

Election FACT SHEET



Childcare in Wales

Childcare provision is a crucial part of a modern state's infrastructure: it enables parents to work, improves children's outcomes and helps narrow the gap between disadvantaged children and their peers. Without affordable childcare provision, the skills of working parents are lost and families are forced to rely on benefits, rather than contribute to the economy as tax-payers.

Despite its importance to families and the wider economy, the Welsh childcare system is not working:

1. Although parents get help with the cost of childcare, many families are still left with a substantial bill. Nursery prices have also increased at well above the rate of inflation, rising by 21% between 2011 and 2016.
2. While most three and four year olds receive free early education in high quality nursery classes in schools, this is usually offered in 2.5 hour slots, over five days every week. The inflexibility of free early education in Wales means that many working parents have to use informal childcare or childminders to cover a whole working day.
3. Although some of the gaps in childcare provision have closed, there are still shortages of childcare in many parts of Wales, particularly in deprived and rural areas.

Who uses childcare?

- ▶ Welsh Government statistics show that 80% of parents with children under 15 use some childcare.
- ▶ Parents of the under-fives are most likely to use nurseries and childminders to look after their children.
- ▶ For the over-fives, parents use breakfast, after-school and holiday clubs, although some families use childminders to pick up their children after-school.
- ▶ As children get older, arts, sports and leisure activities function as *de facto* childcare.
- ▶ An estimated 46% of families in Wales use informal childcare provided by relatives and friends, particularly to pick children up from school or nursery, to cover emergencies, or for work outside normal office hours.

Who provides childcare?

Childcare in Wales is a mixed economy, with services provided by the public, private and not-for-profit sectors. At the end of 2015 there were:

- ▶ 2,437 registered childminders. Unlike England, there has been a 5.3% increase in childminder places between 2012 and 2015 in Wales, because more parents use multiple forms of childcare.
- ▶ 653 day nurseries.
- ▶ 463 pre-schools, including cychoeddd meithrin which provide early education in the Welsh language.
- ▶ 33 crèches providing care for students or other parents who need to book short blocks of childcare
- ▶ 472 after-school and holiday clubs.
- ▶ The majority of primary schools (83%) have nursery classes attached to them in Wales.

Is there enough childcare in Wales?

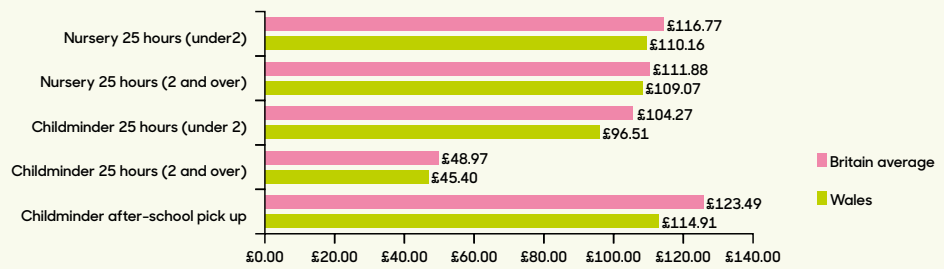
The Childcare Act 2006 obliges local authorities to make sure there is sufficient childcare, as far as is practicable, for working parents and those undertaking work-related training. Councils also have to make sure there are enough free early education places. Local authorities undertake childcare sufficiency assessments, to see the number of places meet parental demand. In 2016 these assessments showed:

- ▶ 13 local authorities in Wales did not have enough childcare for parents who work full-time.
- ▶ Only 9% of local authorities had enough childcare for disabled children in 2016, the same proportion as in 2015.
- ▶ The biggest gaps in childcare are usually in rural areas and in deprived neighbourhoods where it can be difficult for providers to break even.

How much do parents pay for childcare?

- ▶ The amount each family will pay towards childcare varies widely depending on the age of their child, their family income and the amount of formal childcare they use.
- ▶ A family with two children aged two and five, using a part-time nursery place and an after-school club would pay £7,454 every year for childcare. This is more than the average mortgage.
- ▶ Nursery prices have increased by 21% since 2011.

Average weekly childcare prices Wales and Britain



Free early education

- ▶ All 3 and 4 year olds are entitled to at least 10 hours of free early education each week during term time, although some local authorities provide more hours. Most three and four year olds receive their early education in nurseries and reception classes attached to primary schools, usually 2.5 hour slots, over five days every week. The inflexibility of free early education in Wales means that many working parents have to use informal childcare or childminders to cover a whole working day.
- ▶ The most deprived two year olds also receive some free early education through the Flying Start programme. The national uptake of free early education among deprived two year olds stood at 86% in 2015, with only two local authorities (Cardiff and Torfaen) where it fell below 80 per cent.
- ▶ All the main political parties have pledged to increase the hours of free early education for the three and four year old children of working parents. The Welsh Labour Party, if returned to government, had promised to offer 30 hours per week over 48 weeks of the year, 300 more hours than in England.

What support is there for parents with the costs of childcare?

- ▶ Free early education.
- ▶ Childcare vouchers, worth up to £55 per week for basic rate tax payers. Vouchers will be phased out from 2017 and replaced by the Tax Free Childcare Scheme, paying up to 20% of childcare costs, up to a maximum of £2,000 per year, or £4,000 for disabled children.
- ▶ Schemes for teenage parents in education, and for parents on further or higher education courses and employment related training.
- ▶ The childcare element of Working Tax Credit. This help is targeted at low income working families. The childcare element of Working Tax Credit covers up to 70% of the cost of childcare up to a maximum cap of £175 per week for one child (meaning a parent gets 70% of this = £122.50) or £300 per week for two or more children.
- ▶ Families receiving Working Tax Credit are now being moved into the Universal Credit system. Under Universal Credit help will be increased to cover 85% of childcare costs, although the same £175/£300 cap will remain.

How could the childcare system be improved?

There is much high quality early education in Wales and there has been action to fill some of the gaps in provision. But persistent problems remain. There are still big shortages of childcare in deprived areas, where providers struggle to break even. Families on modest income get limited help with their childcare costs and for many parents it simply does not pay to work. Recent policy initiatives have been add-ons to a system that needs radical change. Childcare funding needs comprehensive reform and the creation of a simple system that promotes quality, supports working parents and delivers for employers and the economy. A new Welsh Government needs to work with Westminster to achieve this.

Sources:

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