

# Election FACT SHEET



## Childcare in England

Childcare is a central part of family life and critical to the economy. Early education is a crucial stage of a child's education, with the potential to improve outcomes, particularly for the most disadvantaged children. Both parents in the majority of families now work which means that both the individual parents and the economy as a whole require access to affordable, flexible childcare.

### **Despite the importance of childcare, the UK's current system is not working:**

1. Families in England pay more for childcare than in any other country in Europe except for Switzerland. Part-time childcare for 2 children under 5 costs more than the average mortgage. For many parents on low and middle incomes this means choosing between paying high childcare costs, reducing their hours of work or giving up their work altogether.
2. Too much childcare is of poor quality, with Ofsted judging 1 in 5 nurseries and childminders as inadequate or requiring improvement. Childcare staff are among the poorest paid of all workers with hourly pay for nursery staff just £8.04 in 2014. This means that many children are not getting the high quality care that they need to improve their school readiness, education attainment and long term social mobility.
3. There are big gaps in childcare provision in every area of the country. Only 43% of councils say they have enough childcare for working parents but the shortages are even bigger for groups such as disabled children and those living in rural areas. This means that many parents are unable to go back to work or take on more hours.

### **Who uses childcare?**

- ▶ About 80% of families with children under 15 use childcare in England and 60% pay for it.
- ▶ All 3 and 4 year olds are entitled to 15 hours of free early education each week during term time. The 40% most deprived 2 year olds can also access this free offer.
- ▶ Families use on average 26 hours of childcare per child each week.

- ▶ The most common forms of childcare for under-fives are nurseries and childminders.
- ▶ 36% of parents use after-school clubs. During school holidays just under half (46%) of families use childcare.
- ▶ As children get older they are more likely to access 'de facto' childcare such as out of school and holiday activities including hobby and sports clubs.

### **Who provides childcare?**

- ▶ There are 800,000 places in nurseries and 250,000 places in sessional providers such as community crèches or pre-schools. A further 230,000 places are offered by 56,000 registered childminders.
- ▶ Just under half of all primary schools have nursery classes for 3 and 4 year olds who have not yet reached reception class. Some 64% of primary schools provide access to before school care, 70% to after school care and 19% provide access to holiday care. There are usually fees for these services.
- ▶ Informal care from relatives and friends is an important source of childcare for most families, and over a quarter of families (27%) use grandparents' care during term-time. About 1% of families use a nanny.



### Is there enough childcare?

- ▶ 3 in 10 parents (30%) say there are not enough childcare places in their local area.
- ▶ Only 43% of local authorities reported sufficient childcare for working parents in 2015.
- ▶ 21% reported having enough childcare for disabled children, and 15% for parents with atypical work patterns.
- ▶ The gaps in provision is growing rather than declining despite a Childcare Act 2006 duty on local authorities – as far as is practicable – to make sure there is enough childcare.
- ▶ The biggest gaps are usually in the most deprived areas as providers struggle to break even, in fact 15% of nurseries operated at a loss in 2013.

### Average weekly childcare prices England, 2015

#### 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.
- ▶ The cost of a nursery place has increased by 33% in England over the course of this Parliament.



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

- ▶ Free early education for 15 hours a week, 38 weeks of the year, for 40% of the most income deprived 2 year olds and all 3 and 4 year olds.
- ▶ Tax credits cover up to 70% of the cost of childcare. Under Universal Credit, this support will be increased to 85% in April 2016.
- ▶ From autumn 2015, childcare vouchers will be superseded by the tax-free childcare scheme, in which the government tops up 20% of the cost of childcare for parents, up to £2,000 each year per child.

### How much does the government spend on childcare?

- ▶ The government spends approximately £6 billion a year on childcare on:
  - The free early education offer for 2, 3 and 4 year olds (£2.9 billion)
  - Tax credits and universal credit (£1.7 billion)
  - Employer supported childcare voucher (£800 million)
  - Tax-free childcare scheme (£1 billion)

### How could the childcare system be improved?

All parties have put forward childcare proposals, but none of these will fully answer the problems that families are facing. The Family and Childcare Trust has called for an independent review of childcare funding so the UK can have a childcare system that delivers for children, for parents, for providers and for our economy.

#### Sources:

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