



**Northern Ireland
Assembly**

**COMMITTEE FOR EMPLOYMENT
AND LEARNING**

**OFFICIAL REPORT
(Hansard)**

Home-based Childcare

23 November 2011

NORTHERN IRELAND ASSEMBLY

COMMITTEE FOR EMPLOYMENT AND LEARNING

Home-based Childcare

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Members present for all or part of the proceedings:

Mr Pat Ramsey (Acting Chairperson)
Mr Jim Allister
Ms Michelle Gildernew
Mr Chris Lyttle
Mr David McIlveen
Mrs Sandra Overend
Mr Alastair Ross

Witnesses:

Mrs Marie Marin) Employers for Childcare Charitable Group
Mrs Nora Smith)

The Acting Chairperson:

I welcome to the Committee Mrs Nora Smith, the policy and information manager at the Employers for Childcare Charitable Group, and Mrs Marie Marin, its chief executive. I am not sure which one of you is kicking off the presentation, but please proceed.

Mrs Marie Marin (Employers for Childcare Charitable Group):

Many thanks for the opportunity to speak to the Committee this morning.

We have two points of discussion for the Committee. The first is a good-news story, which I have the pleasure of covering in my part of the presentation. It concerns approved home childcare, which is our new social enterprise. The second is a campaign that we have brought to a

number of Departments. We brought it to the Department for Employment and Learning (DEL), the Department of Health, Social Services and Public Safety (DHSSPS) and the Office of the First Minister and deputy First Minister (OFMDFM) for their consideration. We want to share the details of the campaign with you, the members of the Committee for Employment and Learning. It is a childcare affordability awareness campaign, which is an economic and labour market issue. Nora will provide you with more information on that.

I do not have time to provide you with complete background information on our organisation. However, we have brought along a briefing document that provides further details, should you want to look at it. Some Committee members have already been to visit our offices in Lisburn; if others want to visit, we will be delighted to welcome you. Please take up that opportunity.

We were initially funded by DEL through a study visit to the United States in 1999. We are very proud of having transformed the group from being 100% dependent on local government and European grants to being 100% self-financing in just four years. That is a unique achievement in Northern Ireland. We did that by fully embracing a business model and by setting up a social enterprise, which was very challenging, as we come from a community and voluntary sector background.

Since we became fully independent, we have almost tripled our workforce; that is, within the past three years. Currently, we employ 33 staff, all of whom are on very good salaries. They get excellent remuneration.

Approved home childcare is our new social enterprise that we are in the process of setting up. We have long argued that childcare is an economic and labour market issue. Many parents do not have access to affordable, flexible and appropriate childcare services. That impacts on their ability to get into and stay in the workplace.

What is an approved home childcarer? An approved home childcarer is a type of formally registered childcarer who is approved under the home-approved childcare legislation — the Tax Credits (Approval of Home Child Care Providers) Scheme (Northern Ireland) 2006 — that came into effect in Northern Ireland in April 2006. The scheme works on the basis that childcare takes place in the child's own home setting. That is different from taking a child to a childminder or to a day nursery.

To be approved by social services, the childcarer must meet certain criteria. He or she must be over 18 and must, prior to application for approval, have obtained a childcare qualification. A basic course of training in the care of children may also be accepted by the health and social care trust. The person must have attained a first aid certificate that is suitable for the care of children, such as one from a paediatric first aid course, and must have completed an Access NI check, which is the same as one from the Criminal Records Bureau, to ensure the person's suitability to work with children in the first place. Each of those criteria must be met before the childcarer can apply for approval.

Currently, that form of childcare represents only 2% of the overall childcare market in Northern Ireland. That insufficient provision is due to the challenges of the current scheme and how it presents for parents, because they have the responsibility of becoming the employer. There is also a low level of awareness of that form of childcare. With our new social enterprise model, we employ the approved home childcarer and, therefore, take that burden of responsibility away from the parent. We then match the childcarer up with a suitable family and act as the middleman for the family and approved home childcarer on an ongoing basis. We have spent the past 18 months developing and researching that business model, which operates successfully in England and Scotland, and we are now in a position officially to launch the new business in the new year. We have already received the personal endorsement of the Minister of Health, Social Services and Public Safety and are working with officials in DHSSPS.

One of the key challenges and risks to the business is the length of the approval process. The approved home childcarers are registered through the health trusts. However, there is a backlog in the approval process, and some trusts have backlogs of between six and nine months. We want to get into a position whereby we are working with the health trusts to create an efficient system that does not add to their workload. We are working on that at the moment.

The good news is that that form of childcare will help to reduce a number of key barriers that have been identified. It is a new form of flexible childcare, and we will be in a position to provide childcare outside the conventional working hours of nine to five. We will specialise in providing evening, weekend, early morning and overnight childcare as necessary. A lot of parents in Northern Ireland have problems accessing childcare at those times.

That form of childcare will be extremely beneficial for families that live in rural areas and have difficulty finding and then transporting children to a setting. It will be very beneficial for large families that may have children in a number of settings or where the cost is so extreme. It is of particular relevance that it will be extremely beneficial for families with children who have disabilities and/or special needs, where the home setting is particularly beneficial to their needs. By that, I mean children in wheelchairs and children who have autism and Asperger's syndrome. We know from our research that has been launched that there is a lack of specialised childcare to meet the demands of those parents.

The new business will also create employment opportunities for the early years workforce. We will offer a very competitive rate of pay and will provide ongoing training and support for our approved home childcarers. We hope to create 100 new jobs in the first year. We are confident that this new social enterprise will be successful, as we have already built up a credible reputation over many years. We already provide services to more than 1,500 employers in Northern Ireland, from both the private and public sectors, and we serve almost 10,000 parents and almost 5,000 childcare providers.

Our new social enterprise will create jobs and help to reduce a long-term barrier to employment for parents, which is access to affordable, accessible and appropriate childcare.

I will now pass over to Nora, who will talk to you about the childcare affordability awareness campaign.

Mrs Nora Smith (Employers for Childcare Charitable Group):

As Marie highlighted, we look at childcare as being an economic and labour market issue. A lack of affordable childcare is the single biggest barrier to parents here, especially mothers, being able to access and stay in work. I am sure that you are all familiar with the figures that highlight the key points that we are trying to make. The economic activity rate of working-age females here is considerably lower than that of men. Furthermore, the relationship between women's economic activity rate and motherhood is particularly evident. It is directly influenced by the number of children that families have and the age of the children. For example, if you have younger children, you are less likely to be in work than if you have older children. In addition, the number of children that you have — the family size — influences your ability to work. The economic activity rate of families with two children is very high: it is 80%. However, it is considerably

lower for families with three or more children: it is 57%. That is a key difference.

It is also important to highlight the changes to the benefits and tax system that have impacted, and will impact, greatly on families in this region. I will not talk members through all the changes that have happened and will be happening. However, some of the key changes are the ones to child tax credit. The family element of child tax credit is being reduced, and it is being withdrawn for families with incomes of more than £40,000. There is talk that that could decrease even further. The baby element of child tax credit has been abolished. Those elements are worth £545 each. There are changes to the working tax credit: there is a three-year pay freeze on the basic element and the 30-hour element. The childcare element of working tax credit has been reduced from 80% to 70%, so parents cannot claim back as much for childcare costs.

Child benefit has been frozen at the same rate for the next three years. From 2013, parents with an income of just under £44,000 will no longer be able to claim child benefit. Child trust funds and the health and pregnancy grant are being abolished, while the Sure Start maternity grant will be paid to the first child only. That gives you some idea of the key challenges that parents here face.

It is an accepted truth that the best route out of poverty is through paid employment. That is recognised in the Northern Ireland child poverty strategy. All Departments, as you know, have a statutory obligation to try to work towards reducing child poverty here. One of the strategic priorities that was highlighted in the Northern Ireland strategy is to support more parents to access reasonably paid work. However, for parents to be able to access and stay in work, they need access to affordable and appropriate childcare.

We carried out the first childcare cost survey for the region last year, and we committed to doing that yearly. Some of you were at the launch in September of the 2011 survey. It revealed that, on average, 45% of the average medium wage goes on the cost of one child. The average family size here is 1.9, so that is two children. Essentially, one wage goes towards your childcare costs. That, in turn, raises questions for parents about whether it is feasible, practical and worthwhile for them to stay in work.

Some 52% of parents in the survey stated that they had difficulty accessing childcare. I thought that that sum would have been much greater. Many of the parents in the survey also said

that they had had to reconsider their current work position because of the high cost of childcare. You are probably aware that there are two forms of help with childcare costs, which are the childcare element of working tax credit and the childcare voucher scheme. Both forms of help come directly from the Treasury; they are not taken from the Northern Ireland block grant. Therefore, an increased uptake among parents in the region would be good news for Northern Ireland plc as it would not have any implications for our block grant. Historically, however, there has been a much greater uptake of tax credit in the rest of the UK than there is in this region. There are 16,600 families here who are in receipt of the childcare element of working tax credit. The same applies for childcare vouchers.

There is a 7% uptake in England and Wales, whereas here has a 2% uptake. Just under 10,000 parents access the childcare voucher scheme here. There are 211,000 families with dependent children in the region. Therefore, based on those figures — if we have done our maths right — 185,000 families are failing to claim potential help. Not all those families will be using registered childcare and be able to claim for one reason or another. Hypothetically, however, looking at the childcare element of working tax credit, if we were to assume that one quarter of those families were able to claim the 70% assistance and that their childcare costs were, on average, £210 a week, there is a potential saving of £6.8 million, which is an incredible sum of money. That is true for the childcare voucher scheme. We said that approximately 10,000 parents use the childcare voucher scheme here. There is also the bonus for employers who implement the scheme as an employee benefit. Employers are then exempt from the national insurance contributions on the amount sacrificed by each of their employees.

I will now illustrate the scale of the savings. We operate a childcare voucher company, and all the public sector organisations supply their childcare vouchers through us. One of the public sector organisations that we looked at has 600 parents who use the childcare voucher scheme. That represents 1% of its current workforce. Since 2007, that employer has saved £340,000 in national insurance contributions. The total saving generated by employees is £1.3 million. That is a total of £1.64 million that has stayed in our local economy over a four-year period.

As a social enterprise, we work extremely hard with employers and with people in the community and voluntary sector, who try to raise awareness of the potential health and support available. We also use the media, if and when we can. However, as Marie said, we are 100% self-financing and have been since 2008, which is a unique achievement in the Northern Ireland

funding context. However, it does have its downside, in that we do not have the internal capacity to deliver the awareness campaign needed to make all parents in the region aware that help with childcare costs is available. Our charity delivers a range of services through a childcare information service modelled on the family information service delivered in England and Wales, which is funded by central government over there. A key service that we deliver is our childcare benefits advisory service (CBAS). This is a very proactive approach, in that we go out into community and voluntary settings and work with job assist centres and Sure Start centres, and we work with employers and carry out personalised assessments. We look at the childcare costs as part of the personalised assessment, and that makes us unique to other advice and information services in Northern Ireland.

We presented an awareness proposal campaign to DEL at the beginning of the year, when Danny Kennedy was Minister for Employment and Learning. At that time, the Department was giving it serious consideration. However, it got sidetracked with the change in personnel. We approached DEL again when the new Minister, Stephen Farry, was in post. Unfortunately, however, he declined the proposal and signposted us to OFMDFM, as it holds the purse strings for the money that has been ring-fenced for the childcare fund. We have also spoken to DHSSPS, and we are talking to OFMDFM about a particular campaign. However, we are concerned that it may not happen. The awareness campaign would have to have a number of different levels. We are proposing a TV and radio campaign, a digital marketing campaign and putting information into Bounty packs. We also plan to work on a more operational level with community and voluntary sectors, which is what we are already doing, although we need more capacity to do it better.

We are very proud of our independence, but we are not in a position to deliver the campaign ourselves. That is why we sought government support. Although Departments recognise that there is a need for our services, we have not been able to make any progress beyond a general agreement on that.

We were heartened by the commitment to childcare that was given in the draft Programme for Government. However, we did have some concerns. In, I think, March of this year, a commitment was given to ring-fence £12 million for childcare, but the figure given in the draft Programme for Government was £9 million. We are concerned that £3 million has been set aside for this year and may or may not be lost. We are not sure: we know that Departments have been

making bids for that money from OFMDFM, but I am not sure what those bids are or what they would entail. Today was our opportunity to bring our campaign to the table.

We do address childcare as a labour market and economic issue. In order for parents to access and stay in work, childcare has to be more affordable. We believe that our proposal is a really good mechanism. It makes more sense and allows parents to access and stay in work.

The Acting Chairperson:

We are always trying to encourage people to take a tour of Stormont but not a tour of Departments. *[Laughter.]*

Ms Gildernew:

I have known Marie and Nora for a long time. I have been knocking about since 1998 or 1999, when you were starting out. You are very welcome to the Committee for Employment and Learning today, and I am delighted to see you, because this is an issue that I wish to God affected only one Department. It would be good to have all the functions of childcare under one roof so that groups such as Employers for Childcare did not have to go Department-hopping. Unfortunately, however, that is not the case. It is not just a matter for OFMDFM, DHSSPS and DEL. Responsibility also lies with the Department of Agriculture and Rural Development (DARD), the Department of Education (DE), the Department for Social Development (DSD) and the Department of Enterprise, Trade and Investment (DETI).

Childcare is an economic issue. Those of us who have to work and have children will need to avail ourselves of childcare, and it can be very expensive. The statistics are interesting: the employment rate for parents with two children is 80%, but I know of many families who have had their third child and for whom it no longer makes economic sense for one or both parents to be out working, given the cost of childcare. That is where the rate drops so significantly.

I have been involved in this issue, but I do not want to talk about it for too long, because I want other members to come in. Nevertheless, I want to talk about the DEL element. I have heard about it before from various organisations. DEL is trying to assist people back into work or into training. I asked Stephen Farry about childcare, when he visited the Committee recently, whether he was aware that there was a childcare budget in his Department and, if so, whether he was spending it properly. People in Newry and in the south Armagh area who are involved in

social economy childcare schemes have said that people who attend the Southern Regional College's Newry campus are not being told that childcare help is available. They are not hearing about it, so they are not getting it, and then they are not able to afford childcare.

I support your call for DEL to do more. When you said that you did not have the internal capacity, I wrote down, "What is DEL doing?" Well, we know what it should be doing now. It is incumbent on us to persuade the Minister to look at the proposal again. This is about awareness and enabling people. There are a lot of people out there, and it is interesting to note the number of groups. Most of them are Belfast-based, but there are others in Omagh, Lisnaskea and Newry with a rural element. A lot people do not know what Employers for Childcare is doing or about the support that is available for them. We want to convey a very strong message to the Minister that the proposal should be taken up. It is brilliant that Employers for Childcare is totally independent and non-reliant on government funding, but this is where it needs help, and the Department for Employment and Learning has to give it.

The Acting Chairperson:

I will take some questions from members, after which I will invite Marie and Nora to come in then.

Mrs Overend:

I welcome you here today. It is fantastic that you can share your information with the whole Committee, and I agree with Michelle. It is unfortunate that we have to bounce between Departments, but we need to ask the Minister for Employment and Learning to take responsibility for his angle and not just push the matter elsewhere. As a Committee, we need to direct the questions to him and make sure that he does his part. We must ask him whether there is any way in which we can help him to get those advisory centres set up across Northern Ireland and how we can feed those into ongoing provision.

The Acting Chairperson:

Do members have any other questions? No?

You have 30 staff at the minute. You referred to 100 jobs being created. Is that 70 additional jobs?

Mrs Marin:

No, it is 100 new jobs. That number refers to the carers that we will be taking on. In the first year, we plan to create 100 new jobs for carers. We really believe that this will change the face of childcare in Northern Ireland. It is a completely new form of childcare and will be beneficial to so many people. We will make sure that not only do we provide them with the minimum standard of training and qualifications but that their training is ongoing. They will become our staff, and we will look after them and make sure that the rate that they are paid is above the minimum wage.

Mrs Overend:

How is the training for the childcarers whom you are taking on being provided?

Mrs Marin:

We are providing the training. We have just recruited a new HR manager and a new training manager. We are providing and funding all that ourselves.

Mrs Smith:

We are having conversations DHSSPS. At the minute, the pre-registration course that approved home childcarers have to go through is the same as the course that childminders have to go through. We said to the Department that approved home childcare involves care in the family home, so there are some key differences, and the Department agreed with us. We have compiled a three-day training programme, which we will put each of our carers through. The Department is considering that at the moment and adding to it.

A key issue will be the child protection element of the training. At the minute, with most pre-registration courses, something like two to three hours are dedicated to child protection. We feel that stronger focus needs to be put on that particular element. We propose dedicating one full day of training to it and then, on an ongoing basis, including it in the quarterly training sessions that we will bring all our carers in for. Those sessions will include training on child protection, health and safety, the importance of play and all the rest of the key elements that are important to delivering high-quality childcare.

Mr Allister:

Presumably, that is on top of the basic requirement.

Mrs Smith:

The basic requirement is an NVQ — now called a qualifications and credit framework (QCF) — level 2 in childcare. If you do not have that, you go through the pre-registration course provided by the relevant health and social care trust. That comprises is a 12-hour programme that is either delivered over two consecutive days or over a number of different weeks. If someone goes through that pre-registration course, it puts a childminder in a position whereby he or she can become registered.

Mr Allister:

Therefore, with as little as 12 hours' training, you can become a registered childminder.

Mrs Marin:

You can become a childminder but not an approved home carer. There is stricter legislation for this new form of childcare.

Mrs Smith:

You have to have a qualification in paediatric first aid. That is a statutory requirement under the 2006 legislation.

Mr Allister:

Do you do that?

Mrs Marin:

We will provide that.

Mr Allister:

Within your three days training?

Mrs Smith:

No, that will be a separate course.

Mr Lyttle:

I echo the sentiments expressed by Committee members. I have had the privilege of visiting the

Employers for Childcare site, which the Chairperson of the Committee, Basil McCrea, will be glad to know, is in his constituency.

Mrs Smith:

He is coming out as well.

Mr Lyttle:

Excellent. He has his fair share of invites for us to go to places in Lisburn, so he will be glad to know that I do not always just complain about it and that I have been there.

This is an excellent organisation. It is founded on really sound business principles, and the Assembly and Executive are, frankly, having their agenda set by this organisation. I am committed to continuing to raise this issue at the Committee. However, given the cross-departmental nature of the challenge, it is incumbent on us to invite the organisation to go before the OFMDFM Committee as well and that we work to try to deliver on some of the issues. Childcare is one of the fundamental issues that the Assembly can try to address. We need to give you our full support in that.

Mrs Marin:

As Nora said, the most important thing here is that it is good news for Northern Ireland plc. This is not coming out of the Northern Ireland block grant; rather, is coming directly from the Treasury, so any uptake in either benefit of the childcare element of the working tax credit or childcare vouchers is a win-win situation for Northern Ireland plc. It is a no-brainer, if you will excuse the phrase.

Ms Gildernew:

That is a very powerful argument to put to the Minister for Employment and Learning. Whatever it would cost to mount the awareness campaign, including the advertising, would be offset by the amount of money coming back. This is spend-to-save in its simplest form.

Many of our families rely on grandparents or family members for support. I recognise that the tax credit system does not work with childcare unless you are with a registered childminder in some way. Has there been any further progress on that? Nora, I know that one of the things that you looked at as part of the rural childcare strategy was to try to create more flexibility in the

system, especially in rural areas where registered childminders are not readily available.

Mrs Smith:

DEL has some discretion in help with childcare costs. It allows, in some instances, family members to supply childcare, and costs may be recouped. However, it is not the same with childcare vouchers or the childcare element of working tax credit.

Going back about six months, we had a situation whereby we were contacted by a parent who was completely distraught. Her mother was a registered childminder who looked after other children. She could, therefore, look after her grandchild as well. However, through natural wastage, it transpired that the grandmother was eventually looking after only the grandchild. The health and social care trust said that the parent would have to find another childminder, as she would be unable to claim the financial support. The mother was pulling her hair out, as she lived in a rural area and was unable to find another childminder for love nor money. She phoned us to ask what she could do. Unfortunately, we had to tell her that it was beyond us. Being able to claim support for childcare given by family members was an issue that we had raised. In informal childcare, grandparents play such a key role, especially for children with disabilities and special needs. For a lot of families, the first choice would be for care to be provided by someone whom they know, love and trust. However, the issue is bigger than us. We have highlighted it in the past, but unfortunately it has not moved any further.

The Acting Chairperson:

Before you leave, let me summarise. This is clearly an issue on which the Committee wants to take leadership. Michelle and Sandra made the point that we should immediately write to the Minister for Employment and Learning. We should do so, and we should also reflect the opinions of members in our submission on the draft Programme for Government, taking a cross-departmental approach if necessary. That could be something for a Committee motion. We should table a motion to get a feel for the issue and have it debated. Perhaps we can decide on that at our next meeting. We will draft a letter to the Minister.

Marie and Nora, be assured that the Committee is fully supportive of your programme, and we wish you well in the future. Whatever we can do to champion your cause, we will certainly do. Thank you very much.

Mrs Marin:

Thank you.

Mrs Smith:

If it would be of any help, we could send you the letter that we received from the Minister.

The Acting Chairperson:

That would do no harm. Please do that.