

# Childcare Advance Hillingdon pilot project report 2012

## Executive summary

### Background

In Daycare Trust's 'Childcare Advance: scoping the need for help with up-front costs' research (2009) more than half of the parents surveyed reported struggling to meet the up-front costs of childcare, with 21 per cent reporting that up-front fees affected their decision to start work. One of the proposed solutions to overcome this barrier to work was to offer low interest loans through employers or partnerships of credit unions and family information services/credit unions and registered social landlords.

This pilot project, funded by Calouste Gulbenkian Foundation from November 2010 to February 2012, offered low interest loans to parents through a partnership of the credit union, Families Information Service and registered social landlords in the London borough of Hillingdon, allowing two of the proposed solutions from the scoping project to be tested.

### Project aims

The aim of the Childcare Advance Hillingdon pilot project was to help reduce child and family poverty by decreasing childcare cost related debt which is a significant barrier to entering and staying in work.

The project set out to achieve this by increasing access to low interest credit to pay for childcare fees in advance, and increasing awareness of the help available to parents whilst they look for and move into work.

The pilot consisted of three elements; the Childcare Advance loan offer, support and advice to parents who were looking for or starting work and a research element to assess the outcomes of the pilot model.

### Project outputs

No loans were taken out during the project delivery period; however, two loans have been taken in March 2012.

Seven 'Into work – what to expect' workshops were delivered through children's centres and housing associations in Hillingdon and neighbouring boroughs.

'A parent's guide to moving into work' was published in September 2011 and disseminated to all workshop delegates. To date, 150 copies have also been downloaded from the Daycare Trust website.

A survey of parents' attitudes to borrowing money for up-front childcare costs was carried out in January and February 2012. Key findings were:

- half of the respondents hadn't heard of credit unions;
- half of the parents who answered said that they would borrow money to pay for up-front childcare costs;
- parents would prefer to borrow from family members, friends and banks; and
- the most important factors for parents when considering borrowing money were: that the money is from an organisation/person they trust, low interest rates and that the person/organisation is flexible about repayment of the money.

A discussion of the project outputs is given in the full report.

## Recommendations

As the only loans taken out were awarded at the end of the project delivery period in March 2012, the original aim of this pilot project to make recommendations for a national roll out of Childcare Advance loans is not possible. Instead, the following recommendations are offered to inform any future work focusing on the up-front costs of childcare and to support the continued offer of Childcare Advance loans by Hillingdon Credit Union. The recommendations are aimed at central government (particularly the Department for Work and Pensions), local authorities, Jobcentre Plus and any other organisations involving in supporting parents to return to work.

1. Increase awareness and understanding of the credit union.
2. More targeted promotion of the Childcare Advance loan to parents who are at the point of starting work, for example through employers and childcare providers.
3. Up-front costs of childcare should be included in broader support for parents to meet childcare costs.

Download the full report from [www.daycaretrust.org.uk](http://www.daycaretrust.org.uk)

Daycare Trust is the national childcare charity, campaigning for quality, accessible, affordable childcare for all and raising the voices of children, parents and carers. We advise parents and carers, providers, employers, trade unions and policymakers on childcare issues.

## Project legacies

Hillingdon Credit Union will continue to offer Childcare Advance loans for a further 12 months beyond the delivery period of this pilot project (until March 2013). It is also developing links with employers in the borough with a view to promoting credit union membership to their employees and will include a loan for childcare costs for new starters (repaid through payroll deductions) in its offer of services. Daycare Trust will continue to liaise with Hillingdon Credit Union to monitor future take-up of loans.

The 'Into work – what to expect' workshop will continue to be delivered by Hillingdon Citizens Advice Bureau.

'A parent's guide to moving into work' will continue to be available from the Daycare Trust and Paying for Childcare websites and will be updated to ensure it remains a current resource for parents.

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