

Senedd Cymru
Y Pwyllgor Cydraddoldeb a
Chyfiawnder Cymdeithasol
Gofal plant a chyflogaeth rhieni: y
pandemig a thu hwnt
CPE(11)
Ymateb gan Oxfam Cymru

Welsh Parliament
Equality and Social Justice Committee

Childcare and parental employment:
the pandemic and beyond
CPE(11)
Evidence from Oxfam Cymru

The following submission speaks to specific questions from Welsh Government's consultation on childcare and parental employment: the pandemic and beyond, and draws on two papers by Oxfam Cymru Care, Poverty & Coronavirus in Wales¹ and the Feminist Scorecard Report 2020.²

Does current childcare provision in Wales sufficiently support parents, particularly mothers, to enter, remain and progress in employment?

The Welsh Government's Childcare Offer (the Offer) *has* benefitted eligible parents in Wales, with 84% of users reporting that they now have more disposable income and 56% reporting more opportunities to increase their income.

However, funding childcare for children aged 3 and 4 has not resulted in mothers to enter or remain in employment because by the age of 3, those decisions have already been made. The Offer aims to remove childcare as a barrier to employment for parents, yet only a minority of parents (2%) were not working prior to accessing the offer.³

Women carry the heavy and unequal responsibilities in caring for children and whilst the Offer is a positive step, in its current form is unlikely to achieve its aim of increasing maternal employment in the most effective way because most women will still be out of (*or have limited access to*) work for three years, by which time significant damage to pay, progression, confidence and skills is already done.⁴ Support would be better targeted at parents of younger children, following the end of parental leave.⁵

Women surveyed by Child Poverty Action Group report they had felt forced into becoming stay at home mums, when they would rather be employed outside the home.⁶ The cost and unavailability of childcare is putting household budgets

¹ <https://oxfamapps.org/cymru/wp-content/uploads/2020/09/Care-Poverty-and-Coronavirus-in-WalesENG.pdf>

² <https://wenwales.org.uk/wp-content/uploads/2020/04/Feminist-Scorecard-Report-2020-Eng.pdf>

³ <https://gov.wales/sites/default/files/statistics-and-research/2021-03/evaluation-of-the-childcare-offeryear-3.pdf>

⁴ Oxfam (2020) "Care, poverty & coronavirus" <https://oxfamapps.org/cymru/wpcontent/uploads/2020/09/Care-Poverty-and-Coronavirus-inWales-ENG.pdf>

⁵ <https://chwarateg.com/wp-content/uploads/2019/01/Briefing-Paper-childcare-Aug-2018.pdf>

⁶ Child Poverty Action Group, (2020). The Cost of Learning in Lockdown – Family Experiences of School

under strain and for many women 'it doesn't pay to work': an estimated 1.7 million women in the UK are prevented from taking on more hours of paid work due to childcare issues, resulting in up to £28.2 bn economic output lost every year.⁷

One third (33%) of parents using childcare say their childcare payments are bigger than their rent or mortgage. This rises to 47% of those with a Black ethnic background, 42% of those receiving Universal Credit, 40% of the under-30s, 38% of single parents, and 38% of those who work full time.⁸

Limiting the offer to working parents results in the Offer not serving all women in Wales equally. It is useful to provide examples of the inequality of the current offer:

- A two-parent family, where both parents are working minimum wage jobs, yet one parent does not meet the threshold of 16 hours of work, with a household income of roughly **£23,000** *do not* get any support from the Offer.
- A two-parent family with both parents working full-time and a household income of **£90,000** *will be eligible* for the Offer.

This inequality of opportunity also stems from the phased roll-out of the Offer. Parents in eligible areas were able to access support in 2017, yet it was only available nationally two years later. This results in long term damage on *some* women's ability to return to the workplace, potential earnings and pension contributions, whilst their peers had returned to work with subsidised childcare.

The Welsh Government's 'Nation of Sanctuary – Refugee and Asylum Seeker Plan has a strong vision yet the lack of childcare is a continuing barrier to women wanting to access English as a Second Language (ESOL) classes. The Offer does not include people seeking asylum, or those who are unemployed, disproportionately impacting asylum seeking and refugee women. This should be revisited as a matter of urgency.

All women in Wales need a provision that offers affordable, accessible and high-quality childcare for all children from six-months, similar to provisions offered to key workers during the height of the Coronavirus pandemic, regardless of the employment status of parents.⁹

What changes are needed to improve the effectiveness of the provision?

The fragmented nature of the current Offer means women could be forced into more part-time, low-paid jobs to provide the flexibility to navigate between Foundation Phase nursery and a childcare setting.

Closures. Available at https://cpag.org.uk/sites/default/files/files/The-cost-of-learning-in-lockdown-UKFINAL_0.pdf

⁷ https://wbg.org.uk/wp-content/uploads/2021/10/Childcare_-_Autumn-2021-pre-Budget-Briefing.pdf

⁸ *ibid.*

⁹ WEN Wales, (2020). Covid-19 and Women's Rights. Available at

<https://wenwales.org.uk/wpcontent/uploads/2020/07/WEN-Wales-COVID19-June-2020.pdf>

Parents are unclear on the combination of the early years' education and the Offer. Being advertised by Welsh Government as "30 hours of early education and childcare"¹⁰ does not go far enough to communicate the clear split between the 10-15 hours of early years education and 15-17.5 hours of childcare, mainly provided by childminders or private nurseries often in different settings.

'The information on the application process and the difference between the Childcare Offer and early entitlement was confusing and not explained well. The manager of the private day nursery we used explained it to me.' Parent surveyed for Welsh Government Year 3 Evaluation of the Childcare Offer.

Provision during school holidays has resulted in parents being taken by surprise by unexpected bills for childcare during these periods. For those on low incomes, unexpected outgoings such as these holiday childcare costs can be catastrophic.

The Welsh Government's Year 3 Evaluation of the Childcare Offer notes ongoing concerns with the effectiveness of the administration of the Offer. When questioned on the application process, the most common concerns of parents are that it is time consuming, with 46% of survey respondents stating that they found it difficult to provide the required documentation.

Other difficulties include the need to upload large numbers of documents for those on weekly pay, obtaining proof of earnings for the self-employed, maternity and zero-hours contracts and technical issues uploading evidence.

The Evaluation referred to frustration of parents as all communication is dealt with via email or online. This has a detrimental impact on those who may be most in need of support but are **digitally excluded**.

Processing applications for self-employed parents continues to remain a challenge. This can often take months to secure the offer leaving parents paying more in childcare than they are able to earn, until their documents are approved. This has a clear impact on who accesses the offer, of those surveyed only 4% stated they were working selfemployed or freelance and 1% employed on zero-hours contracts.¹⁰

Valuing paid and unpaid carers in Wales

Unpaid care work of family members is an essential role for the wellbeing of society yet is chronically undervalued. Based on current rates of pay in equivalent sectors the wage value of unpaid household and caring work in Wales is £21.6 billion.

¹⁰ <https://gov.wales/sites/default/files/statistics-and-research/2021-03/evaluation-of-the-coronaviruschildcare-assistance-scheme.pdf>

For paid carers, the care sector continues to be characterised by low wages and insecure hours. Women make up 80% of people employed in ‘human health and social work activities, and the 2020 Feminist Scorecard highlighted the urgent need to develop policy solutions that recognise and reflect the true economic value of the social care workforce.

The childcare workforce, dominated by women and often low paid, requires significant investment. In 2019 we recommended that Welsh Government ensures childcare providers have good pay and conditions as well as access to training. The year 2 Evaluation of the Offer reported that the rate of £4.50 per hour would ‘increase soon’, yet to date the rate has remained the same.

In the Year 3 Evaluation stakeholders were noted to be increasingly unhappy with the rate, with smaller settings stating that the paperwork to obtain the funding further outweighs the value, particularly if they only care for one eligible child.

“We are paid £4.50 but normally charge 3-year-olds £6.00 per hour. It’s great to have more children and we are grateful but need a pay-rise for the hourly rate asap.” Provider surveyed for Welsh Government Year 3 Evaluation of the Childcare Offer.

With over half of survey respondents being childminders, the lack of increase is not inline with the Welsh Government Early Years Workforce Plan of valuing those who we trust to give our children the best start in life.¹¹

Has the childcare offer achieved WG objective of helping parents, particularly mothers, to return to work or increase the hours they work?

Some childcare providers noted issues with payments being made in arrears, and at different times by local authorities. Traditionally, nurseries and childcare providers require deposits and fees in advance, to hold places and provide cash flow. Job Centre Plus have raised concerns that parents on low incomes will be unable to pay upfront childcare bills, and whilst Universal Credit claimants can claim support for childcare costs, this is also retrospective.¹² For families experiencing poverty, upfront invoices of hundreds of pounds are prohibitive in the journey to paid employment.

Oxfam Cymru understands that the way to support women out of poverty is to enable them to build skills and confidence to progress into work. Our Skills for Life project, delivered a year-long tailored and supportive programme of workshops, training, professional coaching and voluntary work placements.¹¹

¹¹ <https://gov.wales/sites/default/files/publications/2019-07/early-years-workforce-plan.pdf>

¹² <https://www.understandinguniversalcredit.gov.uk/new-to-universal-credit/children-and-childcare/>

Accessing childcare in order to build skills to return to work is essential and whilst childcare support has been made available in limited instances of training, we reiterate our recommendation that the Offer should be made available to all families in Wales.

It is clear that poverty is too often closely linked to caring. While the content and solutions vary for people providing different types of care, there are two core truths: all care is under-valued, and women are impacted the most. If Wales is to have a truly feminist government, we require a radical step-change in how we value and invest in care.

Impact of limited childcare on Wales' productivity levels.

Oxfam Cymru is proud to have worked locally to develop thinking on how we measure productivity. As coronavirus enabled us to see the true value of unpaid care work to society, it raises the question that we should be considering innovative measurements of a successful society, rather than a reliance on GDP.

Care is about much more than any financial reward: both paid and unpaid care work is a vital social good. It contributes to developing human capabilities, supports children to thrive and learn, adults to rest and be ready for paid work, and support people with illness or disability to be healthy and contribute to society and the economy. It is crucial to all of us and yet is largely invisible within economic measures and is systemically undervalued.

Oxfam's 'Economic Doughnut' model, developed from Kate Raworth's work, provides us with a conceptual framework to help us bring together our world's greatest concerns –

social justice and environmental sustainability. We should use this opportunity to assess the merit in new approaches, an approach in line with Wales' Future Generations Commissioner's thinking, shifting our focus towards 'wellbeing economics'.

There are a number of organisations who believe that a Universal Basic Income (UBI) could help protect unpaid carers from poverty, although others, including the Joseph Rowntree Foundation, have questioned its affordability and impact on reducing poverty. Currently there is little evidence to suggest that UBI could increase the value placed in looking out for and look after each other. To shift towards this, a different values-based system would mean investing in measures that: enable individuals, families and communities to look after each other; grow the connections between people and communities; provide high quality, well-funded services that fill the gaps in support needs; and give people flexibility and choice to determine the best means of caring for those they love at different points of vulnerability in their lives.

How childcare arrangements affected parental employment during the pandemic, particularly mothers. What lessons can be applied to provide better support in future?

The Coronavirus Childcare Assistance Scheme (C-CAS) created some unfairness for parents across Wales as the eligibility criteria was interpreted differently by each of the 22 Local Authorities in Wales. In some areas it could only be accessed to those where both parents (in two-parent families) qualified as key workers, with some limiting further to specific sectors such as health and care.¹³

Further detriment occurred as certain sectors re-opened. Those working in garden centres, for example, were able to return to work yet were not classed as critical workers thus were unable to access childcare in order to return to paid work.

A lack of childcare during lockdown particularly impacted mothers. Research commissioned by Oxfam highlighted the detrimental impact of increased unpaid care on women's mental health.¹⁴ Some 43% of the 3,558 women surveyed reported suffering more anxiety, depression, lack of rest and sleep, and physical illnesses because of the increased care work caused by the pandemic.

A survey of over 19,000 mothers across the UK undertaken by Pregnant Then Screwed (PTS) revealed the impact of the lack of childcare during lockdown, 15% of mothers either have been made redundant or expect to be made redundant and of those, a shocking 46% have said that a lack of childcare provision played a role in their redundancy.

A huge 72% of mothers have had to work fewer hours because of childcare issues, and 65% of mothers who have been furloughed say a lack of childcare was the reason. Of the employed mothers surveyed, 81% said they need childcare to be able to work, but 51% did not have the necessary childcare in place to enable them to do their job.¹⁵

The impact was felt greater by self-employed mothers, already disadvantaged by the administration of the Offer, the PTS survey revealing that **74%** have had their earning potential reduced because of a lack of access to childcare.

The positives

With access widened to children aged 1 to 5, C-CAS has provided valuable insight into the positive impact of providing universal childcare for all parents across

¹³ <https://gov.wales/sites/default/files/statistics-and-research/2021-03/evaluation-of-the-coronaviruschildcare-assistance-scheme.pdf>

¹⁴ Oxfam International, (2020). Close to half of women are feeling more anxious, depressed, isolated, overworked or ill because of increased unpaid care work caused by the pandemic. Available at <https://www.oxfam.org/en/pressreleases/close-half-women-are-feeling-more-anxious-depressed-isolated-overworked-or-ill>

¹⁵ <https://pregnantthenscrewed.com/the-covid-crisis-effect-on-working-mums/>

Wales. 94% of parents who accessed the scheme with children under 3 said that they would take up funded childcare if it were made available.¹⁶

Childcare is more than a financial transaction; 90% of parents surveyed for the C-CAS Evaluation said it reduced the financial burden of childcare, along with other equally important benefits. Again, 90% reported C-CAS had had a positive effect on their and/or their partners wellbeing, with 81% saying it also had a positive impact on the wellbeing of their child.¹⁷

"I went from being a stay-at-home mum with zero personal income, feeling very lonely & depressed, to working a full-time job I adore. Having my own income has allowed me to pay off some debts & provide my children with necessities, it's also done wonders for my mental health returning to work & regaining control of my finances." Parent surveyed for Welsh Government Year 3 Evaluation of the Childcare Offer.

Impact of high-quality childcare on reducing the attainment gap, potential benefits of tackling inequalities.

Oxfam Cymru and WEN Wales' 2020 Scorecard called for the Offer to be extended to all non-working parents. This echoes the thoughts of the Children's Commissioner, who emphasised the long-term benefits of early years provision for children from poor backgrounds, further supported by recent data on the positive impact of the C-CAS offer for vulnerable children.

Lack of access to high quality childcare can leave disadvantaged children behind before they have even started school and require expensive interventions in the future. Covid disrupted access to childcare and early years education, impacting children in deprived areas more and widening development gaps.¹⁸

For families of vulnerable children, the funded childcare provided through C-CAS generated positive benefits; providing a stable and safe environment for the children, respite for parents and an opportunity for health and social services professionals to assess the physical and mental welfare of the child during a period when they could not do so within the family home.

¹⁶ <https://gov.wales/sites/default/files/statistics-and-research/2021-03/evaluation-of-the-coronaviruschildcare-assistance-scheme.pdf>

¹⁷ *ibid.*

¹⁸ https://wbg.org.uk/wp-content/uploads/2021/10/Childcare_-Autumn-2021-pre-Budget-Briefing.pdf

What can Wales learn from other UK childcare models, international and emerging practice in supporting parental employment?

Analysis suggests that parents in the UK not only pay the highest childcare costs in Europe, but the second highest in the world.¹⁹

The Women's Budget Group have also provided in depth analysis on costing universal childcare.²⁰

Quebec introduced low-fee, universal childcare in 1996, centred on a few core premises: that if the government helped make childcare accessible and affordable, it would allow more women to join the workforce, increase childhood development and social skills, and ultimately raise revenue for the government through increased payroll taxes. In at least two of those objectives the scheme has been hailed a success.²¹

Financial & practical implications, such as availability of childcare that would need to be considered by WG in future policy developments to extend childcare provision.

The Women's Budget Group advise long-term investment in a universal and free system, delivered as a public infrastructure service on equal footing with school education. Investment in such a system will largely pay for itself due to the big returns on maternal employment.²²

Recommendations

- Offer affordable and accessible childcare for all families from six months, including to non-working parents;
- Collect robust equality data as part of the evaluation and monitoring of the Childcare Offer to ensure equality of access and eligibility;
- Provide more clarity around the Special Educational Needs (SEN) budget attached to the Childcare Offer and encourage local authorities to spend their allocation;

¹⁹ World Economic Forum, (2019). These countries have the most expensive childcare. Available at <https://www.weforum.org/agenda/2019/04/these-countries-have-the-most-expensive-childcare/>

²⁰ Women's Budget Group, (2017). Costing and funding free universal childcare of high quality. Available at <https://wbg.org.uk/analysis/costing-funding-childcare/>

²¹ McCluskey, M., (2018). The Global Legacy of Quebec's Subsidized Child Daycare, Bloomberg. Available at <https://www.bloomberg.com/news/articles/2018-12-31/affordable-daycare-and-workingmoms-the-quebec-model>

²² [https://wbg.org.uk/wp-content/uploads/2021/10/Childcare -Autumn-2021-pre-Budget-Briefing.pdf](https://wbg.org.uk/wp-content/uploads/2021/10/Childcare-Autumn-2021-pre-Budget-Briefing.pdf)

- Progress existing plans to ensure all care workers in Wales are paid fairly and have access to training and clear routes for career progression if they want it;
- Provide childcare hubs for asylum seeker families;
- Allow older women, who currently provide much informal childcare, to claim the Offer;
- Overcome cost barrier in upfront payments,
- Undertake research to assess why the Offer is not enabling parents to enter employment;
- Improve communication on the two parts of the offer, working towards an integrated early years approach.
- Widen the Offer to include school holidays, when childcare for all children becomes an added burden;
- Increase funding for providers from the current rate of £4.50 p/h.
- The needs of these families should be prioritised in any future initiatives, particularly in a lockdown environment;
- Welsh Government should undertake further research to review the need for funded childcare programmes for vulnerable children.
- Adequate investment in mental health care for unpaid carers, including those caring for children should be in place to limit the damage caused by the increased workload during coronavirus;
- Undertake research into innovative ways to measure societal success, including 'wellbeing economics'.