

# Election FACT SHEET



## Childcare in England

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 childcare system is not working:**

1. Although parents get help with the cost of childcare, many families are still left with a substantial bill.
2. There are shortages of childcare in many parts of England, particularly free early education places in deprived areas and after-school childcare.
3. While the uptake of free early education among deprived two year olds is increasing, an estimated 41,300 three year olds missed out on free early education in 2015.

### **Who uses childcare?**

- ▶ About 70% of families with children under 15 use childcare in England and 50% pay for it.
- ▶ 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 40% of families in 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.

### **Who provides childcare?**

Childcare in England is a mixed economy, with services provided by the public, private and not-for profit sectors. Local authority and Ofsted data indicated that at the end of 2015 there were:

- ▶ 47,936 registered childminders in London, a drop of 13% over the last two years.
- ▶ 19,500 day nurseries, most of which are run by the private and not-for-profit sectors.
- ▶ 7,900 pre-schools and sessional crèches, providing care for part of the day.
- ▶ 410 state nursery schools, usually taking children aged between two and five years.
- ▶ 15,588 state schools with nursery classes attached to them.
- ▶ 14,000 clubs providing after-school and holiday childcare.
- ▶ 30,000 nannies offering care in the family home.

### **Is there enough childcare?**

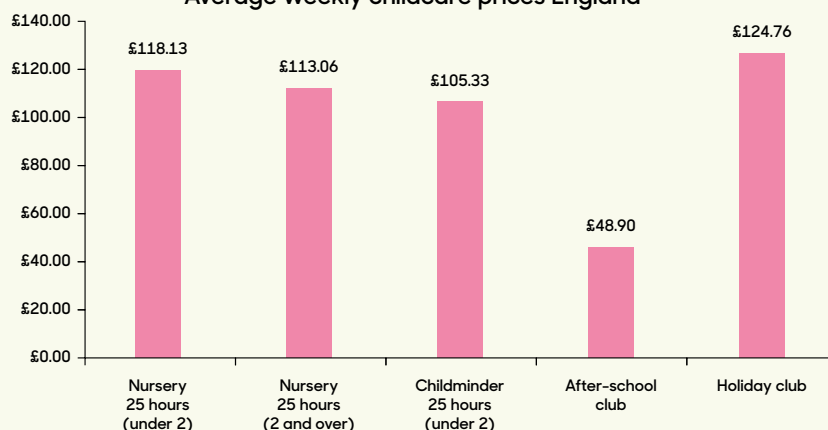
The Childcare Act 2006 obliges local authorities to make sure there is sufficient childcare, as far as is practicable, for working parents and those undertaking work-related training. Councils also have to make sure there are enough free early education places. Local authorities are meant to review their supply of childcare every year, to see the number of places meet parental demand. In 2015 these reviews showed:

- ▶ Only 45% of councils had enough councils had enough childcare for parents who work full-time.
- ▶ Other significant gaps included childcare for disabled children, after-school and holiday care and free early education places.
- ▶ The way that councils audit their supply of childcare considerably, with some not undertaking annual reviews. The quality and extent of local authorities childcare market management also differs between areas.

## 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, the amount of formal childcare they use and the area in which they live.
- ▶ A family with two children aged two and five, using a part-time nursery place and an after-school club would pay £8,000 every year for childcare. This is more than the average mortgage.
- ▶ Childcare is most expensive in southern England, although prices are high in many of England's big cities.
- ▶ Nursery prices have increased by 24% since 2011.

Average weekly childcare prices England



## Free early education

- ▶ All 3 and 4 year olds, the 40% of the most income deprived 2 year olds and certain other groups, such as looked after children, qualify for some free early education. At present, eligible children receive 570 hours every year, the equivalent of 15 hours every week over the 38 weeks of a school year.
  - ▶ Most children receive their free early education in day nurseries, or in nursery and reception classes at school.
  - ▶ Free early education helps children's learning and social skills. It also part of the Government's anti-poverty strategy as it reduces parents' childcare costs, as well as narrowing the development gap between disadvantaged children and their peers. But just 58% of eligible two year olds were receiving free early education in 2015, although uptake is increasing.
  - ▶ Some 94% of three year olds received free early education in 2015, which means that 41,300 of them are missing out on this vital support.
  - ▶ Only 45 local authorities had enough free early education places for two, three and four year olds in 2015.
  - ▶ From September 2017, the three and four year old children of working parents will receive 1,140 hours of free early education every year, the equivalent of 30 hours each week during term time.
  - ▶ Shortages of free early education places and a decline in childminder numbers will jeopardise the Government's plans to increase to hours of free early education that parents will receive in 2017.
- 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?

While overall childcare policy is determined by central government, local authorities are responsible for making sure that there is sufficient childcare for working parents.

They also have to make sure there are enough free early education places. Some local authorities are not taking action to fill gaps in provision and families are losing out. The local government elections offer the opportunity to raise the issue of childcare provision with election candidates.

## Sources:

- Department for Education (DfE) (2015) *Provision for children under five statistics*, London: DfE.
- ibid (2016) *Childcare and early years survey of parents, 2014-15*, London: DfE.
- Family and Childcare Trust (2015) *Holiday Childcare Survey 2016*, London: Family and Childcare Trust.
- ibid (2016) *Annual Childcare Survey 2016*, London: Family and Childcare Trust.
- Ofsted (2016) *Providers and inspections, December 2015*, London: Ofsted.

## What help is available for parents?

- ▶ 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