



HOUSE OF LORDS

Library Note

Childcare Bill [HL] (HL Bill 9 of 2015–16)

This Library Note provides background reading in advance of the second reading in the House of Lords of the Childcare Bill on 16 June 2015.

In England, all three- and four-year-old children, and disadvantaged two-year-old children who meet the eligibility criteria, are currently entitled to 15 hours of free childcare per week for 38 weeks of the year. The Childcare Bill would provide for an increase in the entitlement to free childcare to 30 hours a week (for 38 weeks of the year) to be made available to eligible working parents of three- and four-year-old children in England. The Bill would also require English local authorities to publish information about the provision of childcare, and other services or facilities which may be of benefit to parents or prospective parents, or children or young persons, in their local authority area.

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1. Introduction

The Conservative Party general election manifesto stated that “in the next Parliament we will give families where all parents are working an entitlement to 30 hours of free childcare for their three- and four-year-olds”.¹ After the Conservative Party was returned with an outright majority in the House of Commons following the general election held on 7 May 2015, it was announced in the Queen’s Speech on 27 May 2015 that “measures would be brought forward to help working people by greatly increasing the provision of free childcare”.²

The [Childcare Bill \[HL\]](#) (HL Bill 9 of session 2015–16) received its first reading in the House of Lords on 1 June 2015 and is scheduled to receive its second reading on 16 June 2015. The Bill is intended to fulfil the Conservative Party manifesto commitment, and the Government commitment set out in the Queen’s Speech, by providing for an increased entitlement to 30 hours a week of free childcare (for 38 weeks of the year) to be made available to eligible working parents of three- and four-year-old children in England. The Bill would also require local authorities in England to publish information about the provision of childcare, and other services or facilities which may be of benefit to parents or prospective parents, or children or young persons, in their local authority area. The Government has stated that the increased entitlement would be implemented for all working parents from September 2017, with trials being introduced for some families in September 2016.³ The number of hours that parents would need to work to be eligible is yet to be confirmed.⁴

This Library Note examines the background to the Bill, including a selection of the conclusions reached and recommendations made by the House of Lords Committee on Affordable Childcare, which reported in the final session of the last Parliament; provides an overview of the Bill’s provisions; and surveys political and stakeholder reaction to the announced measures.

2. Background

2.1 Free Childcare Entitlement

The House of Commons Library records that “there has never been a national ‘system’ of childcare provision; nor, until the mid-1990s was there a national childcare policy”.⁵ The House of Commons Library briefing [Government Support for Childcare Under the Labour Government 1997–2010](#) (29 January 2014, SN06382) provided background information on the free childcare entitlement for three- and four-year-old children in England:

In 1998, the then Labour Government introduced free early years education provision to all four year old children in England. The entitlement consisted of five sessions of two and a half hours provision per week [12.5 hours per week] for 33 weeks per year. The offer of a free place was extended to all three year-olds from 2004; after 2006 [under the Childcare Act 2006], the free entitlement consisted of 15 hours a week for 38 weeks of the year [570 hours per year] for all three- and four-year-olds.

¹ Conservative Party, [The Conservative Party Manifesto 2015](#), April 2015, p 27.

² HL *Hansard*, 27 May 2015, [col 5](#).

³ House of Commons, ‘[Children: Day Care: Written Question—267](#)’, 2 June 2015.

⁴ Nursery World, ‘[Childcare Bill Introduced to Parliament](#)’, 2 June 2015.

⁵ House of Commons Library, [Key Issues for the 2015 Parliament](#), 19 May 2015, CBP-7189, p 64.

Children became eligible for free early education at different points in the year, depending on when they turned three [...] Children remained eligible until either they started in reception at a maintained school, or the term after they turned five (statutory school age).

The free early education entitlement was a guarantee of a free part-time place—it was not a monetary subsidy or voucher scheme. Parents could not be required to pay any fee for any part of the free entitlement or pay for additional services or hours as a condition of accessing the free place, nor could parents be required to pay a fee up front to be refunded at a later date.

The free early education places could be offered at a range of early years settings including nursery schools and classes, children’s centres, day nurseries, playgroups and pre-schools and childminders.⁶

The briefing further explained that, under the Childcare Act 2006, local authorities in England, in addition to ensuring, so far as is reasonably practical, that there is sufficient childcare within the local area for working parents, have a duty to meet the free education places commitment:

Local authorities have a legal duty under the Childcare Act 2006 to ensure that they meet the free education places commitment. Free places can be provided by a variety of providers in the maintained, and private, voluntary and independent (PVI) sectors including pre-schools, playgroups and registered childminder networks. However, providers do not have to take part in the scheme—the entitlement is to provision in an area, not to provision at a particular nursery. It is entirely up to individual providers whether they take part.⁷

From 2008, the Labour Government introduced free childcare for the most disadvantaged two-year-old children in each local authority area. The Coalition Government extended this policy so that, by the end of 2014, 40 percent of the most disadvantaged two-year-olds were entitled to free childcare.⁸

Devolved Provision

Should it receive Royal Assent, the Bill would (as an Act) form part of the law of England and Wales. However, the substantive clauses would apply to England only.⁹ Childcare provision across the United Kingdom varies. The Scottish Government offers all three- and four-year-old children 600 hours of funded nursery provision per year, while all three- and four-year-old children in Wales are entitled to ten hours per week in term time. In Northern Ireland, pre-school education is funded for two and a half hours a day, five days a week during term-time.¹⁰

⁶ House of Commons Library, [Government Support for Childcare Under the Labour Government 1997-2010](#), 29 January 2014, SN06382, p 3.

⁷ *ibid.*

⁸ For further information, see House of Commons Library, [Government Support for Childcare Under the Labour Government 1997–2010](#), 29 January 2014, SN06382; and [Government Support for Childcare and Childcare Reform Under the Coalition Government](#), 29 January 2014, SN06807.

⁹ Department for Education, [Childcare Bill \[HL\]: Explanatory Notes](#), 1 June 2015, p 2.

¹⁰ BBC News, [Queen’s Speech 2015: Free Childcare Access to Double](#), 27 March 2015.

2.2 Policy Background

The Government has stated that the main driver behind the Childcare Bill is its intention to make childcare more affordable for working parents.¹¹ The Government has stated that up to 600,000 families could benefit from the increased entitlement, and that it would be “worth around £5,000 a year” for families that qualify, “including the £2,500 they can already save from existing free childcare offers”.¹²

The [Explanatory Notes](#) to the Bill, published by the Department for Education, explain that all three- and four-year-old children, and disadvantaged two-year-old children who meet the eligibility criteria, are already entitled to 15 hours of free childcare per week for 38 weeks of the year.¹³ The Bill would make the legislative changes required to give effect to increasing the entitlement by placing a duty on the Secretary of State for Education to make available additional free childcare for eligible children, and to place a duty on local authorities in England to publish information about available childcare and other services available for local parents.¹⁴

Speaking to ITV’s programme *This Morning* about the proposal to increase the free childcare entitlement, David Cameron MP, the Prime Minister, acknowledged that provision and funding would need to increase as a result of the policy. He stated that it would “take time” to get the policy right “because obviously we need an expansion of the childcare sector, we need more nurseries, more of these places to open, so we’re working with them to expand”.¹⁵ He added that the Government would liaise with childcare providers “about what’s the best way of making sure that they’re being properly paid for the childcare that they provide so we can expand the number of places”.

In October 2014, the Institute for Fiscal Studies (IFS) published the conclusions of research into the impact of free childcare entitlement on maternal employment rates. The research found that “offering free part-time pre-school education for all 3 year-olds in England helped only a small number of women into work”, but that this was “mostly because most families were accessing some form of pre-school childcare before the entitlement was introduced”.¹⁶ The research, undertaken by a team of researchers at the IFS and the University of Essex, also found:

Amongst the small number of women whose youngest child went to pre-school for the first time as a result of this policy, around one quarter moved into work. For the remaining families, the policy effectively gave parents a discount on pre-school education they would have paid for anyway. Offering free pre-school places to all 3 year-olds is thus an expensive way to move a small number of women into work.¹⁷

¹¹ Department for Education, [Childcare Bill \[HL\]: Explanatory Notes](#), 1 June 2015, p 2.

¹² HL *Hansard*, 3 June 2015, [col 415](#); and Prime Minister’s Office, [Press Release: Government Brings Forward Plans to Double Free Childcare for Working Families](#), 1 June 2015.

¹³ Department for Education, [Childcare Bill \[HL\]: Explanatory Notes](#), 1 June 2015, p 2.

¹⁴ *ibid.*

¹⁵ BBC News, [‘Childcare Changes Threatened by Underfunding, Providers Say’](#), 1 June 2015.

¹⁶ Institute for Fiscal Studies, [Press Release: Free Pre-school Places for 3 Year-olds Helped Only a Small Number of Women into Work](#), 22 October 2014.

¹⁷ *ibid.* For more information, see Institute for Fiscal Studies, [‘Continued Expansion of Early Childhood Education and Childcare’](#), updated 26 March 2015.

2.3 Legal Background

The Bill places a duty on the Secretary of State for Education to secure the availability of 30 hours of free childcare for qualifying children of working parents, with details to be set out in regulations. The [Explanatory Notes](#) to the Bill further explain that the existing legislation relating to the provision of childcare is set out in the Childcare Act 2006, and secondary legislation made under that primary legislation, including the Childcare Act 2006 (Provision of Information to Parents) (England) Regulations 2007 (SI 2007/3490) and the Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2014 (SI 2014/2147).¹⁸ The [Explanatory Notes](#) confirm that the Childcare Act 2006 would “continue to be the main Act governing the provision of childcare”.¹⁹

2.4 Financial Implications

The [Explanatory Notes](#) to the Bill state that the additional 15 hours free childcare entitlement for working parents of three- and four-year-old children in England would be paid for by the Department for Education from money provided by Parliament. The Government has stated that the cost of the additional entitlement would be “considered as part of the normal Budget and Spending Review process”.²⁰ However, on 3 June 2015, Lord Nash, Parliamentary Under-Secretary at the Department for Education, responding to an oral question from Baroness Pitkeathley in the House of Lords, stated that the Government estimated the cost of the proposals to be around £350 million.²¹ The increase in entitlement, Lord Nash continued, would be funded by “reducing the tax relief on pensions for those earning more than £150,000 a year”. He added:

We want to make sure that funding is sufficient to providers and fair to taxpayers. That is why we have committed to increasing the average funding rate, and to get this right we will hold a funding review. Details of this will be announced before second reading on 16 June.²²

In a press release dated 1 June 2015, the Government stated that this review would begin “before summer”, and would be overseen by Sam Gyimah MP, Parliamentary Under-Secretary (Childcare and Education) at the Department for Education.²³ At the time of writing, further details of the funding review have not yet been released.

3. House of Lords Committee on Affordable Childcare

The House of Lords Committee on Affordable Childcare was appointed on 12 June 2014. The Committee published a call for evidence on 3 July 2014 and published its report, [Affordable Childcare](#) (HL Paper 117 of session 2014–15), on 24 February 2015.²⁴

¹⁸ Department for Education, [Childcare Bill \[HL\]: Explanatory Notes](#), 1 June 2015, p 2; and Cabinet Office and Prime Minister’s Office, [The Queen’s Speech 2015: Background Briefing Notes](#), 27 May 2015, p 26.

¹⁹ Department for Education, [Childcare Bill \[HL\]: Explanatory Notes](#), 1 June 2015, p 2.

²⁰ Department for Education, [Childcare Bill \[HL\]: Explanatory Notes](#), 1 June 2015, p 5; and House of Commons, ‘[Children: Day Care: Written Question—89](#)’, 2 June 2015.

²¹ HL *Hansard*, 3 June 2015, [col 412](#).

²² HL *Hansard*, 3 June 2015, [cols 412–13](#).

²³ Prime Minister’s Office, ‘[Press Release: Government Brings Forward Plans to Double Free Childcare for Working Families](#)’, 1 June 2015.

²⁴ The oral and written evidence taken by the Committee can be accessed online: House of Lords Committee on Affordable Childcare, [Oral and Written Evidence](#), 27 January 2015.

The media notice that accompanied the report on its publication, which summarised the recommendations contained within the report, stated:

Next Government must prioritise disadvantaged children when allocating £6.4 billion childcare budget, says Lords' Committee

The Committee believes that there are three main actions the new Government must take in order to get the best value for its investment:

- reprioritise spending in early education and childcare to focus on disadvantaged children—better value for money will be achieved by targeting those most likely to benefit;
- ensure that disadvantaged two year-olds access their free early education in settings rated good or outstanding by Ofsted no later than 2020; and
- address the under-funding of free early education places in the Public, Voluntary and Independent (PVI) sector.²⁵

Speaking in advance of the publication of the report, the Chairman of the Committee, Lord Sutherland of Houndwood (Crossbench), argued that better value for money could be achieved in the allocation of free childcare in England:

A large amount of money is spent on childcare and early education in England and we believe that better value for money could be achieved. The evidence clearly shows that high quality early education has a crucial role to play in helping disadvantaged children to reach their full potential. For this group in particular the impact can be substantial. They are also less likely to access early education in the absence of the government's policy. Therefore greater value for money in terms of child outcomes is obtained by investing in early education for this group, than for all children. We are not talking about increasing budgets—we are talking about a re-prioritisation of current spending to ensure that it targets those children who are likely to benefit the most. The Early Years Pupil Premium is one way of doing that.²⁶

Lord Sutherland added that, in the Committee's view, free early education places in the Public, Voluntary and Independent (PVI) sector—which the Committee described as “a key stakeholder in the delivery of the Government's free early education policy”²⁷—were under-funded, and recommended a review of the role of local authorities in the allocation of childcare resources as one way to address this situation:

The private, voluntary and independent sector employs far fewer graduates than the maintained sector. One reason for this is that settings in the PVI sector are not paid at a level to enable them to employ graduates. The PVI sector provides the majority of free early education places to three year-olds and yet it is paid a much lower rate, on average, than maintained settings. This underfunding of free early education places leads to other practices—such as the cross subsidisation of free early education by charging parents more for additional paid-for hours in order to recoup the shortfall. This has

²⁵ House of Lords Information Office, [Media Notice: Next Government Must Prioritise Disadvantaged Children When Allocating £6.4 Billion Childcare Budget, Says Lords' Committee](#), 24 February 2015, p 1.

²⁶ *ibid.*

²⁷ House of Lords Committee on Affordable Childcare, [Affordable Childcare](#), 24 February 2015, HL Paper 117 of session 2014–15, p 7.

other knock-on effects—private nurseries struggle to survive in areas where parents are less likely to require hours in addition to the free hours. This leads to a paucity of childcare provision in the most deprived areas, which impacts on the ability of parents to enter employment. So this really needs to be looked at properly and a solution found. We cannot continue with a situation where the Government’s flagship early education policy is underfunded to such an extent, with such far-reaching effects for children and families.

Part of addressing the under-funding of early education places will be to review the role of local authorities in the allocation of resources. There is legitimate concern about the uneven allocation of resources and we recommend that the Government looks at how local authorities are discharging their duties in this respect.²⁸

The Committee’s report contained a number of conclusions and recommendations. A selection of conclusions and recommendations relating to the entitlement to free childcare for parents of young children, and the merits of increasing this entitlement, are reproduced, at length, below:

The value of early education

3. There is a sound evidence base that indicates that high quality early education for three- and four-year-olds has the potential to improve outcomes for all children and especially so for the most disadvantaged. (Paragraph 46)

4. High quality early education has a crucial role to play in helping disadvantaged children to reach their full potential. For this group in particular the impact can be substantial. Greater value for money in terms of child outcomes is obtained by investing in early education for this group, than for all children. (Paragraph 54)

5. We therefore recommend that the Government reviews the current distribution of resources within the overall budget for early education and childcare support, and consider whether the evidence supports targeting more resources at those children most likely to benefit. A tool for doing so already exists in the Early Years Pupil Premium. This represents better value than extending universal provision. The same evidence-based approach should be used to determine whether, and if so how, any new resources should be committed to the early years. (Paragraph 55) [...]

Evaluating the free early education entitlement

7. There is evidence that a significant proportion of three- and four-year-olds would be accessing some form of early education even in the absence of the policy. This underlines the need for a robust assessment of impact. (Paragraph 72)

8. There are indications that the characteristics of early education and care which have been found to have an impact on children’s outcomes, and which are especially important for the most disadvantaged children, are not present across the board in the delivery of free early education. (Paragraph 77)

²⁸ House of Lords Information Office, [Media Notice: Next Government Must Prioritise Disadvantaged Children When Allocating £6.4 Billion Childcare Budget, Says Lords’ Committee](#), 24 February 2015, p 2.

9. However, the current assessment framework does not allow outcomes to be linked to specific provision. There is insufficient evidence to judge whether or not the early education entitlement on the whole is delivering improved outcomes. (Paragraph 78)

10. We are disappointed that there has been no rigorous evaluation of the free early education entitlement policy to date. While we commend the commissioning of the Study for Early Education and Development (SEED), we find that it is long over-due. There is an urgent need for a better evidence base to be developed to allow the value of the state's intervention to be ascertained. (Paragraph 79)

11. We recommend that the Government seeks robust evidence on the effectiveness and value for money of its early education entitlement offer. (Paragraph 80)

Free early education places in the Private, Voluntary and Independent (PVI) sector

12. The PVI sector is an important stakeholder in the delivery of the Government's free early education entitlement policy. 60 percent of three year-olds and 96 percent of disadvantaged two year-olds who are accessing their entitlement are doing so in a PVI setting. (Paragraph 83)

13. Staff qualifications are an important indicator of quality in the delivery of early education and care. The maintained sector employs a greater proportion of staff at a higher level of qualification than the PVI sector. Provision in the maintained sector is correspondingly found to be of higher quality on average than that in the PVI sector. (Paragraph 91)

14. We recommend that the Government considers how the proportion of staff qualified at a higher level can be increased in the PVI sector to drive up overall quality. In line with that, we also recommend that the Government reconsiders its response to the Nutbrown Review. (Paragraph 92)

Under-funding of free early education places in the PVI sector

15. Evidence suggests that the money allocated to free early education policy, and distributed by local authorities, does not cover the economic cost of delivering the free hours in the PVI sector. Many local authorities pay less to PVI settings than they do to maintained settings. While this continues there is little prospect that the sector can afford to improve quality to a level that would have more impact on child outcomes. (Paragraph 99)

16. It is a false economy to fail to invest to a level sufficient to ensure high quality provision and therefore improved outcomes. We therefore recommend that the Government reviews the current distribution of resources within the overall budget for early education and childcare support, and considers how resources are prioritised to ensure that all settings, whether in the PVI or maintained sector, are able to employ well-qualified and trained staff, to deliver the child outcomes which the policy was designed to achieve. (Paragraph 100)

17. There is legitimate cause for concern about the uneven allocation of funding for free early education places in the PVI sector. We recommend that the Government's review

of resources includes a review of how local authorities discharge their duties in respect of funding free early education places in the PVI sector. (Paragraph 101)

Cross-subsidisation

18. There is evidence that the funding shortfall in the rates offered to PVI providers for delivery of the free early education entitlement is met in some settings by cross-subsidisation from some fee-paying parents. This means that parents are subsidising themselves, or other parents, in order to benefit from the Government's flagship early education policy. (Paragraph 106)

19. The intention of the free early education policy is that 15 hours of early education per week are accessed at no cost to the parents. We recommend that the Government reviews the current distribution of resources within the overall budget for early education and childcare support to ensure that the free early education entitlement is delivered without additional cost to parents. (Paragraph 107) [...]

Evaluating the impact of childcare support [...]

37. There is some evidence that the free early education entitlement has had small impacts on the employment rates of some mothers. This alone would not justify the free early education policy in terms of maternal employment. However, we note that free early education was not designed to facilitate parental employment; its primary objective is to promote child development. (Paragraph 175)

38. In view of our finding that there is insufficient evidence to judge whether or not Government subsidies for childcare have made an impact on maternal employment rates, we recommend that the Government urgently establishes a better UK-specific evidence base on parental employment choices and the cost of childcare. (Paragraph 176)

Reducing costs of childcare to parents

39. We understand the call for additional free hours of early education to help working parents. However, in light of the evidence of under-funding of free early education places in the PVI sector, we believe that an extension of the free early education entitlement would be unsustainable for the PVI sector at current funding levels. It would not be possible for providers to recoup the losses made on the delivery of free early education places if these were extended to 25 hours per week. (Paragraph 154)

40. Even if the funding of free early education places in the PVI sector was successfully addressed, as we recommend, we do not consider an extension to universal provision a good use of resources. (Paragraph 155)

41. We welcome initiatives by the Government and local authorities to help providers innovate and balance cost with quality. However, we believe such initiatives alone are insufficient to address the issue of cost. We have already indicated our view that the Government should reconsider the current allocation of resources within the overall early education and childcare budget to ensure that the money allocated to the policy covers the economic cost of delivery. (Paragraph 162)

42. We recommend that the Government undertakes further analysis of the amount paid by parents for childcare, and how such expenditure is distributed across the time frame for which it is required. (Paragraph 38).²⁹

The report was debated by the House on 18 March 2015.³⁰ The Government has not yet formally responded to the Committee’s report, but is expected to do so in the near future.

4. Overview of the Bill

The Childcare Bill contains six clauses. The substantive clauses—clauses 1–3—relate to the availability of free childcare and the publication of information. Clauses 4–6 relate to general information, such as the Bill’s extent, commencement and short title.

4.1 Clause 1: Duty to Secure 30 Hours Free Childcare

Clause 1, “Duty to secure 30 hours free childcare available for working parents”, imposes a duty on the Secretary of State for Education to ensure that childcare is available free of charge for qualifying children of working parents for 30 hours in each of 38 weeks in any year, or for an equivalent period, and empowers the Secretary of State to make regulations for the purposes of discharging this duty.³¹ Subsections in this clause set out the requirements of any regulations made for the purposes of discharging the duty; and also define “qualifying child of working parents”, “childcare”, “parent”, “parental responsibility” and “young child”.

4.2 Clause 2: Supplementary Provision

Clause 2, “Supplementary provision about regulations under section 1”, allows regulations to be made:

[...] which make different provision for different purposes, make consequential, incidental, supplemental, transitional or saving provision or amend, repeal or revoke any measures made in another Act.³²

The [Explanatory Notes](#) to the Bill state that if such regulations made changes to measures made in another Act of Parliament, they would be subject to the affirmative resolution procedure, in which a draft statutory instrument making regulations is required to be laid before and approved by a resolution of each House of Parliament. Other regulations would be subject to the negative resolution procedure, in which an instrument containing regulations is subject to annulment by either House of Parliament.³³

4.3 Clause 3: Duty to Publish Information

Clause 3, “Duty to publish information about childcare”, would amend section 12 of the Childcare Act 2006 by inserting new subsections allowing regulations to be made which would require English local authorities to publish information about the provision of childcare in the

²⁹ House of Lords Committee on Affordable Childcare, [Affordable Childcare](#), 24 February 2015, HL Paper 117 of session 2014–15, pp 9–14.

³⁰ HL *Hansard*, 18 March 2015, [cols 1070–103](#).

³¹ Department for Education, [Childcare Bill \[HL\]: Explanatory Notes](#), 1 June 2015, p 3.

³² *ibid*, p 4.

³³ *ibid*.

local authority area, and other services or facilities which might be of benefit to parents or prospective parents, or children or young persons, in their area. The requirement for the Secretary of State to have regard to the needs of parents of disabled children for appropriate information would continue to apply under the new subsections.³⁴

4.4 Clause 4: Extent

Should it receive Royal Assent, the Bill would (as an Act) form part of the law of England and Wales (a single legal jurisdiction). However, clauses 1–2 would apply to children in England only and clause 3 would apply to English local authorities only.³⁵

4.5 Clause 5: Commencement

This clause allows for clauses 1–3 to come into force at different times, as set out by regulations to be made by the Secretary of State. Such regulations may allow the introduction of the additional 15 hours of free childcare in some areas in advance of other areas. The Bill and [Explanatory Notes](#) state that regulations under this section are to be made by statutory instrument, which will not be subject to parliamentary procedure.³⁶ Commencement orders are generally not subject to Parliamentary procedure.³⁷

4.6 Clause 6: Short Title

This clause states that the Act may be cited as the Childcare Act 2015.³⁸

5. Reaction

5.1 Political Reaction

In a briefing on the [Key Issues for the 2015 Parliament](#), the House of Commons Library stated that the “main parties agree that government support for childcare should be expanded, but are divided over whether this should be achieved through subsidising provision and increasing the universal entitlement to free childcare, or by extending tax breaks for parents to purchase it”.³⁹ The authors added that the “debate over how best to direct government support for childcare is likely to continue in the new Parliament”.⁴⁰ The briefing set out the position of the main parties on the issue of childcare known at the time of writing:

- **Conservatives:** tax free childcare to support parents back into work and 30 hours free childcare for working parents of three- and four-year-olds.

³⁴ Department for Education, [Childcare Bill \[HL\]: Explanatory Notes](#), 1 June 2015, p 4; and Cabinet Office and Prime Minister’s Office, [The Queen’s Speech 2015: Background Briefing Notes](#), 27 May 2015, p 25.

³⁵ Department for Education, [Childcare Bill \[HL\]: Explanatory Notes](#), 1 June 2015, p 4.

³⁶ Department for Education, [Childcare Bill \[HL\] \(HL Bill 9 of session 2015–16\)](#), 1 June 2015, p 4; and [Childcare Bill \[HL\]: Explanatory Notes](#), 1 June 2015, p 4.

³⁷ House of Commons Information Office, [Statutory Instruments](#), May 2008, pp 10–11.

³⁸ Department for Education, [Childcare Bill \[HL\] \(HL Bill 9 of session 2015–16\)](#), 1 June 2015, p 4.

³⁹ House of Commons Library, [Key Issues for the 2015 Parliament](#), 19 May 2015, CBP-7189, p 65.

⁴⁰ *ibid.*

- **Greens:** free but voluntary universal early education and childcare services for all children of working parents from birth to the start of compulsory education which would rise to seven.
- **Labour:** expand free childcare to 25 hours a week for the working parents of three- and four-year-olds.
- **Liberal Democrats:** 20 hours free childcare a week for all parents with children aged two to four.
- **SNP:** support an increase in free childcare to 30 hours per week by 2020.
- **UKIP:** initiate a full review of childcare provision and continue to fund 15 hours free childcare a week for three- and four-year-olds.⁴¹

Labour Party

Following the Queen's Speech, Harriet Harman MP, Leader of the Opposition in the House of Commons and acting leader of the Labour Party, stated in the debate on the Address:

Turning to education, we will hold the Prime Minister to account for his latest promises on childcare. The rhetoric might be promising, but the reality is that children's centres have closed and the cost of childcare has soared. The average family are now paying £1,500 more per year for nursery fees than they would have been in 2010. Parents do not need more empty promises; they need childcare they can afford.⁴²

On 1 June 2015, the date on which the Childcare Bill was published, Tristram Hunt MP, Shadow Secretary of State for Education, questioned how the Government would fund the commitment in full:

The Conservative Party was unable to explain how it would fund its childcare offer before the general election. It remains unclear how they propose to fill the funding gaps in their plans now.

Education in the early years of a child's life is so crucial for improving their future prospects. The omission of a government strategy to address educational inequality in the early years exposes a failure of the last government that looks set to continue under this one.

Ministers seem content to say nothing about improving education standards for all children so that they are school ready.⁴³

⁴¹ House of Commons Library, '[Creating a Childcare Policy for the 21st Century: Key Issues for the 2015 Parliament](#)', accessed 8 June 2015.

⁴² HC Hansard, 27 May 2015, [col 41](#).

⁴³ Labour Party, '[Comment on Government's Childcare Announcement](#)', 1 June 2015.

Liberal Democrats

Lord Storey, the Liberal Democrats' Principal Spokesperson in the House of Lords on education matters, stated during the debate on the Queen's Speech:

My Lords, there is much in the gracious Speech that we on these Benches welcome: the mention of social care, apprentices, child protection and, of course, childcare provision. On childcare provision, however, it is not just about the extra resources or extra finance; it is also about the quality of that provision. But we need to look closely at the financing issues as well.⁴⁴

Scottish National Party (SNP)

SNP spokespersons in the House of Commons have not yet commented on the Childcare Bill. However, a SNP press release published in January 2015 stated that First Minister Nicola Sturgeon had “outlined a commitment to increase childcare provision to 30 hours per week [in Scotland] by the end of the next Parliament [of the Scottish Parliament]—a move that would save families around £2,000 per child per year”.⁴⁵

5.2 Stakeholder Reaction

Reaction to the proposed Bill from a selection of stakeholders is outlined below.

Pre-school Learning Alliance

Speaking on the *Today* programme on BBC Radio 4 on 1 June 2015, Neil Leitch, Chief Executive of the Pre-school Learning Alliance—which represents 14,000 private, voluntary and independent groups—approved of the plan to increase the free childcare entitlement to 30 hours a week, but stated that he thought the current system was underfunded:

We approve of their [the Government's] idea to actually extend the number of free hours to parents, because parents need that. But what we're concerned with is that the existing 15 hours of free childcare are so grossly underfunded that extending this without really looking at what it's going to cost will just exacerbate the problem. So we think things will get worse, and that, in the long-term for parents, is likely to leave them with a shortage of places, and of course an increase in fees when they take additional hours beyond the 30 [free hours entitlement] [...] They [the Government] are putting more money into it [childcare], but it is interesting that they have already said they will do a review, which is good news; they have also allocated a cost of £350 million. Now, it's rather odd to do the review after you've already allocated a cost. I think that we shouldn't forget that just six months ago, the Coalition Government said that it was a nonsense to suggest that the free entitlement was underfunded [...] a few pence won't kill this; it [the free childcare entitlement] needs a substantial review. We're all for it—we'd love to work with government to do this. But it needs to be serious.⁴⁶

Also on 1 June 2015, BBC News reported that the Pre-school Learning Alliance had stated that the “grant for the existing 15 hours falls, on average, around 20 percent short of the true cost

⁴⁴ HL *Hansard*, 3 June 2015, [col 502](#).

⁴⁵ SNP, '[2015 to Bring More Childcare Progress](#)', 3 January 2015.

⁴⁶ BBC Radio 4, '[Today Programme: Childcare Bill Will Leave Parents With 'Shortage of Places'](#)', 1 June 2015.

of providing care—£3.88 per hour compared with £4.53”.⁴⁷ The article reported that Neil Leitch had added:

I think this is crunch time. While we of course welcome the drive to improve the availability of childcare in this country, these figures clearly show the government’s plan to extend funded childcare hours simply cannot work without a substantial increase in sector funding. The so-called ‘free’ childcare scheme is nothing of the sort. For years now, the initiative has been subsidised by providers and parents because of a lack of adequate government funding.⁴⁸

National Day Nurseries Association

Speaking following the announcement of the Conservative Party policy, Purnima Tanuku, Chief Executive of the National Day Nurseries Association, welcomed the policy but cautioned that it needed to be sustainably funded:

While we welcome this commitment to provide more support to families with the cost of childcare, we warn that doubling the number of hours will just double the problem, resulting in significant cost increases for parents of children under three and also nursery closures.

With the current 15 free hours, there is already a chronic underfunding issue, so any extension of this provision must be thoroughly costed and properly funded so that it can be delivered sustainably and without a reduction in quality.⁴⁹

Professional Association for Childcare and Early Years

Also speaking following the policy announcement, Liz Bayram, Chief Executive of PACEY, the Professional Association for Childcare and Early Years, voiced her belief that the policy should be adequately funded:

While we are encouraged that the Conservative Party has placed childcare at the top of its election manifesto, the doubling of free childcare to 30 hours a week is something that would have to be adequately funded to work effectively in the long-term, both for parents and childcare professionals.

To our members, the more pressing priority is to ensure that current funding is used as effectively as possible in order to allow them to uphold quality across the sector.⁵⁰

Family and Childcare Trust

Jill Rutter, from the Family and Childcare Trust, a campaign group for affordable and accessible childcare, stated that there was “no proper funding formula” in place at present. She added, the “money local authorities get from government to pass on to providers is very varied”.⁵¹

⁴⁷ BBC News, [‘Childcare Changes Threatened by Underfunding, Providers Say’](#), 1 June 2015.

⁴⁸ *ibid.*

⁴⁹ Nursery World, [‘Conservatives Pledge to Double Free Childcare Hours’](#), 14 April 2015.

⁵⁰ *ibid.*

⁵¹ BBC News, [‘Childcare Changes Threatened by Underfunding, Providers Say’](#), 1 June 2015.

Gingerbread—Charity for Single Parents

Following the publication of the Bill, Fiona Weir, Chief Executive of single-parent charity Gingerbread, stated that 30 free hours of childcare a week was “really good news” for those who would qualify, but added:

The cost of childcare is one of the biggest barriers the UK’s two million single parents face to finding and staying in work. As the primary carers for their children, they can’t do the kind of ‘shift parenting’ couple parents often do. However, we look forward to seeing more detail on how parents will qualify for this extra support, and the way in which the extra hours will work.⁵²

Citizens Advice

Citizens Advice has warned that the 30 hour entitlement for three- and four-year-olds needs to be adequately funded and childcare providers should be encouraged to offer more flexibility.⁵³ Expressing the views of the body on the proposals, Gillian Guy, Chief Executive of Citizens Advice, stated:

The lives of working parents are being held hostage by childcare. As the number of in-work parents rises it is vital that the childcare market adapts to meet growing demand. The growth of fluctuating work patterns means many parents now need more flexible childcare arrangements. Employers’ understanding and flexibility is also crucial.

Without the right childcare in place parents’ work choices are limited, which can make it harder for them to support their family. It is good news that free childcare is being extended, but providers must be properly funded to offer the 30 hours per week. The Government also needs to work with childcare providers to deliver more flexibility, to fit around people’s changing working lives.⁵⁴

British Chambers of Commerce

Commenting specifically on the Childcare Bill announced in the Queen’s Speech, John Longworth, Director General of the British Chambers of Commerce, stated:

Expanded access to childcare is a win-win solution for employers and parents alike, enabling more talented individuals, should they wish, to stay in work. However, past commitments to raid pensions savings, even to pay for a business priority such as childcare, will dismay entrepreneurs, for whom long-term rewards are often more important than short-term pay. We hope the Government reconsider and move towards a more cost effective method of supporting working parents through a fiscally neutral Childcare Contribution Scheme, as outlined in our [Business Manifesto](#).⁵⁵

⁵² *ibid.*

⁵³ Citizens Advice, ‘[Working Parents Need Flexible, Fully-funded 30 Hour Offer](#)’, 8 June 2015.

⁵⁴ *ibid.*

⁵⁵ British Chambers of Commerce, ‘[Queen’s Speech is a Step in the Right Direction for Business](#)’, accessed 8 June 2015.

Confederation of British Industry

Also commenting on the Government's announcement on childcare, Katja Hall, CBI Deputy Director-General, stated:

It's good to see the Government getting out of the blocks by focusing on apprenticeships and childcare [...] Increasing free childcare provision is important, and in time we would like to see the gap closed between the end of maternity leave and the start of free provision.⁵⁶

⁵⁶ Confederation of British Industry, '[CBI Comments on Apprenticeships and Childcare Announcement](#)', 12 May 2015.