

Written evidence submitted by The Alliance Party of Northern Ireland

Context

The Alliance Party was founded in 1970 with the objective of bridging the bitter divisions in our community and building a shared society for everyone. We have 17 MLAs in the Northern Ireland Assembly and have 53 councillors across Northern Ireland.

We are committed to devolution, but are responding to this call for evidence in the absence of a functioning Northern Ireland Executive and are seeking to highlight the disparity in childcare provision across the UK, as well as the levers the UK Government holds to improve the affordability of childcare in Northern Ireland.

The childcare system in Northern Ireland is in crisis, and parents and providers are struggling to make it viable. With ever-growing costs, parents face impossible decisions and increasing numbers, predominantly women, are being forced to stay at home to look after children.

It is critical that government – be it devolved or central - takes action to create and sustain a childcare system that works, so that nurseries can stay open and provide good quality care, and so that we can close the gender pay gap and start to tackle the motherhood penalty.

The local childcare sector is under immense financial strain due to chronic underfunding and an unstable political landscape, which has prevented the devolved government from making the urgent intervention required.

Parents are spending an increasing proportion of household income on childcare or finding it simply isn't financially feasible to work. We risk seeing a collapse of the sector which will have a detrimental impact on maternal employment and economic growth.

The crisis in the Northern Ireland childcare sector, women shouldering unpaid care work as well as workplace discrimination are all long-standing, structural issues that urgently need to be addressed. We need radical solutions to solve issues in the childcare system. We need universal, child-centred childcare to meet families' and providers' needs, as well as more robust protections for workers.

Childcare entitlements

Are the current entitlements providing parents/carers with sufficient childcare, and to what extent are childcare costs affecting parents/carers from returning to work full-time?

Childcare is a devolved matter and, as a result, divergent approaches to entitlement have emerged across the UK. Childcare policy and legislative reform which have been introduced in England are noticeably absent in Northern Ireland. In the absence of a functioning Assembly or a sitting Executive in Northern Ireland and with changes to the landscape of family benefits and entitlements, including the roll-out of Universal Credit, we have serious concerns on the impact these changes will have on families in Northern Ireland.

The following table is taken from an independent review into welfare mitigations in Northern Ireland, and outlines the stark difference in childcare support provided outside of the social welfare system across the UK and Ireland:

Education Committee
 Inquiry: Support for childcare and the early years

| Funded provision | 2 year old | 3-4 year olds | Flexible timings | Flexible providers | Classification |
|------------------|---|---|-------------------------------------|--------------------|------------------------------------|
| NI | None | 475 hours a year for all children 855 hours a year in 29 per cent of pre-schools | No | No | Pre-school education |
| England | 570 hours a year for low income families | 1,140 hours a year for certain working families 570 hours a year for all children | Yes | Yes | Early education and childcare |
| Scotland | 600+ hours a year for families on a range of benefits (now expanded to 1,140 hours in term time) | 600+ hours a year for all children (now expanded to 1,140 hours) | No | Yes | Early education and childcare |
| Funded provision | 2 year old | 3-4 year olds | Flexible timings | Flexible providers | Classification |
| Wales | 487.5 hours per year (term time) for Families in Disadvantaged Areas + 15 sessions in school holidays | 1,440 hours a year for Working families can be spread over 48 weeks to include school holidays 390+ hours a year for all children | Yes (some school holiday provision) | Yes | Early education and childcare |
| Ireland | 570 hours a year for all children from 2 years and 8 months | 570 hours a year for all children | No | Yes | Early childhood care and education |

Source: Fact Check NI – Is Northern Ireland without funded childcare provision? December 2019, via Welfare Mitigations Review - Independent Advisory Panel Report (Available: <https://www.communities->

Broadly speaking, the UK has the second most expensive childcare system in the world. On average, a full-time place costs £14,000 per year, making it unaffordable for many families, particularly single parents, and those on low incomes.

Locally, Employers For Childcare¹ conducted a survey of parents and childcare providers in 2021 and found the average cost of a full-time childcare place in Northern Ireland is £170 per week. The survey also found that almost a third of childcare providers describe their current financial position as 'distressed' or 'struggling', meaning that they are at immediate risk of closure or are focused on survival over the next 12 months. Northern Ireland simply cannot afford for this to happen, as an affordable and high-quality childcare and early years system is fundamental to our local economy functioning. For too long, women in Northern Ireland have shouldered the care burden and facing workplace discrimination and vulnerability, excluding them from being able to participate in our local economy freely and fairly.

Research by Pregnant Then Screwed in 2020² found that two-thirds of mothers work fewer hours than they want to because of childcare costs, and research by Save the Children³ found that there are 870,000 stay at home mums who want to work but can't because of childcare cost and availability.

In addition to the lack of policy development and reform, responsibility for early years provision in Northern Ireland is spread across a number of departments and arm's length bodies. This is a fragmented policy approach in that no one government department has sole responsibility for provision. Northern Ireland remains the only UK jurisdiction without a Childcare Strategy, a situation which we believe is unacceptable, and which lets down children and their families.

It is critical the local Assembly is restored and works with the UK Government to provide urgent and critical funding for the childcare sector and deliver an affordable, accessible and flexible childcare system to support families and childcare providers across Northern Ireland. We need to work together to ensure that quality childcare is affordable and recognise it as critical social infrastructure.

Whether the current Tax-Free Childcare scheme, and support for childcare from the benefits and tax credit system, is working effectively or whether these subsidies could be better used within other childcare subsidies.

The Department for Communities in Northern Ireland introduced clearer support for parents to meet the upfront costs of childcare. Since 25 October 2021, parents claiming Universal Credit starting work or significantly increasing their hours can apply for a non-repayable childcare grant of up to £1,500 under the Adviser Discretion Fund.

The Department has also amended the Universal Credit (Northern Ireland) Regulations 2016 to allow the childcare grant payments made by the Department to be used in the calculation of the person's childcare costs element. This means that a parent in Northern Ireland can use the grant to meet the initial upfront childcare costs and once they get the Universal Credit Childcare Element, they can use that to pay their next month's childcare costs.

¹ Northern Ireland Childcare Survey 2021: www.employersforchildcare.org/report/northern-ireland-childcare-survey-2021/

² Press release – 46% of covid-19 redundant mothers blame lack of childcare: pregnantthenscrewed.com/46-of-mothers-being-made-redundant-blame-a-lack-of-childcare-provision-during-the-covid-19-pandemic/

³ Press release – 870,000 mums in England can't get the childcare they need: www.savethechildren.org.uk/news/media-centre/press-releases/870-000-stay-at-home-mums-in-england-want-to-work-but-cant

We would like to see an extension of the fund to meet upfront childcare costs to ensure it is providing support as intended.

Currently, the Tax-Free Childcare scheme allows eligible working families to claim 20% of their childcare costs from the government, up to a maximum of £2,000 per eligible child per year, or £4,000 for a child with a disability. We would like to see the uplift the rate of the Tax-Free Childcare Scheme to support families with their childcare costs.

Early years provision

What challenges do early years providers face in terms of workforce, including recruiting, and retaining qualified staff, and the barriers faced by individuals joining the profession? To what extent has the Covid-19 pandemic exacerbated workforce challenges?

Pay

We have seen an erosion of the early years sector in Northern Ireland. As well as having a damaging impact on our national economic productivity, the impact of inaction has meant the sector is crucially losing skilled and experienced childcare staff, who are leaving their generally low incomes, to better paid jobs in supermarkets and other retail settings. The COVID-19 pandemic has exacerbated this and created a labour crisis. Without enough employees, day cares are turning away children, leaving parents, especially mothers, unable to return to work.

Work demands

Excessive work demands in the sector, including long hours and unpaid work, having to care for too many children at once, and having too much paperwork to complete contribute to turnover among early years practitioners. The long hours and inadequate working conditions lead to burnout and feed a desire to leave early years for less-demanding work.

Effects of COVID-19 on early years sector

The stability of the early years workforce was inarguably worsened by the outbreak of COVID-19. Many early years workers were furloughed via the Coronavirus Job Retention Scheme, receiving up to 80% of their regular income and finding it even harder to get by without other support.

For many working in early years, the crisis has further destabilised an already precarious situation. When and how the sector will recover depends on a new understanding of its crucial work for society and a funding system that reflects this.

Our recommendations

- Introduction of a universal childcare system to meet the needs of families, subsidised by Government and centred on the child, ensuring that all parents and carers, particularly women and low-income families, can fully participate in our local economy;
- Fully costed analysis of the resources required to deliver a full time, high quality childcare system;
- A Childcare Strategy for Northern Ireland, informed by local stakeholders as well as childcare providers and professionals;
- Increased investment in both child infrastructure and support with childcare under Universal Credit;
- Additional targeted subsidies should be available, on application, to support provision for children with additional needs and those from a disadvantaged background;
- Uplift the rate of the Tax-Free Childcare Scheme to support families with their childcare costs and;

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- Movement towards universal full-time provision for all pre-school children and a standardisation of the school day for these children.

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