



Northern Ireland  
Assembly

Committee for the Office of the First Minister  
and deputy First Minister

# OFFICIAL REPORT (Hansard)

Childcare Strategy: OFMDFM Briefing

17 April 2013

# NORTHERN IRELAND ASSEMBLY

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### Childcare Strategy: OFMDFM Briefing

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**Members present for all or part of the proceedings:**

Mr Chris Lyttle (Deputy Chairperson)  
Mr Leslie Cree  
Mr Colum Eastwood  
Ms Megan Fearon  
Mr Alex Maskey  
Ms Bronwyn McGahan  
Mr Stephen Moutray

**Witnesses:**

Mr Fergus Devitt	Office of the First Minister and deputy First Minister
Mr Martin Tyrrell	Office of the First Minister and deputy First Minister

**The Deputy Chairperson:** We are delighted to welcome back Fergus Devitt and Martin Tyrrell. Fergus, will you and Martin talk us through what you see as the key issues emerging from the consultation responses, please?

**Mr Fergus Devitt (Office of the First Minister and deputy First Minister):** Thank you very much. Yet again, we are very grateful for the opportunity to be here with the Committee. You have received our summary paper of both the public events and the written responses to the consultation. We intend to run through very quickly the main findings, because they will echo what you have received already. You will be aware that the consultation ran from 5 December to 5 March. We received 64 written responses, many of which were detailed and were prepared by childcare stakeholder groups, such as Employers for Childcare, PlayBoard, Barnardo's and Early Years. We also held six public events across Northern Ireland, which we told you about the last time we were here with you, and around 70 people in total attended those events.

I will summarise in headings the main outcomes of what we have been told in response to the public consultation. First is the role of childcare. People generally thought that childcare should not simply be about looking after children in a safe environment but that it should develop children, promote their education and growth and build self-esteem and confidence. School-age childcare appears to be the major gap in the current provision for age group four to 14. The absence of formal care during the school summer holiday was seen as a particular problem. Our own research validates that. It appears that, in very rough numbers, there are approximately 200,000 school-age children but fewer than 12,000 registered places for that age group. The benefits of what is called wrap-around care — childcare in the hours before and after the school day — is also recognised. Most people thought, however, that wrap-around care should not simply mean an eight- to 10-hour day in the classroom. It

is very important that if school buildings are going to be used for childcare — which is often seen as making good economic sense — they need to be used imaginatively. There are some examples of good practice out there.

A qualified and committed childcare workforce was widely seen as essential to good childcare provision. Many respondents considered it important that the childcare workforce was suitably skilled and that those skills were continuously improved and developed. Likewise, it was also considered important that experienced childcare staff were retained in the childcare workforce. That was seen to involve a need to move away from the idea of childcare as a relatively low-paid, short-term occupation and instead to establish it as a professional career. Several consultees were critical of the training available for prospective or existing childcare staff. In some areas, mainly rural, we were told that there was little or no training available, and in others training was seen as being of mixed quality.

The current provision for children with disabilities was seen as being insufficient, particularly as children with disabilities often require one-to-one care. Again, our research is bearing that out. It appears that just over half of all registered childcare providers have the capacity to look after children with disabilities, but most of those providers — around two thirds — do not actually do so.

Rural provision for childcare is also clearly an issue. The nature of the provision there is very different and seems to rely very much on extended families. Rural transport is also an issue, particularly for childminders. That was brought to our attention several times.

Parents generally saw the cost of childcare as being too high. That is a common research finding. Our research estimates that childcare costs approximately £145 a week, and that that is challenging for a high proportion of local households. Among parents and employers alike, there was often limited awareness of childcare vouchers and childcare-related tax credits. There was a frequently expressed view that information on childcare provision and on government assistance with the cost of childcare — for example, tax credits — needed to be better publicised. Uptake of vouchers and tax credits was acknowledged to be low. In fact, we have the lowest uptake across the United Kingdom by a considerable margin for both tax credits and childcare vouchers.

In relation to information, word of mouth often seems to be the principal means by which people find out about childcare opportunities in their area. Official websites, such as the Department of Health, Social Services and Public Safety (DHSSPS) Family Support NI website, were also noted as sources of information, but there is evidence that those need to be much better publicised.

To sum up, those are some of the main findings from the consultation. They are findings that recurred in written submissions and at the public events, and which were consistent across locations. We are currently analysing the responses that we received to the separate children's consultation. Obviously, all the responses that we have received will help to shape the strategy and its component actions. We look forward to the Committee's response, and we cannot finalise our next steps until we receive that response.

Although many consultees welcomed the open-ended nature of the consultation process, there were recurrent requests for a further consultation exercise on the proposed strategy. We are currently considering how best to do that. We have said that any further consultation may add to the time needed to develop, finalise and implement the strategy. We have, however, been told, as recently as Monday, when we met the Early Years Strategic Alliance (EYSA), that that delay would be acceptable as long as there is clear evidence of progress and early actions put into place.

**The Deputy Chairperson:** Thanks, Fergus. I can assure you that neither this Committee nor the childcare sector will delay your progress on the issue; certainly not in any way proportionate to the delay that they have experienced in the delivery of the strategy.

I will pick up a few of the points that you raised. There is nothing particularly startling there in terms of what we knew and, indeed, what many research reports and work conducted by people in the childcare sector have been saying for many years. You have touched on some of the key important issues to do with cost. What are the next steps and where are we going to go from here on some of those issues? A criticism of the consultation document was that it was closer to a questionnaire than a consultation document. What proposals are we going to think about to address some of the key issues, such as cost?

**Mr Devitt:** As we said before, the nature of the consultation document meant that we had to try to balance it for a range of audiences. However, it has been made consistently clear to us that people

would still welcome some further engagement. I cannot get into a lot of the detail because we are waiting for your response and are still finalising and analysing the responses that we received. We are working towards some type of framework document that would set out key actions and early steps along the path to a full-blown childcare strategy. That is what we tested with the Early Years Strategic Alliance on Monday. It was very accepting of that type of proposal.

**The Deputy Chairperson:** For those of us who do not know, who exactly is the Early Years Strategic Alliance?

**Mr Devitt:** It is an umbrella body that encompasses a range of childcare providers and people from the women's sector. At the meeting that I was at, there were about 16 or 17 individuals who represented particular sectoral interests. We have used the group on a number of occasions to engage with because it is quite representative, although not fully, of the sort of thinking that was coming through from the sector. That is currently our thinking around trying to put together some type of framework document that would set out key early actions and allow for further engagement with the sector around broader strategic themes.

**The Deputy Chairperson:** Some countries and regions make significant subsidies and invest significant amounts of money in childcare compared with the investment that we have in this region. What is the thinking behind the type of fundamental change that may be necessary?

**Mr Devitt:** Our colleagues in the Strategic Investment Board are doing some detailed analysis around a full cost model for childcare. Obviously, there are different models of provision, ranging from social enterprise models right up to fully blown private enterprises. We are working with them to come up with an idea of how much it may cost to do different types of interventions. One thing that is clear from the discussions that we have had is that, in a wide range of cases, people are saying that it would be better if funding, if available, went directly to the providers rather than the individuals. That seems to be a preferred method of how the money can flow through the system.

**The Deputy Chairperson:** So, are you saying that financial assistance would go to the providers of childcare to assist them with the charges that they would be making?

**Mr Devitt:** Potentially. That point has been put forward to us. That might be one of the reasons why our uptake for tax credits and childcare vouchers is low. Individuals see it as quite a bureaucratic process to access that.

**The Deputy Chairperson:** Let me ask you about childcare vouchers and tax credits. There were recent announcements from the UK Government about childcare vouchers and tax credits. How will those impact on the Northern Ireland approach?

**Mr Devitt:** We are working through the detail of that. Certainly, from our discussions with the sector, it would seem that the additional support does not have general acceptance. Our understanding of the proposals is that they would go to households in which there are two working individuals. It is aimed directly at working families. Obviously, in our situation here, that would potentially leave out a number of individuals and families. Although the extra help is there, it does not necessarily cover all our requirements.

**The Deputy Chairperson:** Do we have the devolved authority to set our own arrangements?

**Mr Devitt:** We are looking at that. Obviously, there are linkages to the taxation system, but we are trying to work through the detail of that.

**The Deputy Chairperson:** The response to the problem that has been raised of the low uptake will impact on what the system is going to look like. Low uptake of childcare vouchers and tax credits has been evidenced and raised for a number of years. I can almost hear people who have invested a lot of time and money in evidencing that issue listening to you today and wondering whether it really needed us to get to this point to hear you state that so clearly. Obviously, proposals have been made for publicity and awareness campaigns. Are we any closer to the delivery of something like that to address the problem of low uptake?

**Mr Devitt:** I take your point entirely that this issue has been around. We are looking very closely at information, in its broadest sense, on childcare, and there are two main angles to that. One is about

the best ways to enhance the uptake of childcare assistance, whether through tax credits or childcare vouchers. The second one is about making information available to individuals on what childcare is available in their area. We are looking at information from both those angles and at how we might be able to enhance both those areas.

**The Deputy Chairperson:** What sort of ideas are you coming up with to share information?

**Mr Devitt:** The major way at the moment is through the DHSSPS website. Martin has been in discussion with that Department recently. Do you want to say something about that?

**Mr Martin Tyrrell (Office of the First Minister and deputy First Minister):** We have been looking at a couple of options to improve the system and to add to the information that it provides and at ways of getting the information out to people. For example, an app might be a more user-friendly way of enabling people to access the information on the Family Support NI website. At the minute, it is starting to be expanded. It can link to Google Earth so that people can see the area where the childcare is provided and can look at the range of services. We have noted, as Fergus said, the rural problems, and rural transport is an issue. Childcare providers on the website will, in future, be shown along with whether they provide transportation services of their own. All of that will enhance the information available to the people who access the system.

**The Deputy Chairperson:** When can we expect delivery of some of those ideas?

**Mr Tyrrell:** We hope that it will be in the short term as one of the initial actions of the childcare strategy once we have gone through the process of analysing and firming up the proposals. If need be, it will go through a second consultation phase.

**The Deputy Chairperson:** Do you plan to use the app and the web-based information to tackle the startlingly low uptake of financial assistance that is available to parents?

**Mr Tyrrell:** That would be one way of doing it, but there would need to be some kind of separate awareness-raising for the voucher scheme, which, if the new proposals come in, will be phased out. One apparent advantage of the new scheme is that it seems to be directly benefiting people. It does not require the intervention of an employer, which might be a factor that has inhibited uptake to date. Other aspects of it are not so good from our perspective. For example, as it stands, the proposal is to benefit children up to the age of five, whereas the big gap that we have identified is with school-age childcare. We need to look at that and see the full implications for Northern Ireland and its needs.

**Mr Eastwood:** I listened to you talk about framework documents. This is starting to sound a bit like the peace process, but it probably did not take this long. It is interesting to hear you talk about, as the Deputy Chair touched on, the need for uptake. We have been told so many times about people who are not accessing their entitlements to benefits. An app, putting stuff on existing websites, and waiting to see what changes will be made through the childcare strategy is all fine, but people right now are not taking their opportunities to claim benefits, whatever they are called now and whatever they will be called in the future. You really need a massive awareness campaign on TV, radio and in newspapers. Apps and all are great, but people have to seek that information, and people who have not found the information have not gone looking. You really need to take the information to them.

Some criticisms from different groups have been that Departments have not taken responsibility for childcare. Have you got further with that and with who will take responsibility or will people still work together as a Pontius Pilate effort? Will anybody finally take responsibility for it?

**Mr Devitt:** I will answer the second question first. It is an interesting one, and it came up consistently at all the public consultation events. People made it very clear to us that they believe that a single Department in the Executive should be responsible for leading on childcare. There were mixed views about which Department that might be. Some suggested that it should be Health, some Education and quite a number that it should be the Department for Social Development because of the implications of welfare reform. That was certainly a message that we heard loud and clear. Obviously, no decisions have been taken about it yet, but it is something that we want to consider actively as we develop the strategy.

The second point, which was your first question, was about —

**The Deputy Chairperson:** Fergus, can I just pick up on that before you move on? It is my understanding that failure to agree a lead Department is a major reason why it has taken so many years to get where we are now. Is that still a major issue?

**Mr Devitt:** I do not know the background to that. I just know that the Office of the First Minister and deputy First Minister has taken responsibility to lead the development of the strategy.

**The Deputy Chairperson:** But not to lead the strategy?

**Mr Devitt:** At this point, it is for Ministers to determine where that responsibility should lie.

**The Deputy Chairperson:** OK.

**Mr Devitt:** Martin is entirely right about publicity and campaigns — an app is one way of getting information to people. We were also made aware that not everybody has access to technology or the means of accessing an app, so it may be that a broader campaign — whether on radio, billboards or buses — might be a way of doing it. We need to ensure that we are hitting as many individuals as possible. Without getting into marketing terms, you should segment your market and see what strategies may be used to hit different sectors of your target audience.

**The Deputy Chairperson:** The Committee has had various debates with you about the use of the existing budget. When you were with us previously, you seemed to suggest that the budget will not be made available to bids from non-departmental public bodies. Are you any clearer on that? One would have thought that a portion of that budget that is not being fully utilised should go towards something like an awareness campaign, and that would be a very justifiable use of those funds.

**Mr Devitt:** That point was made strongly to us at the public consultation events and in written responses. We have roughly £7 million left in the childcare fund out of £12 million. That is clearly a lot of money, and we want to use it in the best possible ways. We want to attach as much of that money as possible to the early actions that we talked about here today and that Martin described. I hope that the individuals and groups that had been complaining and lobbying on that issue might see that the money is going directly towards the responses that they made to the public consultation.

**The Deputy Chairperson:** Has a final decision been made about whether the money should be made available to bids from non-departmental public bodies?

**Mr Devitt:** Not at this point.

**The Deputy Chairperson:** OK.

**Mr Maskey:** Thanks, Fergus and Martin, for your presentation. I have an observation and a question. The issue of advertising has been raised quite a few times with respect to public awareness. The Executive have agreed constraints on such expenditure — unanimously, as I understand it. I know that this has been raised with respect to benefit uptake and road safety campaigns. We all think that it obviously makes sense to make more people aware that these breaks and bits of support are available to them. Is it not the case that constraints have been agreed by the Executive? If that is the case, you should just say that and that would be another discussion about the Executive revisiting it.

**Mr Devitt:** You are right. At this point, there are restrictions on what are called advertising campaigns. There is, however, some work going on to look at that to see what flexibilities there might be underneath it.

**Mr Maskey:** I just think it important that you state that when people raise the issue. I raised it with respect to benefits. That is just so that we do not continually have these discussions in the abstract.

**The Deputy Chairperson:** Can you be more specific about those restrictions? As I understand it, effective road safety campaigns are ongoing at the moment. What are the restrictions?

**Mr Devitt:** I am not aware of the details, but we can certainly try to get those for you, if you would like.

**The Deputy Chairperson:** I think that would be helpful.

**Mr Maskey:** I thought that road safety would be one of the key priorities for the Executive, almost to the exclusion of other things. That is my terminology. I do not know whether the restrictions are on cost; I presume that the cost is an element of it. However, you said, and I am glad to hear it, that there may be some drop-down opportunities, and it would be good to look at those.

Similarly, people might argue that there should be a lead Department, but that is not always easy to achieve. People might say that there should be a lead Department in housing, but it could be social housing or regulation of the private sector. Who the lead Department should be might be a different argument. I do not think that it is always easy to have a lead Department for everything. What is critical is that, wherever there are split responsibilities, they are properly co-ordinated and driven. That is essential.

**The Deputy Chairperson:** I agree. On an issue such as childcare, the public are looking for co-ordination and leadership. Disagreement and difficulty in appointing the lead in that quarter will not wash with the public on an issue such as childcare provision.

I just want to confirm that the funding for childcare vouchers and tax credits comes directly from HMRC, so it would be additional income for Northern Ireland.

**Mr Devitt:** It would have no impact on the Northern Ireland block.

**The Deputy Chairperson:** Is there any suggestion in the responses so far about a duty on employers to operate childcare voucher schemes?

**Mr Devitt:** The role of employers came up a couple of times at the events. From our engagements with Employers for Childcare, I can say that they have very good networks, whether it is with the Confederation of Business Industry, the Institute of Directors or others, and they are happy to use examples of best practice. To date, it has not been raised as a specific point about a duty on employers. We are aware, though, that that is the position in England where there is a duty on local authorities to provide childcare, not necessarily on employers.

**Ms Fearon:** I want to stress the importance of child development and confidence building. It is important to have early intervention. The Deputy Chair said earlier about the suicide prevention debates in the Assembly. In the past 25 years, the number of young people with mental health issues has increased by 70%, and the only long-term way that we can tackle that is from a childcare age the whole way through school, building the self-esteem and confidence of children. That is really important.

There is also the issue of the role of other Departments. I do not think that childcare should be labour intensive. There needs to be provision for people around training and university and things like that. The Department for Employment and Learning has a role to play in that. I also want to ask a question about the Department of Enterprise, Trade and Investment (DETI). It has not been mentioned that much, but I think that it has a role to play in building the social economy. In my opinion, there is too much profiteering going on in the childcare sector. Do you see a role there for DETI? Do you see a role for DETI around capital investment from Invest NI?

**Mr Devitt:** The work that I described earlier that the Strategic Investment Board is doing with us involves looking at the full range of provision for childcare from the social economy models, and there are some very good examples of how they operate, right through to private sector providers and trying to come up with costings within that. We are aware that, in some settings, individuals do not pay anything towards their childcare costs based on their household incomes. We are well aware of the role of the social economy.

On the matter of capital investment, the point that was being made to us in the public consultations was that people would prefer to see an expansion of existing provision, rather than entirely new provision going in and displacing what might be there. However, some groups and individuals that we met were saying that, in particular areas, there was a need for more provision. Whether that is best done through entirely newbuilds or through expanding what is there is something that we are looking at. The current childcare fund does not have any capital associated with it, but there may be other mechanisms, whether it is through Peace money or others, to try to access some capital funding. So, it is something that we have not lost sight of.

To come back to your earlier comment about child development: we are clear that that is a very important aspect of what we are trying to do under childcare. Yes, it is about trying to give people opportunities to get employment, learn or train if they want to, but is also about child development.

**The Deputy Chairperson:** Fergus, what is the target date for the production of the childcare strategy?

**Mr Devitt:** We are working on the responses that we have received so far. As I said at the outset, we are working on the basis that we will produce some type of framework proposals, but that they will have early actions associated with them. That is in process in the Department. There are drafts of that at this point. So, it is not as though we have been idle. We have been taking that forward. Obviously, I do not want to be in the position where we are finalising that without having had your significant input as you have had contributions from a range of individuals. I wonder when you think that you might be able to get us a response.

**The Deputy Chairperson:** We will discuss that after the briefing session today. However, as I said in my opening comments, you do not need to factor in any significant timescale for us to get back to you given the urgency of the issue.

**Mr Devitt:** That is really helpful because we can continue our work based on the discussions that we had today and earlier around the sorts of areas that we know that the Committee is interested in.

**The Deputy Chairperson:** Do you have a rough target date in mind for the production of the framework document?

**Mr Devitt:** I know that an Assembly question was answered recently. I cannot remember whose question it was. The answer was that Ministers are hopeful that the strategy would be published within the next couple of months.

**The Deputy Chairperson:** So, before the summer recess?

**Mr Devitt:** That is our intention. That is certainly what we are aiming for.

**The Deputy Chairperson:** Is there a decision to be made on whether that is then consulted on as well?

**Mr Devitt:** Yes. The feedback that we have been getting is that people would welcome another type of engagement. I am not saying that it would be similar to the type of public events that we have held to date. It might be more focused.

**The Deputy Chairperson:** I found one of the round-table events that were held with many of the childcare providers to be extremely useful. So, if the Committee can be of use to you with regard to any of those types of events, I am sure that we would be glad to help to facilitate that as well.

**Mr Devitt:** OK. Thank you.

**The Deputy Chairperson:** Thanks very much indeed for the briefing. We will discuss our contribution and ensure that it is with you as soon as possible.

**Mr Devitt:** That is great. Thank you very much.