.

To raise quality and achieve the best outcomes for children, providers require more financial help towards the cost of training. If graduate-led care is the key to quality then it needs to be funded. Providers are committed to developing their teams but are often constrained by time, cost and the availability of relevant courses.

Lisa Snell Childcare and curriculum manager, Busy Bees

Over the past 10 years the sector has undergone numerous changes to the curriculum framework. An educa-

tion policy that is written by a group of cross-party members would bring long-term consistency to the sector. Engagement is necessary to bring a consensus of opinion across the political parties to bring a shared education system that remains stable for a generation of children.

Changes made to the education frameworks after each election bring unnecessary costs to businesses. The extent of the changes is irrelevant: even small changes have a knock-on effect for training and working policy.

Karen Mackay Head of external affairs and strategy, Busy Bees

The expectation across the sector is that regardless of who wins the next election there will be less money and education will be subject to cuts in real terms. This has not happened during the last parliament.

Overall, we would like the elected government to pay an accurate level of funding for the provider. This could be done as we have suggested following a report by the Centre for Fiscal Studies, which suggested welfare savings could account for over £1 billion that could then be re-invested back into the sector.

IAN ATKEY DIRECTOR, KID EASE

I have raised some of the issues affecting Kid Ease and the sector in general with one of our local MPs, who has contacted both communities minister Eric Pickles and Chancellor George Osborne on our behalf. We are awaiting responses. Business rates are a particular issue for us: a helpful policy would be the establishment of a set formula for calculating these rates. Many small businesses like Kid Ease currently have to submit challenges against them – we have at least two ongoing.

The sector really is in a catch-22: minimum wage increases on one



hand, vilification in the press about the high cost of childcare on the other. I have no issue with the concept of a minimum wage, the problem is its rate of increase. Our sector pays 65 per cent of its income out in wages, so a significant rise in the minimum, without being able to pass on costs in full because of affordability issues, puts a huge strain on quality. Experienced and qualified staff suffer most: the gap between salaries which reward them for their qualifications and experience, and the minimum wage, is rapidly eroding. The danger for the sector will be a reliance on recruiting young, untrained staff on the grounds of affordability. If the government insists on continuing this policy, it really does need to address affordability for all parents, working and non working, and not just term-time support through the Nursery Education Grant (NEG).

Childcare providers are restricted to whatever hourly rate individual councils set for their NEG and cannot 'top up' any shortfall. This is a form of price fixing and could be viewed as encouraging anti-competitive practice as well as potentially damaging quality in terms of staffing, maintenance and capital investment.

I think the early years entitlement should be 15 hours (or more)

'It would be truly inspirational if there were a cross-party consensus on the direction of childcare'



all year round rather than 15 hours in term time only, or fewer hours stretched over 51 weeks. This would make sense because the proportion of working parents employed on term-time contracts is minimal. The Government needs to move away from its fixation with school term dates.

SUSAN MCGHEE
COMMERCIAL DIRECTOR,
BERTRAM NURSERY GROUP

We have nurseries in England and in Scotland, but promises about further devolution following the referendum are unlikely to affect us; we are used to working within two systems.

A working group in Scotland is

developing a campaign for childcare reform with support from government and across the political parties, looking at affordability and accountability and consulting with parents, providers and local authorities. They are hoping to put forward recommendations next year. We would like to see something around how childcare is funded. Some Scottish Government policies are really admirable – the ‘Getting it right for every child’ approach, for example. But when you get to the administration of that, with funding given to local authorities as part of their overall pot, then the aims of government are not being met. We’d like much more guidance and more control over how that is administered.

At present things vary hugely from local authority to local authority – some are keen to keep all childcare in-house for example, while others are happy to work with the private sector. Whereas in England all Ofsted-registered nurseries can offer the free entitlement, in Scotland nurseries have to go through a competitive tender process to receive that funding. Some parents are saying that they have not been able to access funding, for example if their child was already settled in a private nursery but that nursery could not offer

Ian Atkey, Kid Ease,
left; Marg Randles,
Busy Bees, above;
Susan McGhee,
Bertram, below left;
Olivia Foley, Hungry
Caterpillar, below
right

the free hours. So we would like to see more guidance around maintaining parent choice when it comes to the free entitlement.

The other issue that is of concern to us is the push for a better qualified workforce. With policies being put forward about managers having to be degree-level qualified, for example, there needs to also be an indication of how that will be supported. A lot of courses used to be provided free, by local authorities, but that is no longer the case because of cuts.

OLIVIA FOLEY
FOUNDER AND DIRECTOR,
HUNGRY CATERPILLAR
DAY NURSERIES

The policy I am particularly concerned about is two-year-olds being cared for in schools. Schools operate in a very different way to nurseries, with a very different focus and rightly so. It’s been a challenge for some schools to adapt their nursery learning environments for younger children, so it will be an even bigger challenge creating learning environments and an approach that is suitable for two-year-olds. The Government’s aim is to raise standards but achieving this is not about who cares for two-year-olds, it is how they are cared for that counts. In addition, parents should have a choice of the childcare that is right for them and their child. This policy will take that choice away from parents.

We’re a community-based nursery group, so are taking on more and more funded children in relation to those who pay fees. The outcome of that is we are seeing an already squeezed profit margin becoming dramatically reduced.

Looking at the Lib Dems’ policy which would see babies having ten free hours a week and extended ➤



hours for two-year-olds, I don't think we would be able to afford to offer more funded places than we already are. The situation could be improved if the rate we are paid accurately reflected the cost of delivering the care, but an increase does not seem to be on the agenda.

The coalition Government's tax-free childcare scheme, which will be implemented next autumn, has winners and losers. Many parents will benefit more than others, particularly those with higher childcare costs. However, some parents would have been better off under the present arrangements. I am not sure how the new scheme will benefit nurseries other than the convenience of having one company administering the scheme for us to deal with. We currently process payments from more than 20 different voucher companies each month. They all work in different ways and therefore the administration can be costly.

Looking at the current policy that requires newly qualifying Level 3 staff to have Maths and English GCSEs at grade C and above, and the move towards more academic qualifications in childcare – the reality is that a lot of really great early years practitioners are not academic. We are going to see a vast hole in the workforce as more and more people are put off entering the profession. It will also deter those precious older recruits who have all the relevant life experience but no qualifications and who are unwilling or unable to go back and do GCSEs.

We do have an increasing number of staff completing degree courses. They have the practical experience in addition to the academic qualification: the perfect combination. However, in our experience, many degree-qualified practitioners are all too rapidly lured away from private nurseries by the shorter working hours and longer holidays offered in schools.

It is going to be an interesting 12 to 18 months, who knows what the future will bring, particularly with a new Government looming. All we can do is watch and wait.

**JO BEIGHTON
CHILDCARE AND
EDUCATION MANAGER,
HAPPY DAYS**

We'd like to see childcare businesses become zero-rated for VAT. This would be a significant step towards



making childcare more affordable. We, and other nurseries, would be able to recover VAT on purchases and overheads, which would reduce our cost base and so allow fees to be reduced for parents. We are a growing chain of 15 nurseries, opening new ones every year. The current VAT regime, under which nurseries cannot recover VAT on their capital expenditure and rent, puts expanding nursery chains at a significant disadvantage compared to other sectors. Changing to being zero-rated for VAT would support investment in new nurseries, to the benefit of both parents and employers.

We would also really like to see a Government that shows a genuine commitment to understanding how under-fives learn. Whoever is writing the policies needs to draw on the wide body of research that is out there, to re-engage with the original EYFS and move away from the focus on school readiness and attainment. We would also like to see funding streams that support the need for a wide range of provision which can meet the needs of under-fives.

Training is another key concern, and we would like to see funding and support for training geared towards improving the skill level of the current NVQ Level 3-qualified practitioners – in particular, their knowledge and understanding of the fundamentals: child development, assessment and planning cycles and how children learn. We have noticed a consistent gap in training here, regardless of local authority area. People who work in early years genuinely want to do a good job but their qualifications do not always equip them with what they need to do that from the moment they finish their training and start work.

'For private providers, the hourly rates we are paid do not cover our costs'

**JILL JOHNSON
MANAGING DIRECTOR,
TWINKLES NURSERIES**

We'll be looking particularly at policies around funding, the number of hours funded and the way the hours are funded. We currently offer 15 hours, but information from the Labour Party is that they are looking at extending that to 25 hours. Obviously the hourly rates we are paid do not cover our costs, so increasing the hours is an issue for the industry. It is a great policy for parents but not so good for nurseries.

The other big issue is two-year-olds. The Labour Party is looking at including them in mainstream schools [as is the Conservative Party]. I don't believe that is a child-friendly policy. They will be going into a very structured environment as opposed to an environment where they are encouraged to explore and play and be children. I come from a teaching background so I can see it from both sides. These are the two policies that may be family-friendly on the surface but do not help the industry as a whole.

One of the big things we would like to see is putting a stop to making continual changes to the guidelines. The Early Years Foundation Stage has changed twice in the past few years, for example.

Another big issue is that we pay VAT out to suppliers but we can't claim it back ourselves. There was a similar situation in care homes, and there was a change in the legislation to allow care homes to claim back retrospectively. When as a sector we are hounded by the press about childcare costs there has to be an understanding of how much pressure we are under. That would be my biggie – it would be good to see parties putting forward some policies on that. ■



**Jill Johnson,
Twinkles Nursery
Group, right; Jo
Beighton, Happy
Days, above left:
both want
nurseries to be
zero-rated for VAT**