

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT  
GENERAL COMMITTEES

## Public Bill Committee

### CHILDCARE BILL [*LORDS*]

*Second Sitting*

*Tuesday 8 December 2015*

*(Afternoon)*

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CLAUSE 1 disagreed to.  
CLAUSE 2 agreed to, with amendments.  
CLAUSE 3 under consideration when the Committee adjourned till  
Thursday 10 December at half-past Eleven o'clock.  
Written evidence reported to the House.

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**Saturday 12 December 2015**

STRICT ADHERENCE TO THIS ARRANGEMENT WILL GREATLY  
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THE BOUND VOLUMES OF PROCEEDINGS  
IN GENERAL COMMITTEES

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**The Committee consisted of the following Members:**

*Chairs:* NADINE DORRIES, †MR DAVID HANSON

- |  |  |
|--|--|
| † Berry, James ( <i>Kingston and Surbiton</i> ) (Con)                            | † Matheson, Christian ( <i>City of Chester</i> ) (Lab)           |
| † Cadbury, Ruth ( <i>Brentford and Isleworth</i> ) (Lab)                         | † Phillips, Jess ( <i>Birmingham, Yardley</i> ) (Lab)            |
| † Cunningham, Alex ( <i>Stockton North</i> ) (Lab)                               | † Smith, Chloe ( <i>Norwich North</i> ) (Con)                    |
| † Donelan, Michelle ( <i>Chippenham</i> ) (Con)                                  | † Smith, Jeff ( <i>Manchester, Withington</i> ) (Lab)            |
| † Drummond, Mrs Flick ( <i>Portsmouth South</i> ) (Con)                          | † Tomlinson, Michael ( <i>Mid Dorset and North Poole</i> ) (Con) |
| † Frazer, Lucy ( <i>South East Cambridgeshire</i> ) (Con)                        | † Walker, Mr Robin ( <i>Worcester</i> ) (Con)                    |
| † Glass, Pat ( <i>North West Durham</i> ) (Lab)                                  | Fergus Reid, Joanna Welham, <i>Committee Clerks</i>              |
| † Green, Chris ( <i>Bolton West</i> ) (Con)                                      | † <b>attended the Committee</b>                                  |
| † Gyimah, Mr Sam ( <i>Parliamentary Under-Secretary of State for Education</i> ) |  |
| † James, Margot ( <i>Stourbridge</i> ) (Con)                                     |  |

## Public Bill Committee

Tuesday 8 December 2015

(Afternoon)

[MR DAVID HANSON *in the Chair*]

### Childcare Bill [Lords]

#### Clause 1

##### FUNDING REVIEW

*Amendment proposed (this day):* 10, in clause 1, page 1, line 13, at end insert—

‘(2A) The review to be established under subsection (1)(a) shall examine and make recommendations about a mechanism and criteria for agreeing—

- (a) an enhanced rate of funding per hour;
- (b) more than 30 hours of free childcare per week;
- (c) free childcare for more than 38 weeks in a year; or
- (d) a combination of two or more of the enhancements set out in paragraphs (a) to (c);

in circumstances where the qualifying child has a disability.’—  
(*Pat Glass.*)

*This amendment provides for a review to be carried out to establish criteria for agreeing an enhanced hourly rate of funding, free childcare beyond 30 hours a week and/or 38 weeks of the year (or a combination of two or more of these), for children with a disability.*

2 pm

*Question again proposed,* That the amendment be made.

**The Chair:** I remind the Committee that with this we are discussing clause stand part.

**Pat Glass** (North West Durham) (Lab): It is a pleasure to serve under your chairmanship, Mr Hanson, and I look forward to doing so over the next few days. I was talking about the review outlined in the clause, which will be ongoing and in parallel with the policy, as my hon. Friend the Member for Stockton North said. There would therefore be no delay to implementation, so we are not sure why the Minister is concerned about having that review.

The review would look at the ongoing sustainability of the policy. When as a director of education I was implementing any kind of policy, I had what I used to call a Libby test: I would talk through what I wanted to do with a member of staff and she would tell me, almost immediately, everything that was wrong with it and where it would fail. That informal consultation helped me and let me know where opposition would come from. Alongside all the formal consultation, as we implemented policies incrementally I found it useful to keep going back to her to test them out, because she would tell me exactly what headteachers were saying and where the problems were. The review would be something like the Libby test. It is about the Government making sure that the policy is sustainable as we move towards implementation.

**The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah):** The hon. Lady outlines precisely the idea underlying the early implementers, which we announced will happen in the second half of 2016 to test local demand, innovation and how parents respond to the offer. If she is saying that she wants to see that activity, I am certainly with her. If however she is suggesting that we should have further discussion about funding that was settled in explicit terms in the spending review, I am not with her.

**Pat Glass:** My understanding of the early implementers is that they are few: fewer than four children per authority if spread across the country. Therefore, unless the Minister can tell me otherwise, I cannot see how that is a major testing out of the policy. The review is about making sure that it is sustainable. We all want it to work; we just want it to work right.

**Mr Gyimah:** Five thousand children will benefit early from the policy as a result of the early implementers, but alongside that we will be testing a number of other things such as the eligibility checking system that Her Majesty’s Revenue and Customs is working on, which will be joined with tax-free child care; policy and practice around special educational needs and disability; and innovation around flexibility. Therefore, in addition to the 5,000 children who will get in early, we will look at a whole number of other things during the early implementation stage.

**Pat Glass:** We are grateful for that, but, as I said, 5,000 children across the country is not a huge number on which to test out sustainability, and funding sustainability in particular.

The Minister has talked a lot about funding, but he has not convinced me that he has filled that massive funding gap. It is not just me, their lordships or the Institute for Public Policy Research who are saying that, but the sector as a whole. There seems to be an inability to accept the true cost of childcare.

The Minister talked a lot about his review of childcare costs. There were lots of things I could not find in it, but in particular I could not find any kind of building in of future costs. We know that the sector will face costs in future such as the apprenticeship levy. We all agree with the apprenticeship levy, which is a great idea, but the childcare sector has a high number of apprentices. Therefore, whether we agree with the apprenticeship levy or not, we must accept that it will be an additional cost on the sector.

The sector has talked to me a lot about the implementation of the living wage, which is not only about implementing a minimum wage for those at the bottom, as the Chancellor seems to think. There are differentials and they are very slim, so if we implement the living wage, which will now be the minimum wage for those at the bottom, on the least wages, we have to increase the wages of those who are level 3-qualified, of graduate leads and of managers—all slim differentials. The sector is telling me that that is not built into the review.

**Mr Gyimah:** On the subject of future costs, I want to put something on the record. We want providers to take steps to absorb some of the future cost pressures. As a result, we have front-loaded the uplift to help providers do so, and we have done that even though the cost of

childcare review found that the average cost of delivering the three and four-year-old entitlement is £4.25, which is below our existing national average rate of £4.56. We want to work with providers to become more efficient—

**The Chair:** Order. Interventions, even from the Minister, need to be brief.

**Pat Glass:** I thank the Minister. That is helpful, because there is a lot of confusion around the funding. I will come on to £4.56 average rate in a minute.

Other future costs appear not to have been taken into account in the review, such as rising business rates or top-slicing by local authorities. The hon. Member for Norwich North talked about local authorities top-slicing anywhere from about 2% to about 9%. The budget used to be ring-fenced—it was ring-fenced in 2010, but the current Government took away the ring fence and have allowed the top-slicing to go on. It would be easy to put the ring fence back.

**Mr Gyimah:** The hon. Lady knows very well that the early years funding is part of the dedicated schools grant, so local authorities cannot dip into it to spend on, say, potholes. On the issue of top-slicing, we will set a firm expectation for local authorities of how much they may top-slice, alongside our review of the early years national funding formula, so that the majority of the funds goes directly to providers.

**Pat Glass:** Honestly, don't get me started on the early years funding. As I understand it, it was ring-fenced and it was an early years grant, but in 2011 it was amalgamated with 14 other grants into the early intervention grant, which covered everything from special educational needs through early years funding to behaviour support. It was huge and now it has been rolled into something else, so it is difficult, even for local authorities that want to deliver the funding, to weave their way through to what is actually early years funding. I will come on to the funding review in a moment.

I have read the cost of childcare report; it contains massive assumptions and an awful lot of complacency. The assumptions include things such as switching; the report simply makes the assumption that because parents do not switch their provider often they are satisfied. Anyone who has talked to parents knows that there are costs to switching that are not taken into account. Most parents do not want to shift their child from one childcare provider to another when the child is settled and has built up relationships, even if they cannot afford that childcare any longer or even if they have found a cheaper provider. Parents will cut out all sorts of other things to ensure that they do not have to shift their children constantly from one provider to another. It is not the same as switching electricity supplier, and we know how difficult people find that.

**Lucy Frazer** (South East Cambridgeshire) (Con): Does the hon. Lady accept that 85% of the two, three and four-year-olds who receive funded education are in good or outstanding early years schools, as rated by Ofsted? That provision was supplied at a rate less than the future rate.

**Pat Glass:** Is that just three and four-year-olds?

**Lucy Frazer:** Two, three and four-year-olds, according to the report.

**Pat Glass:** As we are talking about three and four-year-olds, I am not sure that is relevant, but I am happy to accept it.

The Minister talked about under-occupancy. He is right that there is 75% to 90% occupancy. However, occupancy is much higher on a Tuesday, Wednesday or Thursday than it is on a Monday and Friday. I know that the Minister will say that we can extend the 30 hours, but many families choose or are able to find familial childcare for Monday and Friday, so I am not sure that will necessarily provide him with his extra hours.

We have talked about the risks. The Minister and the review do not seem to accept the cross-subsidisation that is going on between the 15 hours and the rest. Childcare providers tell me clearly that they are only able to provide the 15 hours of free childcare because they charge more for any additional hours that parents want, or they charge for meals or other things, so that they can deliver the 15 hours. There is a real danger if we extend this without the right kind of funding to support it that it will come out in other areas. The squeeze will be on in other areas, and the cost of childcare for babies, one-year-olds and two-year-olds will rise sharply.

**Mr Gyimah:** The childcare sector has a record amount of money going into it as a result of the spending review. The hon. Lady argues somehow, on whatever basis I do not know, that is not enough. Can she tell us what she considers is the right funding rate for three and four-year-olds?

**Pat Glass:** The Minister makes it sound as though I am making this up. I reached this view by talking to the sector. I spoke to all the people who contributed to the costs of childcare report as recently as last night. They told me they do not know how it came up with the results it did, given the data they input and the discussions that they had. I am not making this up; that is what the sector tells me.

**Mr Gyimah:** The hon. Lady should accept that the Government are negotiating with mainly private providers. Yes, I understand that a number of providers will say that this is not enough.

**Pat Glass:** And they would, wouldn't they?

**Mr Gyimah:** Of course, that is what happens when the Government go out and say we will increase the rate, and we will undertake a review to find out what the new rate will be. Do not be surprised if lots of people say the rate is not enough. This is based on evidence that we were supplied with. We have compared the rates here with the rates in their own reports that they published, and the new rate is more than adequate. If the hon. Lady disagrees, can she tell us what she thinks is the right rate?

**Pat Glass:** It is not my job to answer questions; it is the Minister's. I am simply pointing out that the sector is saying that it does not understand how the results came out of the review, given its input.

**Ruth Cadbury** (Brentford and Isleworth) (Lab): Does my hon. Friend agree that if a political party puts in a manifesto an offer of 30 hours a week free childcare to parents of three and four-year-olds, that is what the offer is? Does she not agree that voters would therefore expect that that is funded and that the political party hoping to be in government, and now in government, is prepared to fund it to the level that delivers that offer?

**Pat Glass:** That is absolutely right. The offer made in May this year was 30 hours a week of free childcare. It is not now 30 hours a week free childcare to parents who are working more than eight hours. The thresholds have increased and the numbers of people eligible have gone down. As I said on Second Reading, any parent who voted Conservative on the basis of that offer will be feeling seriously short-changed now.

**Mr Gyimah:** The hon. Lady cannot have it both ways. She cannot say that on the one hand the funding is not enough and on the other we have reduced the numbers for the funding to work. She has to decide which of those two positions she holds. She cannot have it both ways.

**Pat Glass:** Actually, I can, because that is exactly what has happened. In my view, the funding is not enough and it is a fact that the eligibility threshold has increased. Those are simply facts. Anyway, moving on—

**Christian Matheson** (City of Chester) (Lab): There seems to be a bit of confusion. The whole point of the clause we are debating is that we sit back with the sector, private providers, to find out what the correct levels are. In view of that and given the confusion, does my hon. Friend agree that what is in the Bill, as it stands, would actually be a good idea for the sector?

2.15 pm

**Pat Glass:** That is exactly what we are arguing. There is confusion here, and we are not happy. I have listened to the Minister, but he has not convinced me that the necessary funding is there. There may be more than there was a couple of weeks ago, but the necessary funding is not there, which is why we believe that an ongoing review is a good idea.

**Alex Cunningham** (Stockton North) (Lab): Some of the things that the Minister has said in the past add to the confusion. He was quoted as saying that the increase in childcare entitlement by 10 hours would cost an additional £1.6 billion. He talks about £1 billion and extra money in the spending review. Numbers seem to be coming out of hats all over the place. Does anybody really know what funding is available?

**Pat Glass:** I agree. I am simply confused, and I have always thought of myself as a relatively clever girl. I would like to understand it; will the Minister write to me setting out exactly how much money is available for this and where it is coming from?

**Mrs Flick Drummond** (Portsmouth South) (Con): Does the hon. Lady agree, though, that it has to be not only affordable for providers, but sustainable for taxpayers? We are putting £2.6 billion in, and there is only a limited amount of money.

**Pat Glass:** I absolutely agree, but I did not make an offer of 30 hours of free childcare in May 2015—the Government did.

I want to move on to amendment 10. I am happy to take up the Minister's offer of working with him to look at how we can extend the take-up of childcare for disabled children. However, I am not sure how I feel about going back to the Department for Education, given that I worked there before 2010. Perhaps we can meet in a coffee shop or something, but I am very happy to work with him.

I agree with the Minister that the issues around children and access, as regards children being able to access education in schools or childcare for disabled children, are not always about money. Some are, but in my experience, an awful lot of this is about confidence. I have worked with schools on many occasions, although not with childcare providers because that was not necessarily my area of expertise, to try and get them to the point at which they can admit a child who has a disability—who has something they have not seen before, who has something really unusual.

I remember one child, a lovely little boy; I think he is probably about 16 now. He had very little movement—a little bit of head movement, but nothing much more. Those at the school were terrified. They were really worried—it was quite a long time ago, and I think it would be fairly routine now—but we worked with the school. At that time, another child at the school had a little bit of learning difficulty and a little bit of physical difficulty, but nothing huge across the piece, and every time I spoke to the headteacher, he would mention that little boy.

Once the child who had very little movement was admitted, when I saw the headteacher again I asked how Fred—I think that was the other boy's name—was getting on. He said, "Oh, we're not worried about that at all. Do you know what? He's no bother." As soon as the staff at the school had the confidence, training and support—the support was really important—and admitted children with quite significant difficulties, they were really proud of themselves and of how well they had done, and they were looking to admit the next child with another serious disability. I think much of it is about a little bit of training. Some of it is about money, but a lot is about confidence and giving those childcare providers the confidence that they are not on their own.

The Minister talked about Government reforms and I welcome their reforms on special educational needs and disability. They are a huge step in the right direction. We wish them well. The difficulty, as he would expect me to say, is that these are being implemented at a time when local authority budgets are being significantly cut. Therefore, there is sometimes a very difficult financial circle for local authorities to square.

The Minister talked about the funding already in the system to tackle the problems that disabled children have in not getting access to the 15 hours of childcare. He talked about the higher rate of funding block, but, as I pointed out in an intervention, my understanding is that local authorities are really struggling to provide the statutory provision that they need to support statements and the education, health and social care plans that fall within the statutory sector, and very few have leeway with funding to support the non-statutory bit, which is the childcare sector.

On the review of fair funding, the Minister and I entertained each other one Thursday evening on the graveyard shift a few weeks ago. I was amazed that something like 35 Government Members turned out. One of the things that was said, to which I did not respond at the time, was that the Labour Government did nothing about this. That is not true. I was working in the DFE at the time. I am probably the collective wisdom from the DFE now, because I am not sure that many people who were there are here.

I want to put a hypothetical case to the Minister. If he were to seek legal advice on this, I suspect it would tell him that there is a direct line between those authorities—largely but not all metropolitan—that have high council tax, and those that funded education above the standard spending assessments, because this is all historical. There is still what I think ought to be referred to as a golden thread between those authorities that pay high council tax and those whose schools are highly funded.

If the Minister were to seek legal advice, he would find that there is probably a remedy for those authorities that have low council tax and low funding for schools. They can have a referendum and raise council tax and pass it on to their schools. The Minister may therefore find that his legal advice would tell him that if he were simply to transfer funds across, his chances of winning a judicial review against the big beasts of Birmingham, Manchester, Leeds and so on would not be bonny.

**Mr Gyimah:** I thank the hon. Lady for her advice. Does she think that it is right that Wandsworth, which has one of the lowest council taxes in the country, gets £730 more per pupil than Knowsley, with lots of disadvantaged children?

**Pat Glass:** No, I do not think that is right and I would not defend it at all. However, I think that if the Minister is simply going to redistribute existing funding—to level it down—he may find he has legal problems. If he tries to level it up, there will be no problems at all.

The highest rate of funding block is insufficient to address statutory needs. I listened to what the Minister said about tax-free childcare. As he quite rightly said, this is about the Government topping up a bank account, into which the parent will put £800 and the Government will top up to £1,000 for each child. However, that is not realistic for most parents of children with disabilities.

As I said earlier, the Joseph Rowntree Foundation evidence highlighted that disabled children are most likely to live in poverty, that it costs three times as much to raise a disabled child as it does to raise a child without a disability, that families of disabled children are two and a half times more likely to have no parent working for more than 16 hours a week in paid employment, that only 16% of mothers of disabled children work, compared with 61% of all mothers, and that 83% of parent carers say that lack of suitable childcare is the main barrier to work. Most parents of disabled children are not going to be sitting around with a spare £800 per child. Some families will be helped, but the funding will not help across the piece.

**Mr Gyimah:** To be precise, the top up is 20% of whatever the parents put in. It is not 20% of £800; it is a 20% co-payment of whatever the parents put in.

**Pat Glass:** Was it £800 with a top up, or has it always been 20%?

**Mr Gyimah:** It has always been 20%.

**Pat Glass:** That helps, but I do not think parents of disabled children have huge amounts of money lying around that they can use for this. However, it will help and we are grateful for that.

We remain concerned at the funding gap, despite what the Minister says. We believe that his policy is underfunded and we are concerned about the risks that could result—less provision, less choice for parents, diminishing quality and sharp rises in childcare for younger children. We remain convinced that an ongoing review would help to make the policy work and deliver what we all want, but we will not press clause stand part to a vote. On amendment 10, however, I believe that the Minister is well meaning, but nothing he has said today has convinced me that anything will change for families of disabled children, so we will seek to divide the Committee.

*Question put, That the amendment be made.*

*The Committee divided: Ayes 6, Noes 10.*

#### Division No. 1]

#### AYES

Cadbury, Ruth  
Cunningham, Alex  
Glass, Pat

Matheson, Christian  
Phillips, Jess  
Smith, Jeff

#### NOES

Berry, James  
Donelan, Michelle  
Drummond, Mrs Flick  
Frazer, Lucy  
Green, Chris

Gyimah, Mr Sam  
James, Margot  
Smith, Chloe  
Tomlinson, Michael  
Walker, Mr Robin

*Question accordingly negatived.*

**The Chair:** We have also debated clause 1 stand part, so the question is that clause 1 stand part of the Bill. As many as are of that opinion say aye; of the contrary, no.

**Mr Gyimah:** No. [*Interruption.*]

**The Chair:** Order. The motion is very straightforward: that clause 1 stand part of the Bill. If the Government wish clause 1 to stand part of the Bill, they vote aye. If they do not wish clause 1 to stand part of the Bill, they vote no. I will try again, for the benefit of the Front Benchers. The question is that clause 1 stand part of the Bill. As many as are of that opinion say aye; of the contrary, no.

**Mr Gyimah:** No.

**The Chair:** I think the Noes have it, on the basis of the Minister shouting no.

*Clause 1 disagreed to.*

**The Chair:** For the benefit of Members, what that means is that by your shout, Minister, you have voted with your colleagues to remove clause 1 from the Bill. If that was your intention, you have done it. If that was not your intention, I suggest you talk to the Whips' Office in due course, because you will be in trouble.

**Mr Gyimah:** That was my intention.

### Clause 2

#### DUTY TO SECURE 30 HOURS FREE CHILDCARE AVAILABLE FOR WORKING PARENTS

**Pat Glass:** I beg to move amendment 8, in clause 2, page 2, line 17, after ‘work’, insert ‘, voluntary work or full-time education course’.

*This amendment would also allow those parents who undertake voluntary work or who are in full time education with the intention of retraining for the workforce to access 30 hours of free childcare.*

**The Chair:** With this it will be convenient to discuss the following:

Amendment 12, in clause 2, page 2, line 22, at end insert—

‘(ca) specify other circumstances in which a person is to be regarded as in such work where they are the parent of an eligible child who is disabled;’

*This amendment probes on the definition of working parents, and specifically when the parent or parents of a disabled three to four year-old child will be considered as eligible for the additional 15 hours of free childcare.*

Amendment 9, in clause 2, page 2, line 26, at end insert—

‘(4A) In making regulations under subsection 4, the Secretary of State must set out in what circumstances a parent or partner who—

- (a) is a zero hours worker, as defined under section 27B (2) of the Employment Rights Act 1996,
- (b) varies the hours they work on a weekly basis, or
- (c) varies the hours they work across the year,

will be considered to meet any conditions relating to paid work.’

*This is a probing amendment to clarify eligibility for those parents whose patterns of work will vary day to day and week to week. This would include parents who are on zero hours contracts, parents who work flexibly or seasonal hours, and parents who are self-employed.*

**Pat Glass:** I am sorry for the confusion. This is new to all of us. I have been on Bill Committees before, but it is a nightmare, isn't it? I thought that we were voting—

**The Chair:** We have voted, and we are now debating amendments 8, 9 and 12.

**Pat Glass:** Amendments 8, 9 and 12 are all linked by the question of eligibility. As we have heard in the other place and here, the Government started with a manifesto promise of 30 hours' free childcare to parents who worked more than eight hours a week, but we are now looking at something less than that. Early analysis has suggested that the Bill will remove from eligibility significant numbers of low-paid parents who had thought that they would be eligible. Through this series of amendments that we will be considering today, and perhaps on Thursday, I want to explore eligibility with the Minister. These are probing amendments so that we can be very clear about who is eligible.

2.30 pm

Amendment 8 relates to the very many parents across the country who work—and work hard—but who seem to have been cut out of eligibility, simply on the grounds that they do not get paid for the work that they do. I do not think that any of us who have ever brought up

healthy children can ever fully understand the daily pressures that face parents and carers of children who are critically ill or who have a disability. Every day, those parents and carers face the possibility that their child may be too ill to go to school or may need access to medical attention that requires their presence or needs them to attend yet more regular hospital appointments. Parents and carers in such situations have to put their lives on hold. Very often, they cannot work in the way that people who do not face those daily trials do, but many of them choose to work in other ways—in the voluntary sector, on an unpaid basis, and when they can.

The amendment recognises the huge contribution that parents and carers of critically ill and disabled children make to their children's lives and to society, and tries in some way to recompense them for the time that they give and the work that they do that would otherwise have been funded by the Government. Access to good-quality childcare is important for all families; it has a positive impact on children's learning outcomes and enables parents to work. It allows children to socialise and to develop skills in socialisation and verbalisation, which cannot necessarily happen—or not in the same way—if children are not in groups.

**Alex Cunningham:** This is not just about people who good things working with charities and so on, but about people who want to go out and get work experience, because they tried to get on an interview panel for a job but were rejected because they did not have any experience. This gives them an opportunity; if they were to get childcare, they could get the experience and then get into work at a later stage.

**Pat Glass:** I welcome my hon. Friend's intervention; he is absolutely right.

For critically ill or disabled children, access to good-quality childcare is particularly significant, because their families are far more vulnerable to living in poverty than most. Childhood illness and disability are frequently attributable to poverty, because those families incur additional ongoing expenses relating to their child's illnesses, stays in hospital and frequent hospital and medical appointments. They also often encounter significant barriers to entering and, possibly more importantly, sustaining employment, exactly as my hon. Friend said.

The reality for many of those parents is that they live in poverty; that it will cost them more to raise their child; that they will not be able to get paid work for more than 16 hours a week; that they will not be able to work at all; and that local authorities will simply not have the kind of childcare necessary, with the training needed to meet their child's medical or other needs. Parents in such circumstances pay more for childcare; as we have heard, in some areas they can pay up to £20 an hour, compared with the national average of between £3.50 and £4.50 an hour.

**Lucy Frazer:** Without commenting on the substance of what the hon. Lady is saying, clause 2(3) states:

“The conditions mentioned in subsection (2)(d) may, in particular, relate to the paid work”—

that is “may”, not must. This is a matter, I assume, to be dealt with in regulations.



**Pat Glass:** That is precisely why we are probing the Minister's thinking.

That is the reality for too many families. The amendment would include in eligibility parents who, through no fault of their own, are unable to work in paid employment and therefore might fall outside the eligibility criteria for access to the additional 15 hours of childcare. In all honesty, who needs that childcare more than those parents? They give up so much to support the medical needs of their children. Sadly, for some parents the issue will be temporary, and in time they will be able to pick up their lives. For many more, however, mainly mothers, but also fathers, the proposed measure will mean being unable to enter the paid workforce throughout the life of their child.

My own extended family felt the shock of a diagnosis of leukaemia for a small relative. The immediate family were living and working in west Cumbria at the time. Both parents were working and they had two little girls. The child who was ill was admitted to the Royal Victoria infirmary in Newcastle, which was the centre for childhood cancers in the northern region. She was admitted for long periods of treatment, and her mum stayed with her. Her mum had to resign from her job because no timescale was given for the treatment, which ultimately lasted years. Eventually, the strain on the family caused by the father and the other child living on one side of the country and the mother and the ill child living on the other meant that the father also gave up his job and resettled the entire family in the north-east, near the specialist hospital. That is the reality for many families.

The father took the opportunity to return to education and retrain. He did voluntary work in local schools until he qualified and was able to work as a teacher and support his family. He has done that for the last 20 years. Good-quality, free childcare would have been really helpful to that family. I remember the younger child, who would have gone to anyone because she was so used to being passed around like a parcel. Good-quality childcare is important to families in similar situations today.

Amendment 8 would allow families in such difficult circumstances to access the additional 15 hours of childcare, and I suggest to the Minister that no working families would benefit more. I am not asking for a great deal—I am not asking the Government to change the eligibility details and so on. However, will the Minister consider extending eligibility to parents who are doing voluntary work and satisfy the hours requirement?

Moving on to amendment 12, I want to probe what is meant by “working parent” for the purposes of the Bill. I should be grateful if the Minister gave details of exactly what it means. It has been said that it will include unpaid work, but will it? How will it work for the self-employed and those who move between self-employment and employment? What will be the impact on parents who work but do not necessarily receive payment for that work? I want to probe specifically how the definition will apply to the parents of disabled children. We have already heard that 40% of those parents are unable to access the 15 hours to which they are currently entitled, which is 10 times more than families with non-disabled children. A lack of suitably qualified and trained staff and a lack of confidence among providers prevent them from accessing that childcare.

We have heard that childhood disability is often a trigger for poverty, because families incur additional ongoing expenses and face significant barriers that the rest of us do not. We have also heard about the additional costs that go along with that and the fact that mothers of disabled children cannot work at all.

The Minister said he wanted to work with me to improve the take-up of free childcare by families of disabled children, but he was not prepared to support an amendment to increase the hourly rate. With amendment 12, we want to explore eligibility so that it is clear what we mean by “working parent” and what impact that will have on parents of disabled children.

Does the Minister's offer to work with me to improve the take-up of childcare include a desire to look at eligibility and additional hours? We want to ensure that more families can access their entitlement, and that more mothers, and indeed fathers, of disabled children can go out to work, so that over time we can take more and more families with disabled children out of poverty. This is a probing amendment, and we simply want to see how far the Minister is prepared to go.

On amendment 9, the Bill states:

“The Secretary of State must secure that childcare is available free of charge for qualifying children of working parents for, or for a period equivalent to, 30 hours in each of 38 weeks in any year.”

It continues:

“The Secretary of State may make regulations for the purpose of discharging the duty imposed by section 2(1)”

and specifies that those regulations may, for example, include

“enabling any person to check whether a child is a qualifying child of working parents...make provision about the disclosure of information held by a Minister of the Crown, the Commissioners for Her Majesty's Revenue and Customs or”

any other person.

Clause 3(5) states that

“a criminal offence created by...regulations may not provide for a penalty of imprisonment on conviction on indictment”

of more than two years—so someone can get two years in jail. This is really serious stuff.

**Jess Phillips** (Birmingham, Yardley) (Lab): On that point, it sounds dramatic to suggest that people might go to prison for this, but I have worked with women in refuges who have ended up in prison because their children did not go to school for a variety of reasons. Does my hon. Friend agree that that is alarming?

**Pat Glass:** I am shocked that women end up in prison because their children will not go to school. It is not necessarily something that a mother living in a refuge, separately, can do anything about. This is serious stuff, and it is really scary stuff for parents. If they get it wrong, they could end up in prison or with a hefty fine. It is really important that the Committee probes exactly what is meant by eligibility. I want to see how far the Minister is prepared to go on that, because I am not quite clear about who is eligible and who is not. He needs to help us with that.

**James Berry** (Kingston and Surbiton) (Con): Does the hon. Lady agree that there should be penalties for what is, essentially, fraudulent activity, but that the

[James Berry]

thresholds for those penalties and the circumstances in which they come to play should be set out very clearly in the guidance?

**Pat Glass:** Could the hon. Gentleman say that again?

**James Berry:** Does the hon. Lady agree that there ought to be penalties when a parent takes an action that is tantamount to fraud on the state, but that the circumstances in which those penalties might arise should be specified clearly in the guidance?

**Pat Glass:** That is exactly what we are asking for in this probing amendment. Yes, I agree that there need to be penalties if someone is deliberately defrauding the state. I do not want to get parents into a situation in which they are affected unintentionally because the guidance or the eligibility criteria are not clear.

**Jess Phillips:** I wonder whether my hon. Friend, like me, has ever tried to follow the guidance on child tax credits, or whether she has ever had anyone in her constituency office who has fallen foul of some of the guidance laid out by different Government Departments offering state-subsidised childcare. Potentially, we could have put every single person in prison.

**Pat Glass:** I have not personally ever tried to follow the guidance, because I have no children who would qualify for childcare, although I do have grandchildren. Many people who have come to my constituency surgeries have found themselves with huge tax credits bills to pay back. They never intended to get into that situation in the first place; it was not about trying to defraud the system. These things are complex, and we want to ensure that the provision is as simple as we can make it so that parents do not get into these kinds of difficulties.

How will the eligibility of parents whose patterns of work vary from day to day and week to week be assessed and monitored? Those people include parents on zero-hours contracts, those on flexible working hours, seasonal workers and those who are self-employed, whose hours of work and income are often entirely outside their control. What all those workers have in common is the need for their working hours and incomes to be averaged over a period of time. The way we work today is not the regularised pattern of eight hours a day, five days a week with weekends off. Look at the Members of this Committee—it is not the way we work, and it is not the way that most people work these days.

Many parents have several jobs and sometimes juggle taking care of their children with a couple of part-time jobs. The reality is that many families in my constituency work in self-employment because there are not jobs around for them to do. In a sense, they are forced into self-employment. Although that takes them off the claimant count, they cannot necessarily predict what they will do from one week to the next.

2.45 pm

I saw in a report—I think it was when I was a member of the Select Committee on Education—some really alarming statistics about young men in the 19 to 25 age

group. Research had found that in the city of Birmingham, almost 24% of young men in that age group were simply not in the system at all. They had dropped out altogether, because they were tired of moving from zero-hours contracts, to claiming, to being sanctioned and so on. They had thought, “I will just work and get paid cash in hand” That makes such people incredibly vulnerable. In addition, some of them will have families and will need childcare. How will those families be eligible for the extra hours of childcare, if at all?

**Ruth Cadbury:** My hon. Friend eloquently explains how complicated things are even for men who do not have children. If we add to the basic benefits system and the tax credits system the need for parents to work out their additional eligibility for free childcare, they will have to do complicated sums to work out whether they will be better off on tax-free childcare or universal credit. Every time their income changes, every time their hours change and every time their child hits another birthday, they will have to amend their application further. Is it any wonder that parents are worried about getting into trouble through no fault of their own?

**Pat Glass:** I welcome that intervention. We do not want people to get into the situation that we see frequently in our constituency surgeries, where parents turn up with huge bills for tax credits that they need to pay back. They did not intend to get into that situation, and it is not about fraud; it is about things being unclear.

**Mr Gyimah:** The hon. Lady touches on an important issue, which is worth clarifying. The power to create an offence in the Bill relates only to information—that is, sensitive information about children or about parents’ income—being passed on without authorisation. The measure is designed to protect parents and their data, not to punish them. The financial penalties scheme is for false declaration or fraud, which is more proportionate.

**Pat Glass:** That is helpful. In that case, the people who are likely to face incarceration are not parents, but those who abuse parents’ information.

**Mr Gyimah:** Yes.

**Pat Glass:** That is really helpful. Still, financial penalties will be imposed, and we see that happening all the time to parents who are on tax credits. It would be best to avoid that situation if we can by being as clear as possible. Given that many families have different and varied patterns of work, it would be helpful if the Minister could explain to us exactly what the eligibility criteria will be, and how far he is prepared to go on that question. For those on zero-hours contracts, those who do seasonal work and the self-employed, whose work and income are entirely variable and dependent on others, eligibility needs to be calculated over a period of time.

For many people, the self-employed included—we welcome the desire expressed by the Government to include them in eligibility for the scheme—it will not be possible for them or for Her Majesty’s Revenue and Customs to confirm their income until 18 months after the end of a financial year. The Minister will get absolutely sick of me giving him the benefit of my experience, but when I worked in education and we had student grants—

remember them?—self-employed parents were allowed to estimate their income, and their children's grants were calculated on the basis of those estimates, with a full reconciliation 18 months later when HMRC issued confirmation of the parents' income. I am sure that the same is true of student loans. Will similar estimations of income and hours of work be allowed in this case? Will they be calculated over a certain period? If so, what will that be?

**Chloe Smith** (Norwich North) (Con): I do not know whether the hon. Lady knows this, but there are at least three members of the Committee who did not enjoy student grants—

**Jess Phillips:** Me!

**Chloe Smith:** There are four, but that is not the point of my intervention. The point of my intervention is to ask the hon. Member for North West Durham, in the spirit of her probing amendments—a healthy spirit—to explain to us a little more how she would have liked to tidy up the system with the introduction of the 25 hours of free childcare that her party was hoping to bring in had it won the election. Will she explain how things ought to be done?

**Pat Glass:** My understanding is that the 25 hours was universal, and when something is universal we do not need such untidiness. Now, however, we are talking about the Government's 30 hours. For the benefit of us all, parents in particular, I simply want clarification of the issues. Will those income and hours be estimated over a period of time? What is that period? Will HMRC be confirming things?

**Mr Gyimah:** The hon. Lady is being incredibly generous in giving way again, and I will address her points in my response. I hate to be the killjoy who reminds her, but the manifesto on which she stood for election promised 25 hours of free childcare for the working parents of three and four-year-olds. It was not a universal offer.

**Pat Glass:** It was universal for parents who are working. Getting back to the probing amendment, will an average of 16 hours a week over 52 weeks be possible for those on zero-hours contracts, in seasonal work and so on? What will happen if something goes wrong? What will happen if parents genuinely believe that they will work an average of 16 hours a week over 52 weeks, based on the average of the past three years, say, but something goes horribly wrong and they fail to reach the average hours or the average income?

Things do go wrong for families. Poor weather might lead to a rotten summer—it would never happen, because that is completely unknown in the UK, isn't it? If a business depends on a good summer, people could find themselves falling foul of the income threshold. Flooding over Christmas, or even in November, might wipe out earnings in the peak season—again, not unknown in the UK. Recession might dry up people's work and income—again, not unknown in the UK—or even an international banking crisis could force families into unemployment and poverty. It might be something else that is completely out of the control of the parents. What will happen then?

If the parents genuinely estimate their position based on the previous three years, backed up by all that historical stuff, and then something goes wrong, who will make decisions about that? What is likely to happen to parents? Will they have to pay back the cost? I was going to ask if they faced two years in prison, but we have already heard that they will not.

The Minister needs to make regulations and it would be helpful to know what is in his mind when he is thinking about them. We all welcome the Bill—so warmly that we want to get it right for parents. If the Minister can be absolutely clear about the issue of eligibility, we will be grateful.

**Jess Phillips:** I will speak specifically about eligibility and probe a little more how it will work. The two areas that I wish to speak about are women who live in domestic violence refuges and those who have their children in a maintained sector service much like the one my children attended.

If my children enjoyed the full week in childcare for free—it seems like manna from heaven to me—and I lost my job, their places would be removed. I would only be able to send them to the maintained sector service for 15 hours of the week, if I understand how the regulations will work. A place for only half the week would then become available to a child in that maintained setting, and another person using that childcare would need to lose their job to make that up to a whole place, so I would have to take someone down with me whose children also went to school with mine, which seems a bit dramatic. If free entitlement increases from 15 to 30 hours, the number of places in that setting is reduced. If my circumstances changed, there would be half a place free—half a place is as useful as a chocolate teapot. I am not sure how Ministers will get around that particular instance if people's circumstances change. Will people whose employment is at risk—those who might not keep their job—only be able to get childcare in the private sector, not the maintained sector? Would I, under this system, have to put my child with one child carer for the first half of the week and a different one for the second half? I just cannot see how this will work in the world that I live in.

**Michelle Donelan** (Chippenham) (Con): Will the hon. Lady please clarify something for me? Is she actually saying that if somebody like her lost their job, they should still be eligible for this benefit? It was my understanding that this policy is about helping people into work and helping those who are in work.

**Jess Phillips:** I am saying exactly that. Who knows how long someone might be out of employment? Their child would lose their place for the second half of the week. People need time to go and find a job. When me and my children were in that situation, I was working three voluntary jobs to gain experience so that after my second son was born, I was able to get a full-time job. So yes, I am saying that it is probably not the best thing to say to somebody who has just lost their job, "Your child's situation will now have to completely change. You won't be able to go and seek a job, as you'll now be tied to childcare."

**Michelle Donelan:** It is my understanding that the Bill gives a grace period to accommodate that.

**Jess Phillips:** And how long is that grace period? I put that question to the Minister.

**Mr Gyimah:** I thank the hon. Lady for inviting me to intervene. The system will be checked by HMRC, which will check earnings on a forward-looking quarterly basis. Based on that, parents will be eligible for childcare. That will be done automatically; parents do not need to apply. If parents disagree with the decision that is made, there will be an appeals process about which I will speak in more detail in my speech. We have to remember the fundamental principle mentioned by my hon. Friend the Member for Chippenham—this is about work. Someone needs to earn only £115.20 a week—

**The Chair:** Order. Interventions must be short. The Minister will have an opportunity to wind up the debate in his speech later. Other Members have opportunities to intervene and make speeches because we are not limited to time. I would be grateful if Members would bear that in mind.

**Jess Phillips:** I am grateful for that clarification. From that, I read that there will be a three-month grace period, if it is quarterly. I totally understand that and it is great if someone can find a job within three months. Obviously, if they do not find a job in that time—for example, if they find one within four months—they would then have to find another place for their child separate from the 15 hours that the child would already be spending with a different child carer.

Government Members might think that I am splitting hairs, but I am speaking from real-life experience of what would have happened to me had this been in place when I was going through the process. I am not that special—I know that is shocking to hear—and this will be happening to lots of parents exactly like me. There is an issue with the maintained sector—how nursery places are allocated for the 30 hours compared with the 15 hours—that must be taken into account by any regulation. That is the first thing I would probe.

The second thing that concerns me, having worked for much of my career in a domestic violence refuge, is the effect of women leaving their jobs to live in refuge. I am sad to say that the way that our benefits system is structured and has been for many years—this is no fault of this particular Government on this occasion—means that women who live in refuge cannot really work. They cannot afford to be a working woman in refuge. It is near impossible. The vast majority of women who live in domestic violence refuges are therefore living on housing benefit, which cannot be claimed if they are in work, because the rates for refuge provision are far higher than the weekly rates for a normal social housing scheme. That said, 90% of women in refuge do not work and those who worked before they entered refuge by and large have to give up their job to live in the refuge.

3 pm

A child already moving from their home—their secure setting—and leaving everything behind will potentially have their childcare place taken away because their mother is no longer in work. I beg the Minister to make a change to the eligibility criteria to make sure that women and children living in refuge are not covered by that change to the system.

I am pleased to say that every time I have risen in the House to ask for an amendment to be made or for women in refuge to be exempted from something, that has happened. I hope that on this occasion women in refuge will be exempted from the eligibility criteria.

**Christian Matheson:** I may be showing my inexperience, in which case I apologise to the Minister and hon. Members for misunderstanding the process, but when my hon. Friend the Member for North West Durham moved the amendment, I listened with some dismay, because it seems that while at the general election there was a clear pledge of 30 hours' free childcare, there is now a lack of clarity about who is eligible for the programme. Apparently we see the Government backtracking on matters: they have tried to squeeze the criteria into the promise they made at that time.

I am inexperienced in these matters, so perhaps it is normal for a party to make an announcement at a general election that is not properly costed and then it has to come up with proposals on how the criteria will fit the policy in the legislative process. If I am doing the Minister a disservice, I will gladly apologise, but I ask the Conservatives to consider the pitfalls of making promises without a fully costed programme and then having to cost them afterwards.

**Lucy Frazer:** The hon. Gentleman is talking about our promises. The Labour party said:

“Labour has a better plan for working families.”

Its offer was to working families; it was not universal. It offered an extension not to 30 hours, but to 25 hours, and in no place did it mention special provisions for vulnerable people.

**Christian Matheson:** That is all well and good, but the fact is we were clear about our policies and where the money would come from. Unfortunately, our amendments reveal a lack of detail in the Government's proposals and I hope the Minister will answer that. I am slightly dismayed that we need these probing amendments in the first place to try to get clarity when no such clarity was lacking before the general election.

My hon friends the Members for North West Durham and for Birmingham, Yardley asked questions about voluntary workers. I recall the Prime Minister talking about his vision for a big society in which voluntary work plays such an important part in the development of communities. I hope the Minister will bear that in mind, assuming that the Prime Minister still holds that vision—perhaps the big society has fallen by the wayside.

Finally, the Minister explained that HMRC will have a role in assessing eligibility in terms of the grace period. My one concern is that contacting HMRC is not a straightforward procedure, as anyone who has tried to do so over the past couple of years will know. The organisation is under strain on tax returns, for example, and asking it to take on additional duties will put extra strain on it. Will the Government provide extra resources to HMRC to allow it to maintain the quality of its service, as I am sure officers of HMRC wish to do? I fear that the proposals will place a greater burden on HMRC, which will make contacting it to talk about the matters that my hon. Friend the Member for Birmingham, Yardley raised even more difficult. Perhaps the Minister will address those points.

**Mr Gyimah:** It is a privilege to serve under your chairmanship, Mr Hanson. A number of points that have been raised this afternoon have led me to think that Opposition Members want to turn an employment offer into a universal offer of 30 hours of childcare. To be clear, every three or four-year-old will get 15 hours of childcare. The entitlement to the second 15 hours is based on the parent's employment. I will speak to amendments 8, 9 and 12, to clarify whether specific groups of parents from varying circumstances will be able to access the 30 hours—the extended entitlement—as per those probing amendments.

I am grateful to the hon. Members for North West Durham and for Birmingham, Yardley for the amendments, and I want to make it clear that the Government recognise that for many families, childcare is not an issue; it is the issue. That is why supporting working families with their childcare costs is at the heart of our policy. Amendment 8 concerns parents who work on a voluntary basis and full-time students. It would allow parents who are not in remunerated work, but who are contributing to society through voluntary work, to access the extended entitlement. It would also allow parents who are in full-time education and taking steps to retrain and prepare themselves for the labour market to access the extended entitlement.

**Pat Glass:** I want to make it clear that when we talk about full-time students in training, we are talking about students who are on a training course that will lead into an occupation. We are talking not about full-time study across the piece, but about people who are training to be nurses, doctors or teachers, or doing something that will lead directly into employment.

**Mr Gyimah:** I thank the hon. Lady for that clarification, and I will come back to that in detail. As I have said, all three and four-year-olds, and 40% of the most disadvantaged two-year-olds, are already entitled to 15 hours of free childcare a week. That provides substantial opportunity for their parents to take up voluntary work where they wish to do so, or indeed to study. The additional 15 hours of free childcare is intended to help parents who wish to take up paid employment to support their families.

The additional 15 hours will be available to families where each parent, or the sole parent in a lone parent family, earns an average weekly income equivalent to at least 16 hours at the national minimum wage or the living wage, and less than £100,000 a year. Although the Government recognise the importance of volunteering, the purpose of the extended entitlement is to help working parents with the cost of childcare so that they can take up paid work if they want to, or work additional hours. The approach we are taking is consistent with other Government childcare schemes, including tax-free childcare and the childcare element of universal credit.

**Pat Glass:** The Minister just mentioned an average weekly income of more than 16 hours at the national minimum wage. Is that the current minimum wage or the Chancellor's living wage?

**Mr Gyimah:** That is a good question, and I am happy to provide clarification. The national living wage applies to people over the age of 25, so, in their case, the eligibility criterion would be set at that rate, which is

£115.20 a week. Those who are under 25 will be on the national minimum wage, in which case the earnings criterion will be £107 a week. Even if someone is doing voluntary work, if they can combine their voluntary work with earning £107 or £115.20 a week, they will get the additional 15 hours of childcare.

**Alex Cunningham:** I hope that the Minister enjoyed his long career as an investment banker and subsequently running his own business that specialised in recruitment. He will know that experience is absolutely critical to people getting a job. Surely, if people are to achieve the work experience they need to get on to an interview list, we should value all their work. Some of these jobs, like interns here at the House of Commons, are unpaid full-time roles. Surely we should value that, let them have childcare and then move on into a career.

**Mr Gyimah:** I do not know about the hon. Gentleman, but I try to pay the interns who work in my office.

**Alex Cunningham:** I will place on the record that I have never taken an intern because I cannot pay one. If I were able to pay one, I would, and I think the same should apply to every MP within the House.

**The Chair:** Order. We are going slightly off beam.

**Mr Gyimah:** The hon. Gentleman makes a good point about volunteering. We recognise the importance of volunteering, but as I said, the purpose of the extended entitlement is to help working parents with the cost of childcare. The approach we are taking here is consistent with other Government policy. Of course, where a parent or parents are undertaking voluntary work alongside paid employment that meets the minimum income criteria they will be eligible, as I have said, for 30 hours of free childcare. However we are clear that parents solely undertaking voluntary work should not be able to access the extended entitlement.

The issue of parents in full-time education has also been raised. Again, they get the first 15 hours and if they are in the 40% most disadvantaged households, they will get 15 hours of free childcare for their two-year-olds. In addition, the Government already provide support to parents in recognised education courses through discretionary learner support and the loans bursary fund. Students in higher education may be eligible for support through the childcare grant, which offers parents support of up to 85% of their childcare costs up to a maximum of £155.24 a week for one child and £266.15 for two children. Where parents choose to undertake part-time work alongside their studies, and on average earn the equivalent of 16 hours at the national minimum wage or living wage per week, they will also be able to benefit from 30 hours of free childcare. However, we are clear that parents solely undertaking full-time study should not be able to access the extended entitlement.

**Jess Phillips:** I wonder whether those training to be nurses, who are working now for free in our NHS, will be entitled to the 30 hours of free childcare if they are in full-time nursing training.

**Mr Gyimah:** There is the Care to Learn Scheme, which can apply in some cases, and other programmes, such as the childcare element of tax credits, could apply to them, but specifically, the additional 15 hours here is linked to employment and income, unless you are earning no income at all, when of course, you will not be eligible to get this.

**Ruth Cadbury:** Is the Minister saying that parents can only use this offer if they are already working? What concerns me is that this offer will not benefit those parents who want to get into better paid work because they are studying full-time. When one is studying full-time it is quite difficult to also work while also having three and four-year-olds.

**Mr Gyimah:** Many of those parents will be eligible, assuming they are at the lower end of the income scale, for the childcare element of tax credits and universal credit when that is fully rolled out. There will be support through that to help them with their situation, in terms of getting back to work. There are also other programmes, such as the Care to Learn Scheme which can help them. As far as the additional 15 hours is concerned, yes, it is linked to an actual employment status. Under the voucher scheme that was introduced by the previous Government, people who were self-employed or earning the minimum wage did not qualify for that scheme. Under the scheme we are introducing here, all these people qualify for their additional 15 hours.

As I have said, supporting working families is at the heart of this policy and we have been clear throughout that people on zero-hours contracts and the self-employed will get this. The contractual position will not determine whether their children—and it is the children rather than the parents—are eligible. The legislation allows for children of parents on zero-hours contracts to be eligible in the same way as anyone else. Eligibility will be based on what parents reasonably expect to earn on average across the coming quarter, enabling parents with more irregular working patterns to benefit.

3.15 pm

The hon. Member for Birmingham, Yardley asked for practical examples, so I will give one. We know that a parent on a zero-hours contract will work some weeks but not others, and might not know in advance whether they will have work in any given week. If on average they work two weeks out of every three, and when they are working they get 25 hours of work at the minimum wage, their child will qualify for 30 hours of free childcare.

**Ruth Cadbury:** Will the Minister clarify over what period those calculations are done? Does he literally mean that the calculation will be done over a three-week period, or will it be averaged out over several months, particularly given what my hon. Friends said earlier about seasonal and variable working hours?

**Mr Gyimah:** As I said in response to an earlier question, the calculation will be done on a quarterly basis, but over time, the system will know what someone's average earnings are. The hon. Lady also asked in an earlier question how simple it will be for parents. Parents will not have to update their details constantly; it will be done quarterly by the system. Parents will not have to work out complicated sums to access the extended

entitlement, as they must do in the tax credits system. The joint application system that HMRC develops will provide a single, simple point of access for parents. The system will give parents an instant decision on their eligibility in most cases, so that will apply in the vast majority of cases.

Again, to take a practical example, a person on a zero-hours contract who, despite periods without work, reasonably expects to meet the minimum income level will be eligible. HMRC will take a proportionate approach to compliance, using details of past income and other information provided by parents to assess eligibility. We know that parents whose situations fluctuate need their childcare arrangements to support them in work. We will therefore work with local authorities and childcare providers through the early implementation phase to develop provision that can support parents with irregular working patterns.

There are already good examples from across the country of providers offering parents flexible care. For example, in Brent, they have set up an emergency and overnight register to match up parents with childminders whom they can access at short notice 24 hours a day, seven days a week. Swindon intends to offer weekend early-education sessions from January 2016, initially through an academy and a private provider, as well as through a number of registered childminders. Through early implementers, we will work on the right type of provision as well as ensure that the eligibility system works consistently with people whose earnings fluctuate.

We want to see that kind of innovation in other parts of the country, and that is what the early implementation programme will support. We also recognise that self-employed parents' income is often not smooth or predictable. The free entitlement will be available to self-employed parents, and we intend to have special rules for them similar to those available in tax-free childcare. Self-employed parents who work throughout the year but get income only at certain times in the year will be able to average that income across the whole tax year rather than just quarterly. Also, because new businesses often struggle to get going, self-employed parents will not need to take the minimum income limit into account at all in their first year.

Amendment 12 relates to the parents of an eligible disabled child. Again, we recognise that all families are different and that some may face particular issues, for example where parents have caring responsibilities. That is why we have made it clear throughout the passage of the Bill that when one parent is employed and one parent has substantial caring responsibilities, based on specific benefits received for caring, such households will be able to access the extended entitlement.

I am pleased to confirm that it is our intention that that will include households where one parent is working and one parent is being paid carer's allowance or the carer element of universal credit. That includes parents caring for their own three or four-year-old child where the child is in receipt of disability living allowance or is certified blind. If a single parent with a disabled child meets both the conditions regarding paid work and the minimum income threshold, they will of course be able to access the extended entitlement. If they do not work they will not be eligible for the entitlement, but they might be able to receive carer's allowance or universal credit.

The appeals process has been touched on. If parents are not happy with HMRC's decisions about their eligibility, they will be able to seek a mandatory review by HMRC, and if they are still not satisfied they will be able to appeal to the first-tier tribunal. They can also appeal against decisions about financial penalties—both the fact of the penalty and its amount.

**Ruth Cadbury:** I thank the Minister for those detailed responses to our concerns, and for being keen for the system to be simple and straightforward as possible for parents when their eligibility for the various schemes is being assessed. Has he had conversations with HMRC and the Treasury, and is he confident that the necessary resources and the technical support will exist in HMRC to provide a seamless, smooth and well informed process for parents who will be navigating what appears to be a complicated system?

**Mr Gyimah:** I thank the hon. Lady for her interest. Getting the technology platform right is absolutely crucial, and the cross-Government taskforce on childcare, which I co-chair, has considered it in detail. In addition, officials in the Department for Education are working closely with HMRC on the joint system, the development of which secured funding at the spending review, and we will provide the system to HMRC in due course. I thank the hon. Lady for her legitimate concern.

**Pat Glass:** I apologise if I missed this information. The Minister said that parents will be able to appeal to the first-tier tribunal. Will that be the employment tribunal, and will there be costs involved for parents, in the same way as there are for those appealing to that tribunal regarding unfair dismissal, for example?

**Mr Gyimah:** If the hon. Lady will bear with me, I will await inspiration from the usual channels. In the meantime, I will plough on with my speech.

In relation to the extended entitlement, we are clear that the powers we have taken are sufficient to enable us to cater for non-standard working patterns and families' different circumstances. I can also reassure hon. Members that if a parent's circumstances change, their child will remain eligible for the extended free entitlement for a short period—there will be no instantaneous change. We hope that within that period the parent will be able to regain employment and continue to declare that they expect to meet the eligibility criteria. If that is not the case, and the parent is clear that they no longer expect to be in paid employment after the grace period, they become ineligible.

**Ruth Cadbury:** The Minister begs the question: what is the definition of "short period"?

**Mr Gyimah:** The short period is in line with the grace period, which is three months.

As hon. Members can see, we fully support the intention behind the amendments. However, we believe that putting too much detail in the Bill about the specific circumstances in which children could qualify risks inadvertently excluding some of those we want to include. Nevertheless, Members will have the opportunity to scrutinise the regulations before they are finalised.

As part of the development of the joint childcare application system, we will publish information for parents and their partners to make clear the eligibility rules for different groups of parents, so that they can be clear about whether they can access the extended entitlement. Online and telephone advice will also be available to assist parents. In addition, we will publish statutory guidance for local authorities next year, so that they can advise parents about their eligibility for the extended entitlement and discharge their responsibilities for delivering childcare places in keeping with the scheme's rules.

In response to the question about the first-tier tribunal, the inspiration that I have received says that it will be specifically a social security tribunal and not an employment tribunal.

**Pat Glass:** So there will be no costs?

**Mr Gyimah:** I will get inspiration on that before the end of my speech.

I hope that hon. Members are reassured that the parents who are the subject of these amendments will be supported under the Bill, and I hope that the hon. Member for North West Durham feels reassured enough not to press the amendments.

I am waiting for inspiration and for someone to intervene on me.

**Pat Glass:** If the Minister wants to write to me on the issue of qualification, I am happy for him to do so if the information is not immediately available.

**Mr Gyimah:** Inspiration has arrived—the tribunal will be free to parents.

On that basis, we will resist amendments 8, 9 and 12, on the grounds that the details of the matter can be covered in regulations.

**Pat Glass:** I am immensely grateful to the Minister for that. The word on the street was that the Government wanted to better Labour's offer of 25 hours of free childcare but never really expected to have to deliver it—they thought they would be able to deal it away in some kind of coalition. Given that, I think the Minister has done incredibly well in getting to the detail; credit where it is due.

The Minister has been able to clarify for me, in a way that I did not understand before, the issue of eligibility and the 16-hour work threshold, the issue of those under and over 25, and the issue of the national living wage and the minimum wage. That is really helpful.

I am also immensely grateful to the Minister for clarifying that parents will not end up in prison. I had an awful feeling that parents could end up with two years in prison as a result of getting the system wrong. That is clearly not the case. I also now understand the eligibility criteria on the grounds of income.

I seek clarification on one point, and I am happy for the Minister to intervene on me. I was interested in what he had to say about people who are self-employed, which we welcome, but there is a danger. I hate to throw a spanner in the works, but if someone is eligible automatically in the year in which they set up a business, are the Government mindful of people who would want to abuse the system by folding their business at the end of the year and starting a new one?

[Pat Glass]

I have concerns about only a couple of things now, and I think my hon. Friend the Member for Birmingham, Yardley raised one of them. In the spending review, the Chancellor changed the system of training for nurses, so that they no longer come under bursaries and now have to receive grants. That will automatically wipe out a huge number of nurses across the country from eligibility for childcare, and I ask the Minister to have another look at that issue. Those people are not on great wages, they are working hard, and they will contribute to our society in the future in a way that many other students on grants perhaps will not. It is unfortunate, to say the least, if they are simply taken out of the eligibility criteria.

Also, I understand the reasons behind the grace period, but I worry a little bit about children falling out of childcare places every 13 weeks. If a parent regularly finds a job after four months, once their children have built relationships—for some families, that is the case—that could have a worrying impact on the children's development. I do not know what the answer is—I am not pretending that I do—but it is something for the Government to consider.

**Mr Gyimah:** The hon. Lady raises an important point about how the grace period works in practice, the eligibility checking and the actual childcare places on the ground. As I said, one of the principal things that we will be able to test during the early implementation phase is exactly when a local authority is informed, when the provider is informed, how long a place is kept open for and so on. We will have to iron out those details, which is why they belong in regulations rather than in the Bill.

3.30 pm

**Pat Glass:** Finally, will the Minister think about what my hon. Friend the Member for Birmingham, Yardley said about women's refuges? Domestic violence underpins so many problems across the country. Many years ago I was a director in an authority. We had an emergency crisis team for children in primary education, and we would meet every single week with groups of headteachers to consider children who were in crisis and allocate specialists and clinical psychologists to try to help those children. In 100% of cases that I saw—at the time, I remember being really shocked—there was domestic violence. It is endemic, and we do not address it in the way that we should. For those children and their parents, there may be—

**Jess Phillips:** A grace period.

**Pat Glass:** More than a grace period; an exemption.

**Mr Gyimah:** The hon. Lady again makes a very good point, and I thank the hon. Member for Birmingham, Yardley for raising the issue. I am willing to offer to look into what exactly someone in such a situation will get, because there is a package of childcare measures, and they might be entitled to other measures. I am happy to write to the hon. Lady and meet her to look at what they could get and how it could be dealt with.

**Pat Glass:** We are grateful to the Minister for that. In the spirit of that offer, I do not intend to press the amendment to a vote. I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

**Mr Gyimah:** I beg to move amendment 2, in clause 2, page 2, line 25, leave out from “about” to the end of line 26 and insert “—

- (i) the form of a declaration and the manner in which it is to be made;
- (ii) the conditions to be met by the person making a declaration;
- (iii) the period for which a declaration has effect.”

*This amendment enables the Secretary of State to set conditions to be met by a person making a declaration as to a child's eligibility for the extended entitlement*

**The Chair:** With this it will be convenient to discuss Government amendments 3 and 6.

**Mr Gyimah:** These amendments are on the role of HMRC in relation to the extended entitlement, and they include a consequential amendment that would enable the provision to come into force immediately on Royal Assent. They are technical in nature.

As the Secretary of State for Education, my right hon. Friend the Member for Loughborough (Nicky Morgan), set out on Second Reading, parents will be able to apply for the extended entitlement as part of a simple joint online system being developed by HMRC in partnership with National Savings and Investments for tax-free childcare. That means that parents will have to provide information on their personal circumstances only once, even where they wish to apply for both schemes, which will create a simple and smooth customer journey that will save parents and providers valuable time.

**Ruth Cadbury:** I value the Minister's comments, but am I right that some parents will go down the universal credit route? Can we be assured that there will be a link-up between HMRC and the Department for Work and Pensions to help parents assess their eligibility, depending on which route they take?

**Mr Gyimah:** The hon. Lady raises a good point. Obviously, universal credit is different benefits rolled into one. The one that we are concerned with here is the childcare element. There is a plan further down the line to make sure that is incorporated, which will make it easy for parents to move across the different childcare products as their circumstances change.

**Ruth Cadbury:** With funding from different sources.

**Mr Gyimah:** That is very much part of the thinking.

Amendment 2 will enable regulations to be made under the clause setting out the conditions to be met by a person making a declaration as to a child's eligibility for the extended entitlement. For example, to be consistent with tax-free childcare, the person making the declaration will need to be the person responsible for the child. It is crucial that we are able to provide clarity for parents about the declaration they will have to make, and that we can ensure that HMRC will be provided with the information it needs to make decisions about whether a child is eligible for the extended entitlement.



The conditions that the person making the declaration will need to meet will be set out alongside the form and manner of the declaration. Regulations will say more about those matters in due course and will be subject to the highest degree of parliamentary scrutiny.

Amendment 3 will make it clear in the Bill that HMRC will be verifying, and making a determination about, a child's eligibility for additional free childcare. The amendment will ensure that HMRC can work in a timely fashion to extend its online system, so that it can also check eligibility for the 30 hours of free childcare. That will enable HMRC to determine whether a child is eligible for the extended entitlement.

Amendment 6 deals with commencement, which is when the various provisions of the Bill will come into force. It is consequential on the new provision that gives HMRC the power to make a determination as to a child's eligibility. We intend that provision to come into force on Royal Assent, so that HMRC can begin to build the technical aspects of the joint eligibility checking system.

Ensuring that the operational aspects of the extended entitlement are in place in good time will enable us to test that the eligibility checking system runs smoothly for parents.

**Pat Glass:** These are technical amendments, and we do not have a problem with them. The only thing we ask is that the Minister confirms that HMRC has the capacity and resources to deliver. Members from all parts of the House deal regularly with HMRC, which is one of the most difficult departments. I remember when a nurse who had just retired came to see me. She had been on PAYE throughout her career, and she suddenly got a bill for £42,000 back tax. After we explored the matter, it turned out that she did not owe anything. I always count such results as major successes, but such cases are happening in all our constituencies all the time. People tell me that they spend hours and hours trying to get through to HMRC, just to ask simple questions about their tax. We need to know that HMRC has the capacity and resources to deliver on this measure.

**Mr Gyimah:** The hon. Lady asks a legitimate question. Although HMRC will be checking eligibility, the measure is not specifically to do with the tax system. Funding has been provided to offer parents telephone support where needed, and there is funding available for the IT system. That funding specifically relates to checking eligibility for the 30 hours of childcare, rather than being part of HMRC's wider tax-related activities.

*Amendment 2 agreed to.*

*Amendment made:* 3, in clause 2, page 2, line 26, at end insert—

“(4A) For the purposes of assisting the Secretary of State in the discharge of the duty imposed by subsection (1), the Commissioners for Her Majesty's Revenue and Customs may carry out functions in connection with the making of determinations as to whether a child is a qualifying child of working parents.”—(*Mr Gyimah.*)

*This amendment confers on HMRC the power to make a determination as to a child's eligibility for the extended entitlement and carry out associated functions.*

*Question proposed,* That the clause, as amended, stand part of the Bill.

**Mr Gyimah:** The clause will place a duty on the Secretary of State to ensure that childcare is available free of charge for qualifying children of working parents

for a period equivalent to 30 hours for 38 weeks in any year. The Government recognise that childcare is an issue for many families. The new extended entitlement, with an additional 15 hours, is intended to support working parents with the cost of childcare, enabling them to work additional hours if they wish to do so. That will be available to families where both parents are working or the sole parent is working in a lone-parent family. Self-employed parents will also be eligible, as we heard earlier, as would parents in receipt of tax credits, universal credit, tax and childcare vouchers through their employer or tax-free childcare.

The clause gives the Secretary of State the power to set out in regulations the description of a qualifying child. We intend that a child will qualify from the school term following their third birthday, in the same way as with the existing 15-hour early education entitlement. The clause will also enable the Secretary of State to set out in regulations the criteria that must be met by parents. The regulations would set out what is or is not to be regarded as paid work and how the extended entitlement would support temporary absences from the workplace. It is important that parents on maternity, paternity or adoption leave can maintain their existing childcare arrangements while they take time away from the workplace to adjust to the new arrival.

As the Secretary of State set out on Second Reading, each parent must on average be earning a weekly minimum equivalent to 16 hours at the national minimum wage or national living wage. From April 2016, the national living wage will come into force for workers aged 25 and over, alongside the national minimum wage for workers under 25. A working parent who is 25 will therefore need to earn a weekly minimum equivalent of £115.20 in order to be eligible, whereas a working parent who is 21 will need to earn a weekly minimum equivalent of around £107 at this year's minimum wage rates. Parents on zero-hours contracts and the self-employed will be eligible in the same way as anyone else, provided they meet the earnings criteria across the coming quarter on average.

Parents with fluctuating incomes will be able to access the extended entitlement if they reasonably expect to earn the minimum on average. That income requirement will ensure we prioritise the extra 15 hours of childcare for working families that need the most help with their childcare costs. Together with the existing universal entitlement, those parents will be entitled to double the childcare support they would normally receive.

The Secretary of State outlined on Second Reading that there will be a £100,000 income limit on the extended entitlement per year for each parent. That means any family in which either parent earns more than £100,000 or any sole parent who earns more than £100,000 will not be able to claim the extended entitlement. I can confirm that the increase in the minimum income level to 16 hours per week and the annual income cap of £100,000 will also apply to tax-free childcare. I am sure Committee members will agree that it is right to align eligibility conditions for the two schemes and focus support where it is needed most. Parents will be able to apply for both schemes at the same time, using a simple online system, as I have outlined.

The duty that the clause will place on the Secretary of State demonstrates the Government's commitment to supporting working families. It will enable the Government

[Mr Gyimah]

to deliver on their manifesto commitment and help to ensure that parents who wish to work or to work more hours are supported to do so through free childcare.

**Pat Glass:** We have had a detailed discussion, but there are a number of assurances I would like the Minister to give, if he can. He said that the House will have the opportunity to debate and scrutinise the regulations at the highest level, but I am aware that he is looking to remove the House of Lords amendment further on in the Bill that states all regulations should be subject to the affirmative, rather than the negative, procedure. Can he confirm there will be an opportunity for the House to debate the regulations? There will be an awful lot in the regulations. It is right that they are made, but it is also right that the House gets an opportunity to debate them when the time comes and that they are not simply laid before Parliament and slipped out under the cover of darkness.

The Minister said that HMRC will have the resources and capacity to deliver the measure. He talked about the new IT system, which I hope is not linked in any way to the IT system used for universal credit; we would be very worried if that were the case.

It is a shame that the eligibility criteria have increased. The initial offer was 30 hours of free childcare to parents working more than eight hours a week. That has increased to 16 hours, with an income threshold, taking some of our poorest and most disadvantaged working parents out of the system. I understand that it is squeezed at the top, but it is a shame those parents have been taken out of the system in order for the Government to balance the books.

I am grateful that the Minister will look at the issue of children whose parents are in women's refuges. I hope he will look again at the issue of nurses in training who will simply be taken out of the system wholesale, but I am grateful for his clarification.

3.45 pm

**Mr Gyimah:** I shall respond very briefly to the hon. Lady's points. First, the Government will be proposing an affirmative debate on all the regulations on their first use. I am sure we will discuss that in due course.

Secondly, a bespoke IT system is being built. I have personally interrogated it. It is fantastic that, given the plethora of childcare offers out there, we are beginning to bring together the eligibility and application systems to make it easy for parents.

Thirdly, on the point about balancing the books, we have refined our eligibility criteria as we have gone through the process. Given that parents get 15 hours free, it is simply illogical to say that they have to work only an extra hour to get another 15 hours free. It is a question of not only balancing the books but refining the policy.

Fourthly, I take on board the hon. Lady's point about nurses and grants. As with women in refuge centres, I will look at that issue and write to her to set out what else they could qualify for, given the number of childcare offers that are available.

*Question put and agreed to.*

*Clause 2, as amended, accordingly ordered to stand part of the Bill.*

### Clause 3

#### DISCHARGING THE SECTION 2(1) DUTY

**Pat Glass:** I beg to move amendment 11, in clause 3, page 3, line 14, at end insert—

“(ba) make provision about determining and auditing the appropriate qualifications to be held by staff providing childcare for the purposes of this Act, including in relation to staff providing childcare for qualifying children with disabilities.”

*This amendment would require Government to set out the qualifications that staff would be required to have or acquire when providing childcare for disabled children for the purposes of this Act.*

**The Chair:** With this it will be convenient to discuss new clause 1—*Workforce qualifications*—

(1) For the purposes of securing childcare under section 2, the Secretary of State must, within six months of section 2 coming into force, lay a report before both Houses of Parliament setting out her proposals for developing the early years workforce.

(2) The report mentioned in subsection (2)(1) must include, in particular,—

- (a) a target for the proportion of children who receive early education and/or childcare directly led by an early years graduate;
- (b) a target for the proportion of staff in the early years workforce who have a relevant level 3 qualification; and
- (c) the timescale within which the Government will seek to meet these targets.”

**Pat Glass:** This morning I spoke briefly about the shortage of qualified staff in the workforce—I think I was ruled out of order at least three times, but now is my time—and how that is a risk to the Government's policy of expansion of free childcare. The House of Lords Affordable Childcare Committee demonstrated that the existing scheme of 15 free hours is being run at a loss in most private, voluntary and independent settings. It is cross-subsidised by the incredibly complicated system that currently exists.

I have previously discussed the future costs of childcare that were not considered in the Government's childcare review, which begins by telling us that

“the market is healthy, and has grown in recent years.”

It goes on to tell us that

“there is currently sufficient supply available to the majority of parents”,

yet local authorities freely acknowledge that they have insufficient supply in their areas and the House of Commons Library tells us that we have 44,000 fewer childcare places today than we had in 2009.

Putting our disagreements over the funding gaps to one side for the moment, perhaps the biggest threats to expansion in the childcare sector are the issues around workforce capacity. Childcare providers report that they are already finding it incredibly difficult to recruit well-qualified and experienced staff to deliver the existing 15 hours. Parents of disabled children tell us that the cost of and access to childcare for their children is a big problem. Most providers do not have the trained staff that they need to ensure the future development and safety of children.

Part of the difficulty that providers have in recruiting suitably qualified staff—let alone those with the qualifications and skills to support disabled children's

learning—is competition with the maintained sector, which is able to offer higher rates of pay and term-time-only contracts. Given the fact that 61% of nurseries and childcare providers are in the private and voluntary sector, there is a serious danger of the majority of that provision becoming second-class, with children having less access to good-quality and experienced staff and a further gulf opening up between the children of those parents who can access 30 hours of quality childcare in the maintained sector and the rest.

This morning, I spoke briefly about the chief inspector's report and the experience I have had and outcomes I have seen as a member of the Education Committee. There are clear links between the quality of the provision—the quality of the staff and their qualifications—and the outcomes from children. We accept that in the maintained sector, because there is a lot of access to qualified teachers, graduates and so on, and because almost all the staff will be at least level 3 qualified, it is a natural correlation that it will have better quality provision if things remain as they are and if something is not done about the lack of qualified staff in the PVI sector.

The Minister has acknowledged that the pattern of use of childcare provision is not flat across the week, while most provision runs at between 75% and 90% capacity. As we have heard, there is much less take-up on Mondays and Friday than on Tuesdays, Wednesdays and Thursdays. I am advised that most settings would struggle to increase their offer from 15 to 30 hours for children who are not disabled because they do not have the space, because they cannot recruit the qualified level 3 staff they need and because they do not have the provision to offer meals in the middle of the day. Many children coming for 15 hours go home at lunchtime, when another group of children come for their 15 hours. If those children stay for 30 hours a week, there will have to be provision for offering meals in the middle of the day, and many of these settings tell me that they cannot do that.

The voluntary sector is a major sector, and it is operating out of church halls. If provision is to be extended to 30 hours, we would have to take account of those who would be displaced. It is not just about meals in the middle of the day; it is about old people's luncheon clubs, the Mothers Union and keep-fit classes that will be displaced if 30 hours of childcare is offered. The providers tell me that they cannot offer 30 hours because they can not offer meals in the middle of the day, but they also do not want to put out all the other users of the premises.

Outside of funding, the biggest concern is the lack of capacity in the workforce. I realise that this is one part of the Department for Education operating separately from another, which happened an awful lot even in my day, but the Government have required that an outcome of any level 3 training is that staff will have a GCSE in both English and maths at grade C or above. Although we all agree that it is a good thing for staff to be qualified, by clinging to their insistence on GCSE grade C for students who have already failed that qualification after two years of study at school, the Government are going against the recommendations of both the sector and the Education Committee. The Education Committee considered the matter carefully in relation to apprenticeships in general and found that a qualification of the same difficulty and quality, such as functional skills in numeracy and literacy, was a much better and more practical way

of ensuring that people completing such qualifications are both literate and numerate without forcing apprentices down a route that they have already failed.

**Mr Gyimah:** I thank the hon. Lady for giving way in this important debate. I am glad that we are making progress. Having started the day by saying that the Government were dumbing down quality, she is now criticising us for setting the quality bar too high on GCSE literacy and numeracy.

**Pat Glass:** The Minister is being cynical. Does he really think that GCSE grade C in English and maths is setting the bar too high? It is not that. It is about being practical. I will explain the implications of the Government's decision. These students are not 16 or 14, or whatever; they are apprentices working in the childcare sector, or hoping to work in the childcare sector. They have already failed, and all the evidence I saw on the Education Committee showed that functional skills in numeracy and literacy are not easier than GCSE; they are just different and more practical for the world of work.

By refusing to listen, the Government are adding to the crisis in the workforce. There has been an 80% reduction in recruitment for level 3 childcare courses and a 56% shortfall in new applicants since the new GCSE requirement was imposed—in a sector that is desperate for qualified staff. If the GCSE requirement is stopping students going into this sector, and if it is stopping them training when we already have a shortfall of qualified staff for 15 hours, how will the Government square the circle for 30 hours?

**Mr Gyimah:** I hope the hon. Lady is aware that one of the things I have done that was welcomed by the sector was to make the GCSE English and maths requirement one on exit, rather than on entry. The requirement is not stopping anyone getting on to a childcare course; they just need to satisfy the requirement by the time they finish the course. I believe that was welcomed by the sector.

**Pat Glass:** I understand that and welcome it, but equally, we cannot get away from the facts. Whether it is at the beginning or the end of the course, it is clearly putting off students. If there has been a 56% fall in new applicants since the introduction of the GCSE requirement to replace functional skills and there was no argument, as I understand, that students were coming out who were not literate or numerate, the Government must recognise that the requirement may well be part of the problem rather than of the solution.

The situation has not been helped by the Government's lack of a workforce strategy, although I think that we may be inching towards one; I will wait to see what the Minister says. It was not helpful that the previous Minister tried to change ratios, and then changed her mind and forged ahead with the graduate early-years qualification, which did not have qualified teacher status. Those chop-and-change policies brought her into conflict with the sector and others, including the Education Committee. We have been proved right on that. I understand that to date, the course for early-years graduates, which offers 2,000 places, has recruited about 800, and that the numbers recruited have fallen year on year since it was implemented. I know that such things are not within the Minister's gift, but in his discussions with the Secretary of State, he needs to point out that they are not helping in a sector that is already struggling to get qualified staff.

[Pat Glass]

The amendment would require the Government to set out what qualifications staff are expected to have or require when providing childcare for disabled children for the purposes of the Bill. I remind the Committee of what I have already said: more than one third of parents, 38%, who were unable to access their entitlement of 15 hours of free childcare said that it was because they did not think that the childcare provider could provide for their children safely, and 30% did not think that the provider had adequately trained staff. One quarter said that the nursery or carer had refused a place exclusively on the grounds of their child's disability.

I have talked to the Committee about my experience that it is not simply a question of training or even money. In many cases, it is about confidence. Once providers have had some training and support, they feel more confident opening up to more significant difficulties. I welcome the Minister's offer to work with me to explore the issue, and I ask that the qualifications for providers form part of that offer.

**Alex Cunningham:** I join others in taking pleasure in serving under your chairmanship, Mr Hanson. My remarks will cover new clause 1, which stands in my name and seeks to address workforce qualifications across the childcare sector. Ultimately, for me, it is about the reassurance that parents need that their children are being cared for by professional people, not just to aid their children's development but to put them in the safest possible hands. That is no reflection on the people who work in the industry, or the service as we call it today. They do a tremendous job generally, but I believe that they, like everybody else, should have continuing professional development.

We all know that there is a clear link between the level of practitioner qualification, the quality of early education and childcare and the outcomes for young children. Just as individual practitioner qualification is important, so are the leadership skills of the people running the establishment. Just as in schools we know that a top-class headteacher and management team can often make the difference between a school being considered excellent or found to be inadequate, there is substantial evidence that early education and childcare have a positive effect on children's development, particularly for boys and children from low-income families, who are more likely to fall behind early. We need some of the best people caring for our youngest children.

At the same time, there is strong evidence that early language skills provide a solid foundation for school readiness, with strong links to learning to read, attainment in English and maths, earnings potential in adulthood and wider outcomes, including better mental health. Furthermore, high-quality early education, specifically nursery led by graduate early years teachers, has the most significant impact on the early language skills of young children, especially those from disadvantaged backgrounds, who are more likely to fall behind. Figures show that, for instance, one in five children, including more than a third of the poorest, are not school ready because they fail to meet the expected level of early language development by the age of five. That equates to almost 130,000 children finishing their reception year in 2015 without achieving the expected level of language skills.

**Lucy Frazer:** In those circumstances, does the hon. Gentleman think it appropriate for the teacher to have a GCSE grade C in English and maths?

4 pm

**Alex Cunningham:** Sorry, I think that was a minimum qualification. I want to see continual professional development. As I have stressed time and again, the higher the qualification, the better the outcome for children.

Children growing up in poverty are, on average, 15 months behind in vocabulary development at the age of five compared with their peers, and those eligible for free school meals are 75% less likely to reach the expected standard of language and communication than their peers at the age of five.

**Mr Gyimah:** I think my hon. and learned Friend the Member for South East Cambridgeshire was pointing to a contradiction in the Opposition's position. Their Front-Bench spokesman said that insisting on GCSE maths and English rather than focusing on functional skills might be making things more difficult. The hon. Member for Stockton North seems to be arguing for even more stringent qualification criteria. The Government believe that, given that qualifications are the biggest determinant of the quality of the interaction with the child, it is right that we set them where they are.

**Alex Cunningham:** I do not think there is any difference between me and my hon. Friend the Member for North West Durham. We both believe that we should be driving up quality and we both believe that we should see qualifications driven up.

**Pat Glass:** There is no difference. The difference between us and Government Members is that we understand the different levels of the staff working in childcare. It is absolutely right that teachers will have a GCSE at grade C in maths and English. They need it to matriculate. They cannot get on the course without it. I was talking about level 3 staff who would be working under the direction of a graduate leader in the nursery or a teacher. That is completely different.

**Alex Cunningham:** Exactly. I hope that that clarification helps the Minister and others. The issue is leadership and different qualifications within the workforce in any one setting.

Despite knowledge of the failure of people in poverty and the 75% of children who are less likely to have the expected standard in language and communication at the age of five, we have seen childcare in England failing to meet the quality standards necessary to improve the outcomes for those children. Only if early education and childcare is of the highest quality and delivered by well qualified staff will there be a positive impact on children's learning and development, which will help to narrow the gap in attainment for the most disadvantaged. My new clause would provide the Government with the power and the responsibility to ensure that children are cared for and stimulated by a highly qualified workforce.

Ofsted grades are not just a stand-alone proxy for the standard, because the inspection framework does not capture all the elements of quality that are predictive of outcomes for children. Evidence shows that, to ensure

that the free offer meets its primary intended purpose of improving outcomes for children, the Government should focus on delivering high-quality, graduate-led care from the age of two to school age through a qualified and well supported early years workforce.

We had a debate earlier today about the needs of disabled children and the specific training that people need. I hope that the Minister will address that when he talks about the workforce and how we can ensure that the people in our nurseries have the necessary qualifications and experience to deal with a whole range of disabilities in the children who come their way.

Back in 2012, the coalition Government commissioned Professor Cathy Nutbrown to undertake an independent review of early years workforce qualifications. Her findings recommended that, if the Government set out a 10-year plan to move to a fully qualified early years workforce and increased the proportion of settings led by a graduate, it would have the greatest measurable impact on children's outcomes. However, the coalition did not take a lead on that, nor does the Bill.

The quality of childcare is gradually improving, but there are still insufficient high-quality, free places for three and four-year olds, and disadvantaged two-year-olds.

**James Berry:** The hon. Gentleman should read my speech on childcare. He would see that we agree on a lot, and in fact some of the lines are very similar. Does he agree that we could achieve what he intends in his new clause with encouragement from the Government rather than the straitjacket of legislation?

**Alex Cunningham:** I am pleased that we can agree on much that was in my speech. I cannot understand what the problem is with requiring people to have qualifications. If you want to be an engineer, you are required to get an engineering degree. I think that if you are required to lead the best-quality care, perhaps you need some form of graduate qualification in childcare, or something associated with it. Of course, we face the possibility that we will have children attending poor-quality settings where they will be unable to access provision that meets their individual needs. This is why new clause 1 would require the Government to publish proposals for the development of the early years workforce to ensure that all three and four-year-olds receive access to high-quality, flexible and accessible early education and childcare provision, delivered by those well qualified, confident and experienced practitioners, and led by that early years graduate.

**Mr Gyimah:** I want to draw the hon. Gentleman's attention to what is actually happening on the ground, as far as the quality of the workforce is concerned. The number of graduates in the workforce continues to rise. Between 2008 and 2013, the proportion of full day care staff with a degree or higher increased from 5% to 13%. The National Day Nurseries Association June 2015 survey showed that 88% of centres employ a graduate early years teacher. Since 2007, 16,159 individuals have achieved early years professional status.

**Alex Cunningham:** That, Mr Hanson, is tremendously good news for the childcare sector, there is no doubt about it, but it is not good enough. We are looking at a situation in which there will be a demand for increased provision, yet we have insufficient people coming through

the system to fulfil those roles in the future. To my mind, it is clear that the expansion of free childcare requires that we first invest in the very people and infrastructure standing behind it. The Minister just talked at length about the fact that people are getting better in the situation, but we still have this tremendous gap, particularly if we are to provide everything that he wants us to provide.

This amendment would set the Secretary of State the achievable target of laying a report before both Houses within six months of the Act coming into effect, setting out how the Department intends to support such development of the early years workforce. I cannot understand how there can be a problem with that. All we are asking is: what are the Government's plans? How are we going to see development happen in the future? The report should specifically include targets for increasing the number of practitioners holding level 3 qualifications and the proportion of children receiving early education and childcare led directly by an early years graduate.

The requirement for teaching qualifications has made the headlines over the past few years. Indeed, we all know that Labour committed, before the general election, to ensure that all teachers in all maintained schools should become qualified and continue to expand and strengthen their qualifications through high-quality professional development. As a former member of the Education Committee, I have considered the need for qualified and competent teachers in detail. I know that my hon. Friend the Member for North West Durham shares my interest in this subject.

With a background focused on children and young people at local authority level, I have witnessed at first hand the importance of education and education policies—as a route into work, a means to attaining personal potential, a mode of better understanding the world we live in, or simply the quenching of a thirst for knowledge. Education is a powerful tool for young people of all ages and provides the foundations on which the future of our country sits, but with this power comes a concomitant responsibility, and that responsibility rests ultimately with those who motivate, inform and inspire our young people. That is why we must take steps to ensure that our education system is designed to deliver the skills and knowledge that the young people of today will need to succeed tomorrow. The crucial requirement of this is making sure that our teachers—their teachers—are fully equipped to do the job. That is the crux of the matter.

The thinking behind new clause 1 is remarkably simple. At its core, it is inspired by the aspiration for our children and young people to have the best possible start in life, and it is informed by the evidence confirming that good quality early education can have a range of benefits for children's early development. Research indicates that the benefits of such early education extend beyond the early years and right through primary school, adding further weight to the case for mandating qualifications for early years teachers. For example, the "Effective Provision of Pre-School Education" study has shown that children who attend good-quality childcare settings are, on average, seven months ahead in literacy skills, compared with their peers who did not attend pre-school, when starting school. The development that takes place during those early years is crucial and forms the foundations on which all later learning is built. It is, therefore,

[Alex Cunningham]

essential that we equip early years education staff with the skills that they need to support children's early development and to ensure that no child falls behind before they even reach primary school.

The ramifications for children who start to fall behind in key areas such as early language development are, too often, lifelong, and they affect not only those children's educational attainment but their future life chances. We face the sorry reality of knowing that children from disadvantaged backgrounds are much more likely than others to fall behind. One in four children in England arrives at primary school without good early language development, and that figure rises to one in three for children from disadvantaged backgrounds, who, as I have mentioned, start school an average of 15 months behind their peers in language and vocabulary.

I am clear that the only route to resolving that unacceptable situation, and to righting the inequality of opportunity that many children and young people grow up facing, is to level the playing field from the outset. Research shows that a well-qualified, confident and experienced workforce are central to the delivery of childcare that improves outcomes for young children. Indeed, the Department for Education went so far as to recognise in its policy statement on the Bill:

"The main driver of quality in a setting is its workforce."

If those arguments are not already compelling enough, Ofsted has identified that settings in which at least 75% of practitioners are qualified to level 3 achieve better inspection results. A further analysis of private, voluntary and independent sector settings against Ofsted ratings also found a direct link between graduate-led settings and better Ofsted ratings, which demonstrates that graduate-led settings reduced the quality gap in provision in the least and most deprived areas.

**Mr Gyimah:** Is the hon. Gentleman aware that 79% of settings in disadvantaged areas are now rated good or outstanding? Of course, there is still room for improvement, but that is a tremendous statistic.

**Alex Cunningham:** That is a tremendous statistic, but, as the Minister says, there is always room for improvement. It is important that we maintain high quality and that we have continuing professional development for everybody so that they can keep their skills up to date and maintain the outstanding outcomes that he has alluded to.

The analysis shows a gap of 10 percentage points in the quality of childcare provision between non-graduate-led settings in the least and most deprived areas. However, when examining settings led by graduates, the research found almost no difference between the quality of provision in the least and most deprived areas. That is a crucial finding, not least because evidence shows that children who grow up in the most disadvantaged areas are least likely to attend a private, voluntary or independent sector setting with a graduate compared with their peers in better-off areas. To top it off, evaluation of the graduate leader fund adds further evidence to the extensive stock showing that settings that employ a graduate leader improve the quality of provision compared with settings that do not, with the findings confirming that employing an early years graduate is a key way of raising the quality of provision in a childcare setting. Further analysis of the graduate leader fund highlights

that settings employing a graduate made significant improvements for pre-school children, not just in overall quality of provision but in other key areas such as child-staff interaction, support for children's communication, language and literacy development, and supporting reasoning, thinking and scientific skills. The Minister's last intervention demonstrated that that is very much the case.

It appears to be irrefutable that high-quality childcare has a range of benefits for all children, and for disadvantaged children in particular. What is more, the research also shows that there is added value beyond the school gates in supporting those children's development, reducing the risk of behavioural issues and even supporting parents in the home. We must recognise the challenges that are likely to be faced in delivering such a commitment. Government figures suggest that 600,000 families will be eligible for the 30-hour offer. Providing sufficient places will clearly pose new challenges for the early years system, and many providers will have to be supported to extend their offer if all eligible parents are to be able to access the 30-hour offer.

**Mr Gyimah:** Based on the eligibility criteria from the spending review, 390,000 families will be eligible for the offer. There are four-year-olds who are in reception year and therefore are not entitled to the offer for three and four-year-olds.

4.15 pm

**Alex Cunningham:** I am grateful for the Minister's clarification. On top of this, we must factor in the need for highly qualified and experienced graduates if we are to deliver the high-quality childcare that we need so much. I bear in mind everything that the Minister said, but 20-odd per cent of providers still do not have any graduate leadership. We need to build on that. On the effectiveness of the expansion—it is an expansion—we are going to need more people in the system. The expansion of free childcare will be dependent on ensuring that there are sufficient numbers of highly qualified and experienced staff to work directly with all three and four-year-olds.

**Mr Gyimah:** The hon. Gentleman is absolutely right to say that there will be an expansion. We welcome that; it is the purpose of the policy. It is also worth stating that although we are doubling the entitlement, we are not necessarily doubling the demand. A number of children in the system are already doing 15-plus hours instead of 30 hours. Therefore, the need that he has identified might not be as great as he thinks it is.

**Alex Cunningham:** To the best of my knowledge, we have not actually quantified what the total need is. That is one of the reasons we had the debate on clause 1, which has now been ditched by the Committee. We want to review and understand exactly what provision will be needed. I do not think that is particularly clear.

Currently, a significant proportion of practitioners do not hold a level 3 qualification—the minimum recommended by the Nutbrown review. Roughly a third of childminders, 50% of nursery staff and only 13% of staff in private, voluntary and independent settings currently have a graduate level qualification, compared with as many as 40% in maintained settings. I accept

that that will take some time to address. I hope new clause 1 reflects that by allowing some flexibility in setting the targets for the proportion of staff in the early years workforce to have that relevant level 3 qualification and in setting the timescale in which the Government will seek to meet those targets. However, at the same time as including measures to enhance standards, we must do more to boost the status of early years teaching to attract the very best, brightest and most able into the profession.

I understand that some 15,962 individuals have achieved early years professional status and early years teacher status. Since the start of early years initial teacher training in September 2013, 3,206 trainees have been trained, of whom 2,358 have graduated and been awarded early years teacher status. Should we not celebrate that? Of course we should, but in 2014-15 only 860 applicants started funded places. That is quite a reduction—1,467 down on the intake of 2,327 applicants in 2013-14, and 1,140 applicants short of the 2,000 target set for 2014-15. I would like to know what the Minister will do about boosting those numbers and meeting his Department's targets.

**Mrs Drummond:** Yesterday, I learned that there are 23 different ways of getting into the teaching profession. Would the hon. Gentleman agree with me that there could be lots of different routes to get into childcare? Some people might want to start at low levels and graduate while they are still working in childcare provision.

**Alex Cunningham:** I think that people should have the opportunities to start jobs—all sorts of roles—in different ways. I believe very much in that but the Government are making it even more difficult for applicants to come into this role. The reason that we are seeing the fall is largely connected to the debate about pay and the status of early years teachers compared with applicants in programmes granting qualified teacher status.

Childcare workers in England are some of the lowest paid workers in Europe. The average salary of a supervisor in 2011 was just over £16,000 compared with an average of £22,000 in Finland, £23,000 in France and £28,000 in Germany. In private, voluntary and independent settings, non-managerial or supervisory staff are paid, on average, £6.80 an hour in full-day care settings and £8.60 in sessional settings.

**Mr Gyimah:** I hope, given the hon. Gentleman's comments about the low level of wages in the sector, that he will welcome the new national living wage introduced by the Government.

**Alex Cunningham:** I would welcome the new national living wage if it were the actual living wage. It is important to drive up wages across all sectors and I especially welcome it in this particular setting. The evidence suggests that if a setting is graduate led there is an impact on pay. In 2013, in graduate-led settings the average hourly pay of staff in full-day care settings was £8.70, compared with £8.20 in non-graduate-led settings. In sessional settings led by graduates, the average hourly pay was £9.80, compared with £8.20 in non-graduate-led settings. It can be little wonder that low pay is frequently cited as a key challenge to recruiting and retaining graduate-level staff. That makes me fear that more needs to be done to attract new entrants and to retain experienced practitioners.

I hope that the proposals in new clause 1 would allow the Government sufficient leeway to design measures to ensure enough well-qualified and experienced staff to deliver free early education and childcare and to make certain that that is of high quality. I see no reason why the Government should not have sufficient scope to put in place measures that would also offer to support practitioners to work towards a level 3 qualification to increase the number of settings that are graduate led. As I have mentioned, the Department has already recognised in its policy statement on the Bill that the workforce is the main driver of quality. I hope that the Minister will support new clause 1 as the means to optimise such quality and to maximise the opportunities for our children and young people—after all, that is what we are here to talk about.

**Mr Gyimah:** The debate on the amendment and new clause 1 is important because it concerns the quality in early years education.

As the father of a 20-month-old who is in a full-day care setting, in common with all parents I want my child to be in a safe and secure environment, looked after by people who are well qualified and know what they are doing. I am therefore grateful to the hon. Members for Stockton North, for North West Durham and for Birmingham, Yardley for raising the important issue of the qualifications of the workforce and the impact on the care and early education of the young children involved, including those with special educational needs and disabilities.

The hon. Member for North West Durham has specialist knowledge about provision for disabled children. She most expertly deployed that knowledge and her commitment to ensure that all children should have access to quality care in her role as the co-chair of the parliamentary inquiry into childcare for disabled children.

I support the purpose of the amendments. I agree that the quality of the workforce is a vital ingredient in providing good-quality early education and care to meet the needs of all children, including those with SEN. The experiences of children in childcare settings are shaped by their interactions with staff, so it is critical that staff are suitably qualified and skilled.

I hope that it will be helpful if I set out the existing requirements for staff qualifications under secondary legislation. In recognition of the fact that the qualification levels of staff affect the experiences of children in early education and childcare settings, the early years foundation stage framework sets out minimum qualification levels. Those qualification requirements make up part of the staff-to-child ratios. I have already confirmed on Second Reading and in speeches outside the House that we are not changing ratios or qualification requirements to deliver the 30-hour entitlement.

The qualification level of the early years workforce has risen in recent years. Continuing this increase has been a key aim of the Government's workforce strategy through the introduction of early years educator qualifications at level 3, and early years initial teacher training. Research tells us that in group day-care settings, 87% of the workforce have a relevant qualification at level 3—that should be welcomed. Indeed, many of the workforce are qualified at graduate level. Since 2007, more than 16,000 individuals have achieved the specialised qualifications of early years professional status and early years teacher status.

[Mr Gyimah]

Moreover, the inspection framework carried out by Ofsted is clearly focused on children's outcomes and the quality of teaching and learning in the early years. Providers are showing the arrangements they have in place for staff supervision and professional development that then drive high-quality interactions with children. Ofsted's new common inspection framework is also bringing more consistency to its inspection approach across early years providers and schools. The latest outcome statistics, at August 2015, show that 85% of providers on the early years register were rated good or outstanding for overall effectiveness.

**Alex Cunningham:** I hope that this is not out of order, but I have to be elsewhere on Front-Bench duties, so I want to say that I appreciated the explanations given by the Minister in his many interventions during my speech and I do not intend to press new clause 1 to a vote.

**The Chair:** For information, whether the hon. Gentleman is here or not, new clause 1 would not be voted until the end of the Bill.

**Alex Cunningham:** I am grateful for the clarification.

**Mr Gyimah:** I am grateful to the hon. Gentleman for tabling new clause 1, and I understand that he has other duties. I will carry on setting out our argument on the workforce strategy, which he can follow in *Hansard*, in his absence.

Despite the good indications of progress so far, we cannot be complacent. For example, members of the sector have told me that some childcare businesses are having difficulty attracting and retaining staff at level 3. I have asked the sector to provide evidence of that, and I am committed to working with them to understand the challenges and to find ways to tackle them while ensuring that a quality workforce remains.

Many comments have been made about why the Department has insisted on GCSE English and maths on exit and about whether that is having an impact on people getting their level 3 qualifications. I see maths and English, the two most important vocational subjects, as a requirement for any job. Functional skills, which the hon. Member for North West Durham specifically asked about, at level 2 do not have the same breadth of content as GCSEs and are sometimes described by awarding bodies as roughly equivalent to half a GCSE, which is why we have taken our position. As I said to the sector, if evidence can be provided that that is having an impact on recruitment, I am willing to consider it. The collaborative approach has already proved successful. Over the summer, I responded to calls from the sector to amend the entry requirements for level 3 courses to enable more trainees to undertake childcare training. I am told by childcare employers that that is helping more staff access training. As Sue Robb, head of early years at 4Children, said:

"We welcome the government's decision that apprentices can work for their childcare qualifications at the same time as studying for their GCSEs in maths and English. This will encourage more apprentices into childcare and early years."

I have spoken previously about this, but I want to be clear that I am committed to publishing a workforce strategy that will enable staff to reach their potential

and forge a successful career in early years. As my hon. Friend the Member for Portsmouth South indicated in an intervention, career progression must be the central strand of any workforce strategy, which needs to consider the role of qualifications from entry level to graduate level and on-the-job training in order to attract and retain a good quality workforce. It is not only about getting people in at level 2 or level 3, but about getting the right ladders in place so that they can progress throughout their career.

4.30 pm

**Chloe Smith:** Does the Minister agree that enterprise is an important skill in this blend? After all, this is a major opportunity for not only the maintained sector, but the private, voluntary and independent sectors. There is an opportunity here for young people, or perhaps people who are already qualified, to set up their own business.

**Mr Gyimah:** My hon. Friend makes an excellent, important point in two respects. First, the new funding route and the associated certainty should make it attractive for new providers to enter the market and deliver childcare for working parents. Secondly, when we look at careers and career progression, we should consider that someone might start at level 2 or level 3 but then eventually start their own nursery or childcare business in another part of the country and deliver for parents. With that in mind, we need to make sure, as we look at the workforce strategy, that the opportunities are there for people to progress, fulfil their potential and realise their aspirations.

The strategy will not only look at apprenticeship qualifications at levels 2 and 3 but consider how we can attract even more graduates into early years. As part of the strategy, I would like to consider how the workforce can access training and support that enables them to offer early education and care to all children, including those with special educational needs. There are already some important requirements in place regarding the individual needs of children.

To make qualification requirements have a real impact on the quality of care that children receive, it is important to make sure that they equip staff with the necessary skills to identify and meet individual needs. That is why the level 3 early years educator criteria, which are set by Government, require that trainees learn how to assess and meet needs.

The teacher standards also require early years teachers to have those skills. Early years teachers must demonstrate a clear understanding of the needs of all children, including those with special educational needs and disabilities, and be able to use and evaluate distinctive approaches to engage and support them. New apprenticeship standards being developed by a group of childcare employers will also take into consideration the knowledge and skills necessary to support children with special educational needs and disabilities.

Inspection obviously plays a crucial role by focusing on outcomes and reviewing how children in settings have made progress. It requires settings to demonstrate how they have assessed and met the needs of children, including those with special educational needs and disabilities. That is a powerful incentive for providers to ensure that staff meet the needs of those children and meet all the requirements placed on them through secondary legislation.



Under the EYFS framework, all children are to be allocated a key person to assess and meet their needs. In addition, the “Special educational needs and disability code of practice: 0 to 25 years” sets out clear expectations on educational institutions, including early years providers, for identifying and supporting children with SEND. The code sets out a graduated approach, which involves seeking specialist advice and intervention where appropriate.

To ensure that providers and local authorities are equipped to deliver the expectations of the new code of practice, we are funding a number of projects to better equip the early years workforce to support children with SEND. They include the National Day Nurseries Association, which will build on local systems for self-improvement through SEND champions and the excellent Pen Green centre. That centre supports a model of peer-to-peer training to help practitioners gain the knowledge and skills that they need to support children’s needs.

Funding provided to support partnerships between teaching schools and private, voluntary and independent sector providers has also enabled some good practice in supporting children with SEND. For example, Tor View school, a specialist learning community in east Lancashire, is leading a project that is helping PVI sector providers in disadvantaged areas of Burnley and Rossendale improve their support for children with SEND. SEND specialists have worked with staff so that they can more confidently identify SEND issues and provide support for children and their families.

In some cases, it will be necessary for staff to undertake specific training to support a disabled child in their care. In such circumstances, a childcare provider can ask their local authority for funding to support such training. As the individual needs of children may differ greatly, I do not think it is appropriate to set out qualification requirements for all staff working with disabled children. The Government support a personalised approach to meeting children’s needs, whereby providers, in partnership with their local authority, determine what support is needed and how it will be accessed for each individual child.

A number of other points have been raised, for example on having more graduates in the sector. For clarification, the EYFS framework is clear that trained graduates can lead settings and utilise a 1:13 ratio in doing so.

**Pat Glass:** On that point, will the Minister confirm that the EYFS framework will be the standard in the additional 15 hours?

**Mr Gyimah:** The hon. Lady asks a good question. As I have outlined, the staff to child ratios in the EYFS framework will not change between the first and second 15 hours. Nor will qualifications or space requirements. I hope that the plans I have set out and the commitments I have made to develop and publish a workforce strategy that considers career progression routes, on-the-job training, how we can attract more graduates into the sector and support for staff in meeting the individual needs of children, will reassure hon. Members that the Government share their view that a well qualified workforce is vital. In view of that, I hope that the hon. Member for North West Durham will feel reassured enough to withdraw her amendment.

**Pat Glass:** I welcome the Minister’s assurance. The thinking behind the amendments was that there are clear links between qualified, well trained staff and

good outcomes. That is recognised, not least by Ofsted. There is a shortage of qualified support staff under the current provisions, and providers tell us that they are not in a position to recruit—they are struggling to recruit even for the existing 15 hours. We therefore have concerns about how that will be carried forward into the expansion of the system.

I welcome the Minister’s assurance that if the requirement of a GCSE in maths and English on exit is causing disruption in recruitment—

**Mr Gyimah:** There is evidence.

**Pat Glass:** There appears to be evidence of that at the moment, so I welcome his assurance that he will look at that again. I was disappointed to hear him say that some awarding bodies are saying that functional skills are equal to half a GCSE. I have not heard that. They certainly did not give that evidence to the Education Committee when we looked at the matter in some detail. Providers and awarding bodies said that functional skills are different—more pragmatic in the workplace, but not easier. That was the evidence given to the Education Committee, on which we made recommendations. We are not looking to dumb down in any way, but given that we face expansion and that we are struggling to recruit qualified level 3 support staff, the Government should examine that.

As the Minister said, well trained staff are particularly important in the case of disabled children, which is the thinking behind amendment 11—we would never allow unqualified or untrained staff to work with children with disabilities in schools. Parents are telling us that part of the problem is that they cannot access the current 15 hours’ provision, and if that is the case, we need to explore that.

I heard what the Minister said about the excellent Pen Green nursery. It would be wonderful if we could reproduce Margy, her staff and Pen Green across every one of our constituencies. I strongly urge hon. Members to have a look at it, because they will want it in their constituencies.

I understand that qualifications are not the same as appropriate qualifications, which are not the same as training. They are different things. One issue I had with the Government’s policy in the previous Parliament on unqualified staff in free schools was that, although I would have qualified to teach mathematics because I have an MSc, it was not until I did a BED that I understood things such as child development; identifying, assessing, helping and intervening with SEN; and managing behaviour. Those are the kinds of things that come through qualifications. People learn to differentiate in the curriculum and deliver a curriculum across the range of ability. They learn the science of learning, pedagogy and, almost more importantly, credibility. If a teacher does not have credibility with the parents, their colleagues and, more importantly—particularly if they are teaching in a secondary school—the children, they will quickly be sussed out. That is about not just having qualifications, but having the appropriate qualifications and training. Given that the Minister has offered to work with me in looking at how we can help more disabled families access childcare—presumably that offer also includes looking at the qualifications and training needed to enable them to do that—I beg to ask leave to withdraw the amendment.

[Pat Glass]

4.40 pm

*Amendment, by leave, withdrawn.*

*Ordered, That further consideration be now adjourned.*  
—(Margot James.)

*Adjourned till Thursday 10 December at half-past  
Eleven o'clock.*

**Written evidence reported to the House**

CB 01 4Children

CB 02 Polly Anna's Nursery

CB 03 Keith Beardmore, The Manor Nursery School

CB 04 National Children's Bureau

CB 05 Low Incomes Tax Reform Group

CB 06 Family and Childcare Trust

CB 07 Contact a Family

CB 08 Pre-school Learning Alliance

CB 09 Montessori Schools Association

