

# The "free childcare" offer: what parents and carers need to know

## I keep reading about a "childcare crisis". What's the problem?



For many years, all three- and four-year-olds, as well as disadvantaged two-year-olds, in England have been able to access government-funded childcare and early education.

But the money the government gives to pre-schools, childminders and nurseries to pay for these places has historically not covered the cost of delivering it.

## Why is this such an issue?

Over recent years, government funding has remained still far too low, meaning that early years providers are under even more financial pressure than before. Even worse, funding for the schemes has failed to keep up with the many costs that early years providers face – like staff wages, rents, and energy – meaning that the situation is getting worse.



Many in the sector are concerned the situation will only get worse when government funding is offered to eligible one- and two-year-olds from working families.

### Early years costs are so expensive. How can providers be struggling?

Because government funding doesn't cover the cost of delivering funded places, early years providers have had to look for ways to fill the funding gap or risk going out of business.

In some cases, they have had to charge more for non-funded hours, meaning higher fees for families.

### But government says it's investing more than ever into the early years?

It's true - but the number of young children in England accessing funded places has increased too.

In fact, the Institute of Fiscal Studies estimates that, taking rising costs into account, providers have seen a 17% fall in funding for three- and four-year-olds over the past decade.

## If I'm eligible for government-funded hours, will I definitely get them?

Not necessarily. Early years providers don't have to offer funded hours and many are worried that if they continue to do so, or opt into the new offers for one- and two-year-olds, they will make huge financial losses.

Thousands of settings are closing every year, while those that remain open are being forced to increase fees for non-funded hours, or increase the prices of optional extras like lunch and trips, to make up for the money they are losing on funded hours and ensure they can continue to deliver a quality service.

Low funding also means that many in the sector are poorly paid, which is leading to a staffing crisis – meaning that many settings are forced to limit the number of funded places they can offer.

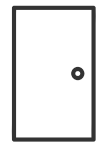
### UNDERFUNDING IS CAUSING:



Higher costs for  
families



Fewer early  
years places



Provider  
closures

### HOW CAN I HELP?

We believe that the government chose to promise families 'free' childcare and early education and so it is the government's responsibility to ensure that this is properly funded.

We don't want to see any more providers have to close their doors as they can no longer afford to deliver a high-quality service. And we don't want to see parents having to pay for the government's mistakes through higher fees and additional charges.

That's why we're asking as many parents and carers as possible to speak out by **writing to your local MP** - you can find their details at [writetothem.com](https://www.writetothem.com).

Please contact [feedback@eyalliance.org.uk](mailto:feedback@eyalliance.org.uk) if you have any questions or need any support in raising your concerns.