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Oxfam Cymru's response to the [Equality and Social Justice Committee's follow-up inquiry into Childcare](#)

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1. Why does Oxfam Cymru work on care?

- 1.1. Oxfam is dedicated to challenging global inequalities that perpetuate poverty by valuing women's work. Women's labour, whether paid or unpaid, has been habitually undervalued for far too long. Oxfam recognises the crucial role that women play in their families, communities, and economies, and is committed to reshaping the narrative and addressing systemic disparities.
- 1.2. Oxfam Cymru collaborates closely with a network of dedicated partners and local communities in its commitment to address and tackle inequalities and poverty within Wales. As an active member of [Make Care Fair Coalition](#), Oxfam Cymru recently conducted research into access to childcare in Wales¹, the findings of which are incorporated into our response to the Equality and Social Justice Committee's inquiry into Childcare.

2. Observations on the progress of childcare in Wales since 2022

- 2.1. Since the Committee's initial inquiry, there has been limited progress in terms of childcare support in Wales. The primary development has been the expansion of the Flying Start program as per the Cooperation Agreement between the Welsh Government and Plaid Cymru. Although the expansion of the Flying Start program is welcomed, little or no progress has been reported in the important areas underlined in the Committee's first inquiry report, [Minding the future – the childcare barrier facing working parents](#).
- 2.2. The **Flying Start program** aims to alleviate the impact of poverty on children's development through targeted support. While it is a critical programme to tackle the impact of poverty, it falls short of providing comprehensive childcare assistance, offering only a limited 2.5 hours in designated settings for families living in certain areas.
- 2.3. Our research reveals severe limitations in the availability of Flying Start's childcare services, leaving many parents unable to access support due to postcode restrictions. Even for those eligible, the allocated 2.5 hours in a designated setting prove inadequate, leading to complications for parents and children. Our research reveals, a significant 89% of parents find this duration insufficient, with 69% struggling to manage multiple childcare arrangements. One parent shared her thoughts on the matter as such: *"Flying Start 12.5 hrs rollout is shocking, complete postcode lottery based on outdated maps created by Welsh Gov resulted in people living in £500k newbuilt houses getting paid*

¹ Turkmen, H. (2023). Little Steps, Big Struggles: Childcare in Wales, Cardiff: Oxfam Cymru/Make Care Fair Coalition. [Summary report \(English\)](#), [Summary Report \(Gymraeg\)](#), [Full report](#).

hours for their 2-year-olds and those living in older properties elsewhere getting zero support. 12.5 hrs is not enough in any event.”

- 2.4. Despite the programme's goal of reducing poverty, the eligibility criteria only consider the family's postcode, neglecting their income levels. Children in designated Flying Start areas receive support, while those outside do not, irrespective of their family's financial situation. Controversy arises due to expansion plans maintaining the “postcode lottery” instead of extending universal support or offering more targeted assistance to impoverished children.
- 2.5. The level of childcare support offered by Flying Start program varies from one local authority to another, which results in an imbalance. Some families have the option to choose private day nurseries, while others are only able to access designated Flying Start centres. In certain areas, families can rearrange or top up their hours as per their requirements, with the consent of the local authorities. This inconsistency leads to disparities in the level of support provided to families in different locations, causing further inequalities.
- 2.6. **30 hours-funded childcare offer (the Offer)** for children aged 3-4 years old has a significant contribution to some family's budgets, yet it remains inaccessible to many. The eligibility criteria of *the Offer* are designed for working parents, which makes *the Offer* inaccessible to many parents on low incomes, unemployed or in training outside of further or higher education.² This in-turn creates a class barrier for those more likely to undertake vocational or practical training.
- 2.7. While it is beyond reach for many low-income families due to restrictive criteria, the upper threshold of *the Offer*, set at £100,000 for each parent, also raises questions about equity. This disparity can lead to imbalances in access to *the Offer*, effectively excluding families in genuine need, including unemployed parents. Furthermore, it has been observed that some eligible families do not take up the Offer, resulting in excess budget.³ The reasons for the low uptake of the Offer have not been disclosed yet, but it is evident that there are gaps in the system that prevent parents from applying.
- 2.8. One of the challenges associated with *the Offer* is the requirement for wraparound care for children. Parents cannot fully utilise the 30-hour Offer in a single setting, as the scheme only covers 12.5 hours in a school setting and 17.5 hours in another registered setting. This arrangement has been difficult for both children and parents, as one of the research participants underlined: *“We value our child attending school 2.5 hours/ day but it is logistically difficult and expensive.*
- 2.9. Childcare support is highly valued by parents, as it positively impacts their finances. Our research found that 75% of parents agree that funded childcare is beneficial, while 60% mentioned it helps cope with the rising cost of living. However, the system is complex and ineffective in meeting the needs of families.
- 2.10. Another significant gap in the childcare system in Wales that hasn't seen progress is the lack of childcare support after parental leave ends, which exacerbates the structural inequalities associated with the 'motherhood penalty.' This gap arises as families face a notable absence of childcare support during a crucial stage, immediately following the conclusion of maternity leave and parental

² For instance, if one partner works less than 16 hours a week or earns less than the equivalent of 16 hours at the National Living Wage, or if they are unemployed or engaged in training, they are only eligible for 12.5 hours a week in a school nursery setting, limiting their access to the full 30-hour Offer.

³ The Finance Minister Rebecca Evans MS mentioned there will be a release of £16.1 million due to the low take up of the childcare offer. [Plenary Statement, 17 October 2023.](#)

pay. Childcare support starts too late and too little in Wales. One of the parents taking part in our research expressed this as such: *“Getting support aged 3 is too late. By that time, we have already paid thousands upon thousands in fees...the cost, the complexity, the lack of flexibility is staggering. I know I would have been able to accept or look for different roles had funding kicked in!”*

3. Childcare, rising cost of living and poverty

- 3.1. High childcare costs and limited support in Wales have made it harder for families to afford and access childcare services while the cost of living rises. The high cost of childcare and the lack of support have put many families under financial strain, leading to an increase in poverty levels. Our research shows that, although 67% parents/guardians had above-average household income (£50,000 per annum), they still experienced financial difficulty due to childcare costs:
 - 3.1.1. 92% said childcare costs are too high compared to their income.
 - 3.1.2. 47% bear the weight of monthly childcare costs that range from £500 to £1099.
 - 3.1.3. 70% stated they had no surplus income left after paying for childcare.
 - 3.1.4. 53% said going back to paid work doesn't make sense after paying for childcare.
- 3.2. Childcare costs are closely intertwined with poverty, creating a significant barrier for low-income families. For families living in poverty, accessing affordable childcare remains a persistent challenge. The high price tag associated with childcare often places it well beyond the financial means of those who need it the most. The impact of childcare has a clear gender line. Childcare remains one of the main reasons for women to be economically inactive. In Wales, 25.5% of economically inactive women are out of work due to “looking after family/home”, compared to only 6.8% of men.⁴ Among individuals aged 16-64 in employment, 37.4% of women work part-time, whereas only 13.6% of men in the same age bracket do so.⁵
- 3.3. The cost of childcare in Wales is rising rapidly, leaving many families struggling to afford it. This is especially true for low-income households, single parents, those with disabled children or children with special needs, parents who work atypical hours, and families living in rural areas. In Wales, 28% of children were living in relative income poverty. As in previous years, in 2022, single parents, 86% of whom are women⁶, faced the highest risk of relative income poverty, with 38% compared to other household compositions. Couples with children faced a lower but still significant risk, with 22% of them at risk of relative income poverty. There is also strong evidence of the relation between other protected characteristics, such as ethnicity, disability, and poverty.⁷
- 3.4. The current childcare support in Wales is complex, starts too late and eligibility criteria are difficult to navigate. There is a need for a more accessible and streamlined support system that can help families access affordable and high-quality childcare. This is especially critical for women, who are disproportionately affected by the high cost of childcare and often have to leave the workforce or work part-time to care for their children, where work is often lower paid and with less opportunity for progression. One of the research participants told us her experience as such: *“The cost of childcare meant I had to condense my hours etc to make it viable to return to work. This decision wasn't based on my family needs purely cost it but us under a huge amount of strain and left both parents stretched. I feel the cost of childcare for under 3s severely effects the ability for women to return to the workplace and keep progressing career wise.”*

⁴ Ibid. In Wales, 27.4% of women aged 16-64 are economically inactive compared to 21.5% of men.

⁵ Annual Population Survey April 2022-March 2023 release; retrieved via NOMIS, September 2023.

⁶ ONS, [Families in England and Wales: Census 2021](#)

⁷ Welsh Government (2023) [Relative income poverty, April 2021-March 2022](#)

4. Cost of living crisis and childcare workforce

- 4.1. Childcare is also challenging for providers due to the high costs and lack of support and investment. The Welsh Government's financial constraints significantly impact the services offered by providers. The childcare providers have expressed their concerns with the current funding of £5 per-hour per-child, which is inadequate to ensure high-quality childcare and decent working conditions for sector workers.⁸
- 4.2. The budget cuts to childcare announced recently would exacerbate the challenges the sector faces. In October 2023, the Minister for Finance revealed a reduction of £16.1 million, attributing it to the low uptake of the childcare offer.⁹ Unfortunately, no details were provided about the causes of this or how the reduced budget would be allocated. Subsequently, in December 2023, an additional cut of £11.2 million was announced in the draft budget. These cuts could have serious consequences for many families and could put even more pressure on an already struggling sector. While we understand the challenging financial decisions confronting the Welsh Government, it is crucial to recognise the potential adverse impact of these cuts on the childcare sector, and the wider economy and wellbeing of society.
- 4.3. To achieve high-quality childcare, which is a cornerstone of early childhood development, the childcare sector needs investment and financial support, and a well-trained staff. The provision of a genuine living wage is essential to recognising the value of childcare workers and fostering dedication within the profession. Simultaneously, establishing clearer career pathways, including professional development opportunities and avenues for advancement, is crucial for retaining experienced personnel and attracting new talents to the sector.

5. Best practice examples, recommendations on improving the childcare system

- 5.1. Childcare is a critical pillar within the infrastructure of a thriving society, representing an indispensable necessity for the prosperity of families and the development of children. Access to affordable and high-quality childcare is a fundamental right and a vital component of any comprehensive strategy to address economic inequalities and provide a strong foundation for the next generation.¹⁰ The motivation to investment in childcare should move beyond the aim of helping parents (especially mothers) to return to work but recognising the impact and value of care in our society and future generations.
- 5.2. Specifically, parents are calling for a more holistic approach and bold actions from the Welsh Government. Affordable childcare is a top priority for the majority of parents (89%), accompanied by demands for increased funding within a single setting (68%) and the availability of wraparound care (57%). Extending the childcare offer to cover children under 2 years old is another critical request, as is support during parental leave and assistance for childcare providers and childminders.
- 5.3. Childcare providers call for substantial investment and support to the sector to provide high-quality childcare and improve the working conditions of childcare workers.
- 5.4. To achieve these asks, Oxfam Cymru campaigns for developing a green-caring economy that puts the well-being of people and the planet at the heart of decision-making. The Welsh Government should consider taking bold steps to transform the economy into a care-centred and green economy

⁸ [Wales nursery crisis: 88% expect to make a loss or break even](#), National Day Nursery Association (NDNA) statement, 29.03.2023.

⁹ Rebecca Evans MS, Minister for Finance and Local Government, [Plenary Statement, 17 October 2023](#).

¹⁰ Galandini S. (2023), [How can we tell a new story that boosts support for all care and carers?](#) Oxfam

for the long term. Oxfam's recent discussion paper, [Radical Pathways Beyond GDP](#), offers a detailed discussion on how to move beyond GDP and growth-based economies towards economies that prioritise care and the environment. This paradigm shift requires us to measure and value success not solely based on GDP, but on indicators that reflect the quality of life for everyone, including children. The implementation of social safety nets, affordable healthcare and childcare, quality education, fair work, and sustainable livelihoods can play a critical role in creating a caring economy that prioritises the well-being of future generations and the planet. This shift will also facilitate the development of a childcare system that works for children, parents, guardians, and the childcare sector as a whole.

5.5. Childcare is a complex domain, considering both policy and service delivery, given the extensive and diverse array of needs among families and children. Childcare policies are influenced by diverse factors and indicators, in a dynamic landscape that demands careful consideration within the current context. While best practice examples have been deliberated across numerous platforms over the years, identifying a singular solution suitable for Wales remains challenging. Alongside our report [Little Steps, Big Struggles: Childcare in Wales](#), we echo the following reports¹¹ highlighting the best practices and valuable recommendations for the Welsh Government to enhance childcare provision, recognising the need for a nuanced and adaptable approach in this complex arena.

- Shobiye L. (2022), [Feminist Scorecard 2022: Tracking Welsh Government action to advance women's rights and gender equality](#). Oxfam Cymru and WEN Wales: Cardiff.
- Turkmen H., (2019) A Review of Childcare Policies in Wales (2019), Chwarae Teg: Cardiff
- Davies N.& Furlong C. (2019) Deeds Not Words: Review of Gender Equality in Wales (Phase Two). Chwarae Teg: Cardiff
- Hodge P et al.(2019) Gender Equality: A Roadmap for Wales, Chwarae Teg: Cardiff
- Taylor-Collins E. & Nesom S. (2019). [Gender Equality Review \(Phase Two\): Learning from Nordic Nations](#). Wales Centre for Public Policy: Cardiff

5.6. In order to improve childcare provision and support, Wales needs a unique and tailored approach. The Welsh Government faces limitations in its abilities due to its lack of power in taxation and the social security system. However, the government can still explore ways to effectively use its existing resources. By carefully examining how current resources are allocated and utilised, the Welsh Government can identify innovative strategies to enhance the impact of its initiatives. This can result in significant improvements in the childcare system within the limits of its current power.

5.7. Oxfam Cymru and the Make Care Fair Coalition are calling for the establishment of an expert panel to determine the most effective approach to creating a childcare system that benefits children, parents, and the childcare sector. Instead of building on a model that does not meet the needs of families, it is vital that we create a visionary plan that simplifies childcare provision for families.

¹¹ Chwarae Teg's reports are currently inaccessible due to the closure of the organisation.