

Northern Ireland Executive Draft Programme for Government and Draft Budget 2008 - 2011

Response from NICMA – the Childminding Association

December 2007

Introduction

NICMA – the Childminding Association is a membership organisation and charity working to promote and develop quality home-based childcare across the whole of Northern Ireland, for the benefit of children, families and communities. It is the sole organisation representing childminders in Northern Ireland. 74% of registered childminders here are members. Registered childminding is by far the most popular and affordable form of full-time childcare in Northern Ireland.

We were greatly heartened by the importance attached to childcare in the manifestos of all the main political parties produced for the recent Assembly election. **We are therefore surprised and dismayed at the lack of any mention of childcare in the Draft Programme for Government (PfG) and the accompanying Public Service Agreement (PSA) Framework.**

We are further disappointed to note that the PSA Framework commits the Executive merely to “Take forward the development of the [Executive’s] Early Years Strategy”, rather than any commitment to actually produce such a document at a specified date within the next three years (p. 13, PSA Framework). Such a strategy could – and should – have a crucial role to play in ensuring that high quality, affordable and accessible pre-school childcare provision exists across Northern Ireland for all families who wish to or need to avail of it.

While we warmly welcome the commitment by the Department of Agriculture and Rural Development in the Draft Budget to make progress on the provision of rural childcare (p.55), **we are concerned that none of these documents – the Draft PfG, the Draft Budget and the PSA Framework - contains any specific objectives nor any specific allocation of funding as regards childcare.** In particular, we are concerned that no specific allocation of funding has been identified for early years and childcare provision in the expenditure allocation for the Department of Education presented in the Draft Budget (p.67). The Department now takes the lead role in formulating and delivering policies on early years and childcare provision and support. **We consider it imperative that the Draft Budget indicates more clearly how early years and childcare provision and support is to be funded.**

We are further concerned that there is no mention in the Draft Budget of the Children and Young People’s Fund, part of which was being used to fund childcare

provision. We would urge the Executive to commit itself to the continuation of this Fund and to its contribution towards childcare provision.

We greatly welcome the commitment in the Draft PfG to reduce by 50% child poverty by 2010 and to eradicate it by 2020 (p. 9). Clearly, childcare has a central role to play in helping to reduce child poverty. However, the Draft PfG also gives high priority to improving Northern Ireland's economic performance. As we show below, there are sound economic arguments for improving childcare provision.

This submission is made in the context of a serious childcare shortage in Northern Ireland. The evidence with regard to this is outlined below. We would urge the Executive to commit itself to tackling this problem effectively.

Given that childminding is the most popular and affordable form of full-time childcare, we believe that improving the provision of childminding must be a fundamental element of any strategy on childcare. NICMA has developed a cost-effective proposal aimed at achieving just this objective. We enclose a copy of this proposal with this submission. There is a brief summary of the proposal in the last section of this response.

The current childcare shortage

In 2003, a comprehensive survey of parents and childcare providers in Northern Ireland, commissioned in part by the Department for Employment and Learning (DEL), found the following:

- there was a **significant shortfall in childcare places in Northern Ireland**
- **two-thirds of non-employed mothers said that lack of adequate, quality childcare deterred them from seeking work**
- **demand for childminding far outstripped supply**
- **a further 20% expansion in the number of childminders was needed to meet demand¹**

Yet, instead of any increase in the number of childminders since this report was written, there has actually been a sharp drop in childminding places; **in the three years to March 2006, there was a 19% fall in the supply of places with registered childminders.²**

¹ Gray, A. and Bruegal, I. *The availability, use of and demand for childcare services among the parents of children aged 0-14 in Northern Ireland*. Commissioned by the Equality Commission for NI, DEL and the four Childcare Partnerships in 2003.

² *Children Order Statistical Bulletin 2006*. The actual number of registered childminders fell by 14% during the same period.

The economic case for better childcare provision

One of the key weaknesses of the Northern Ireland economy is its relatively high economic inactivity rate; Northern Ireland has the highest working age economic inactivity rate of any region in the UK.

There are, of course, many economically inactive individuals who either cannot or have no wish to seek a job. However, figures published by the DEL reveal that, in December 2006, there were no less than **12,000 economically inactive women of working age in Northern Ireland who actually do want a job - and who cite 'family and home' as the reason they are not actively seeking one.**³

Some of these will, of course, be carers of elderly and other adult dependents, but many must surely be mothers. As noted, the childcare survey commissioned by DEL, referred to previously, found that two-thirds of non-employed mothers said that lack of adequate, quality childcare deterred them from seeking work. **These two stark statistics certainly suggest the existence of a not insignificant potential additional pool of labour which the Northern Ireland economy could be utilising – if the right childcare facilities existed.**

The economic strategy being pursued by the Executive also focuses on the creation of higher-skilled, value-added jobs (p. 5, Draft PfG) – and on the promotion of equality of opportunity (p. 3, Draft PfG). Yet **many women drop out of the labour market or work part-time when they have children.** UK-wide, just over half (56%) of women with children under five are working, and nearly two-thirds of those who are working are in part-time jobs.⁴ **This has a considerable negative impact on their own pay and promotion prospects, and on overall economic productivity.**⁵

A major review commissioned by the former UK Department of Trade and Industry, and carried out by Professor Sylvia Walby and Dr Wendy Olsen, concluded:

Interruptions to employment constitute a major factor in women's lower pay and productivity. This has an impact not only directly in removing women from the

³ Department of Employment and Learning *Labour Market Bulletin 20. December 2006*, Fig 18, p.31. Available at: <http://www.delni.gov.uk/labour-market-bulletin-20.pdf>

⁴ Women and Work Commission (2006) *Shaping a Fairer Future* (London: DTI), p27. Available at: http://www.womenandequalityunit.gov.uk/publications/wwc_shaping_fairer_future06.pdf and Walby, Sylvia and Olsen, Wendy (2002) *The impact of women's position in the labour market on pay and implications for UK productivity. Report to Women and Equality Unit.* (London: DTI), p.30, Table 2.3. Available at: http://www.womenandequalityunit.gov.uk/publications/weu_pay_and_productivity.pdf

⁵ See Women and Work Commission, *op. cit.*, pp. 29-31 and Walby, Sylvia and Olsen, Wendy, *op. cit.* Available at: http://www.womenandequalityunit.gov.uk/publications/weu_pay_and_productivity.pdf

labour market or in their working fewer hours, but also has a significant impact on occupational level.⁶

Indeed, a survey commissioned by Walby and Olsen as part of their review found that the availability of affordable, high quality and suitable childcare was a key factor when mothers make a decision about whether or not to return to work, and whether to work full-time or part-time.⁷

NICMA would never wish the Executive to erect any obstacles that made it difficult for those women who so wish to leave the labour market or work part-time when they have children. However, we believe many women are opting to stay at home or to work part-time because lack of adequate childcare provision constrains their choices.

Better childcare might well also encourage **higher rates of self-employment among women, thus potentially helping to create the value-added jobs the Executive seeks.** Women in Northern Ireland have a low rate of self-employment compared to women in Great Britain – in February 2006, **just 14% of the self-employed in Northern Ireland were women, compared to 27% in Great Britain.**⁸ A recent survey of women's business ownership showed that Northern Ireland had one of the lowest rates of female self-employment of any UK region – 5.8% compared to a UK average of 7.3%.⁹

It is worth noting that key Northern Ireland economic policy documents recognise the significant contribution which childcare can make to economic growth. The Northern Ireland Draft Regional Economic Strategy states that “**childcare provision is critical to enabling those with young families to access the workplace and the benefits it can bring.**”¹⁰

The Taskforce on Employability and Long-Term Unemployment, established by the previous Northern Ireland Executive, commissioned research which found that:

... lack of access to affordable and decent quality childcare provision [is] one of the main barriers to entering the labour market for parents, particularly women ...¹¹

⁶ Walby and Olsen, *op. cit.*, p. 77.

⁷ *Ibid.*

⁸ DETI *Women in Northern Ireland*, p. 7

⁹ Carter, Sara *Women's Business Ownership: Recent Research and Policy Developments*. November 2006, p. 21. Available at: <http://www.prowess.org.uk/documents/WomensbusinessownershipSaraCarter.pdf>

¹⁰ Department of Finance and Personnel *Northern Ireland Draft Regional Economic Strategy*. January 2007, p.65. Available at: http://www.dfpni.gov.uk/res_final_draft_january_2007.pdf

¹¹ Department of Employment and Learning *Report of the Taskforce on Employability and Long-term Unemployment*. December 2002, p. 94. Available at: http://www.delni.gov.uk/taskforce_report_v.pdf

The value of childminding

If the childcare deficit in Northern Ireland is to be addressed effectively, an expansion of and improvement in the provision of registered childminding should be a top priority. As noted previously, **registered childminding is by far the most popular – and affordable – form of full-time childcare in Northern Ireland**; it accounts for 63% of full-time daycare places and 37% of all childcare places. **In many sparsely populated rural areas which could not support a day nursery or out of school club, childminding is the *only* viable form of childcare provision.**

Registered childminding offers high quality care combined with individual attention to each child. The fact that the care is home-based and non-institutional strongly appeals to many parents and children. Many registered childminders can also offer greater flexibility with regard to hours than institutional daycare settings.

However, **Northern Ireland is missing out on childminding support initiatives which have been introduced in the Republic of Ireland, and in England and Wales:**

- in the Republic of Ireland, Childminder Development Grants of up to €630 are available both for prospective childminders as set-up grants, and also for existing childminders who wish to improve the quality of their service
- in England, Sure Start funds Childminders Start-Up Grants as part of its childminding recruitment campaign
- the Welsh Assembly also makes a start-up grant available to new recruits

NICMA's proposed Childminder Start-Up Package

NICMA's proposed Childminder Start-Up Package would provide a cost-effective means for the Executive to begin tackling the shortfall in childcare. This would address the three problems the childminding sector here currently faces, all of which are contributing to the current shortage:

- a **growing reluctance** on the part of potential recruits **to embark on childminding as a career**
- a **notable unwillingness** among many childminders **to go through the registration process, thus potentially putting children at risk**
- a **high drop-out rate** among childminders during registration and during their first year in business

Our proposed Start-Up Package would address these issues through a twin approach – a £400 Start-Up Grant for prospective childminders, combined with one-to-one mentoring for all those seeking to enter the profession, or just beginning to establish their businesses. And our proposal really is a cost-effective solution – requiring an annual investment on the part of the Executive of just £300,000.

We are pleased to say that we have received genuine interest in this proposal from the Department of Education and, more informally, from other Executive departments. However, there would be a much stronger likelihood of this proposal being implemented if the Draft PfG contained a specific objective to expand the number of childcare places within the next three years, and if the Draft Budget included a specific allocation of funding for the provision of and support for childcare. We urge the Executive to include these commitments in the final versions of the Draft PfG and Draft Budget.

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