

Local Government Association (LGA)

Childcare Bill

House of Lords, Consideration of amendments

Tuesday 2nd February 2016



Key messages

- Local government plays an important role in providing support to children in their early years and has a strong commitment to giving every child the best start in life.
- The investment of over £1 billion more a year by 2019-20 in free childcare places for two, three and four-year-olds, announced in the Spending Review, is necessary to enable the expansion of an already underfunded system.
- We look forward to working with central government and childcare providers to ensure the new national early years funding formula enables councils and providers to meet the needs of working parents and provides high quality places for every child that needs one.
- We are pleased the Government listened and has removed clauses which would have allowed the Secretary of State to prescribe the types of and times at which childcare is provided. The clauses would have placed duties on local authorities that they have little control over.
- The LGA is calling for local authorities to have greater flexibility to expand council-maintained childcare provision in order to secure additional capacity in the most cost-effective way.

Funding

The LGA supports the Government's intention to make childcare more affordable. However, we were concerned that the Childcare Bill would increase the cost pressures on local government as it creates a duty on councils to deliver 30 hours free childcare, which places additional costs on an already underfunded system.

As such we welcomed the Government's announcements on childcare funding in the recent Spending Review. The Spending Review set out that the Government will invest over £1 billion more a year by 2019-20 in free childcare places for two, three and four-year-olds.

The announcement of an additional £300 million to increase the average hourly rate for providers is also welcome, as is the introduction of a national early years funding formula. In the past, providers in some areas have been underfunded due to the wide variation in rates paid by central government and the use of the Schools Forum to regulate funding.

To enable the doubling of free childcare for three and four-year-olds with working parents, the Government will also invest at least £50 million of capital funding to create additional places in nurseries. The LGA would like councils to have freedom and flexibility over how this funding is invested, including maintained provision.

Briefing

Clause 2: Discharging the section 1(1) duty

Councils continue to have wide-ranging statutory duties to promote high standards in education in their areas, as well as duties to make sure there are sufficient school places locally and to support the most vulnerable pupils. Councils must also secure sufficient childcare, as far as is practicable, for working parents and ensure that there are sufficient children's centres to meet local demand. These duties sit alongside responsibilities for children's social care and safeguarding and responsibility for 0-5 public health will transfer to local government in 2015.

We are pleased the Government listened and has removed clauses which would have allowed the Secretary of State to prescribe the types of and times at which childcare is provided. The clauses would have placed duties on local authorities that they have little control over.

It is vital that local authorities have the funding and the levers to shape provision in their local area to better deliver these over-arching objectives, particularly where there are gaps in the current provision. This should include greater flexibility to expand maintained provision and secure additional capacity in the most cost-effective way. The LGA would like councils to have freedom and flexibility over how the additional £50 million of capital funding is invested, including maintained provision.