30 hours – one year on

Almost a year since the full roll out of the Government's flagship 30 hours early education policy, new research from PACEY's latest *[Building Blocks]* survey highlights how childcare providers are coping one year on. Most providers (64%) think the hourly rate paid by their local authority is too low. Over 40% of those delivering 30 hours said that offering it has reduced their income in the last year.

PACEY Chief Executive, Liz Bayram, said: "We already know many childminders, nurseries and pre-schools are struggling to make ends meet whilst offering 30 hours for the families they support, but our latest *Building Blocks* research is a stark reminder of how many are actually losing money. This is money that they would have spent on training and developing their staff; providing additional resources; or simply providing pay rises to help retain talented staff. As business costs continue to rise and profits fall, the sustainability of many of these setting has to be called into question. The Government has said it will look at funding levels for 2020 onwards as part of the Comprehensive Spending Review, but that is two years off and action is badly needed now."

Building Blocks also reveals there is little evidence that 30 hours is making it easier for providers to fill vacancies, with only 14% of providers stating this was the case. Many providers are clear they are offering 30 hours because they feel they have to in order to retain the parents they are currently supporting. A third of providers say they will limit the number of 30 hours places they offer in the future to try to improve sustainability, impacting on the availability of funded places in the future.

Red tape and paperwork remain a key concern for all providers, but particularly childminders. With no administrative support, childminders and other small providers have to deal with all of this whilst delivering a quality childcare service too. A third of childminders stated that too much paperwork and red tape was the reason why they currently didn't offer 30 hours.

Whilst over 60% of respondents said they had not had difficultly being paid by their local authority, only a fifth of local authorities currently pay providers on a monthly basis. A third of practitioners reported they have to deal with complex funding portals operated by local authorities. A fifth said they were required to send in policies or undergo specific training before they were approved by their local authority to deliver funded places, despite government guidance to the contrary.

Liz Bayram continues: "*Building Blocks* does show many more providers, especially registered childminders are offering 30 hours, and that the majority (80%) are doing so in partnership with another provider. However the question remains how sustainable is this in the long run and at what cost to the quality of provision they are offering?

"Our findings reinforce the need for the Government to act on the recommendations PACEY has been making over the past year. In particular. It must urgently increase funding levels and establish a formal annual review, so that funding keeps pace with inflation; pay providers on a monthly basis as soon as possible; and ensure local authorities streamline their paperwork and remove unnecessary demands for additional documents and training. Childminders should also be permitted to deliver funded places to children related by blood or marriage, as long as they are not living at the same address.

"A year is a long time for a small business to struggle in the ways so many *Building Block* respondents have described to us. Action is needed now to ensure we don't lose more childminders, pre-schools and nurseries. Without them, children and families will not benefit from 30 hours or any other government-subsidised childcare."

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