

Election FACT SHEET



Childcare in Wales

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 Welsh childcare system is not working:

1. Families 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 job entirely.
2. While most 3 and 4 year olds receive free early education in high quality nursery classes in schools, this is usually offered in 2.5 hour slots, over 5 days every week. The inflexibility of free early education in Wales means that many working parents have to use informal childcare or other formal provision to cover a whole working day.
3. There are big gaps in childcare provision that are more acute in Wales than in England. Less than 1 in 5 (18%) 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.

Who uses childcare?

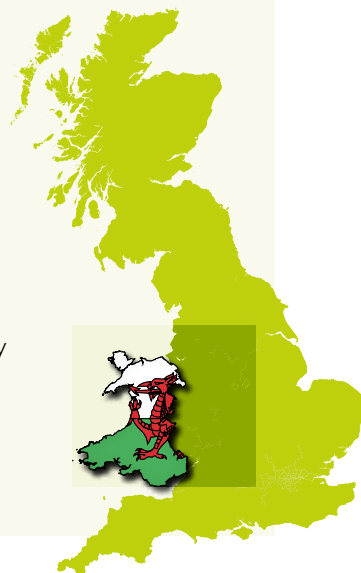
- ▶ About 80% of families with children under 15 use childcare in Wales and 60% pay for it.
- ▶ All 3 and 4 year olds are entitled to at least 10 hours of free early education each week during term time, although some local authorities provide more hours. The most deprived 2 year olds also receive free early education through the Flying Start programme. An average of 86% of families took up Flying Start childcare help in 2013-2014.
- ▶ There are some differences in childcare use in Wales, compared with England. Three year olds mostly receive free early education in nursery

classes attached to schools, or sometimes in Welsh-medium pre-schools. Working parents often use additional types of childcare on top of free early education

- ▶ Some 33% of parents use out-of-school childcare at the end of the school day or during the holidays.
- ▶ 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 over 650 day nurseries, 800 pre-schools and 2,500 childminders in Wales. Unlike England, childminder numbers are not falling in Wales, because more parents use multiple forms of childcare.
- ▶ The majority of primary schools (83%) have nursery classes attached to them in Wales.
- ▶ Although the Welsh Government provides a grant to increase out-of-school childcare, the numbers of places in this type of childcare fell by 6 per cent between September 2011 and September 2014, and there are now just 473 settings in Wales, compared with 526 in 2011.
- ▶ Informal care from relatives and friends is an important source of childcare for many families, with nearly a third (32%) of families in Wales using grandparent care, often in combination with other forms of childcare.



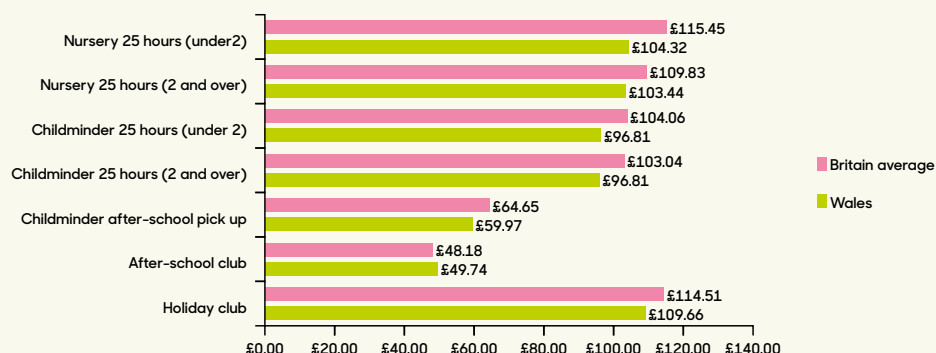
Is there enough childcare in Wales?

- ▶ The Childcare Act 2006 requires local authorities – as far as is practicable – to ensure that there is enough childcare for working parents and those undertaking job-related training. Building a Brighter Future, the Welsh Government's 2013–2023 early years and childcare strategy also prioritised increasing the supply of childcare. Despite these commitments, just 18% of councils had enough childcare for working parents in 2015.
- ▶ Only 9% of local authorities had enough childcare for disabled children in 2015.
- ▶ The biggest shortages of 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.
- ▶ The cost of a nursery place has increased by 40% in Wales over the course of this Parliament.

Average weekly childcare prices Wales and Britain, 2015



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

- ▶ Free early education for at least 10 hours a week, 39 weeks of the year, for all 3 and 4 year olds. Some 6,450 deprived 2 year olds also received free early education through the Flying Start programme in 2013–2014.
- ▶ 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 UK government spends approximately £6 billion a year on childcare on:

- ▶ Tax credits and universal credit (£1.7 billion)
- ▶ Employer supported childcare voucher (£800 million)
- ▶ Tax-free childcare scheme (£1 billion)
- ▶ Free early education, including Barnett Formula transfers to Wales to deliver this provision. The Welsh Government spends £155 million on free early education.

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 that all parts of the UK can have a childcare system that delivers for children, for parents, for providers and for our economy.

Sources:

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Care and Social Services Inspectorate Wales live data tables on regulated settings and places, available through stats.wales.wales.gov.uk

