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Family and Childcare

Childcare Survey 2023

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About this report

This report is the 22nd annual Childcare Survey. It is based on surveys from local authorities in England, Scotland and Wales, which were returned to Coram Family and Childcare between November 2022 and February 2023. We also produce the Holiday Childcare Survey, which is published annually before the school summer holidays. Previous reports are available from our website: www.familyandchildcaretrust.org.

Note on terminology: we use childcare to refer to all forms of care which are paid for by families or the government, not provided by parents or carers and outside of compulsory schooling. Early education is one type of childcare and refers to children below school age. We believe that all activities in a child's life have a role in their education and development, but use the term childcare throughout for simplicity.

About Coram Family and Childcare

Coram Family and Childcare works to make the UK a better place for families by bringing together what we learn from our 'on the ground' parent-led programmes and our research to campaign for solutions that parents want and need. We focus on childcare and early years to make a difference to families' lives now and in the long term. Before August 2018, we were known as the Family and Childcare Trust.

Executive Summary

Over the past few years, awareness of the key role that childcare and early education plays in enabling parents to work and supporting the development of young children has increased greatly, as has the awareness of the costs parents face to access it. Our Childcare Survey 2023 finds substantial price rises of 5.6%. As soaring price rises and cost of living pressures start to bite, the high cost of childcare has become unmanageable for families. Many are left in the paradoxical situation where they cannot afford not to work, but childcare costs mean that they also cannot afford to work.

This is the 22nd annual survey that we have produced, and while it is normal for us to find some shortages in childcare availability, it is deeply concerning to see the big drops in sufficiency that we have found this

year in England. These childcare shortages mean the children who stand to gain the most from childcare risk missing out. Less than one in five local authorities in England (18 per cent) have enough childcare for disabled children - a scandalous failure of the system.

The falls in the sufficiency of early education entitlements in England are of particular concern. These were introduced to boost children's outcomes, getting them ready to learn at school and beyond. There is strong evidence that high quality early education can narrow the achievement gap between disadvantaged children and their peers that exist before they start school. Following a pandemic which saw this existing gap widen further, this is all the more important. We are concerned that when there are shortages, it is the most disadvantaged

children who will miss out. Childcare providers often rely on income from parents to break even - when pressed, this can lead them to have to prioritise places for families who are also able to pay.

Childcare providers have been raising concerns about the struggles they are facing to stay financially sustainable - we are concerned that childcare providers are now being forced to take steps that will decrease the quality, flexibility or accessibility of childcare, including reducing their opening hours, their numbers of staff and the number of early education places they offer.



RISE IN COST SINCE 2022, FOR A PART TIME CHILDCARE PLACE FOR UNDER TWOS IN A NURSERY IN GREAT BRITAIN



THE AVERAGE COST OF A PART TIME CHILDCARE PLACE FOR UNDER TWOS IN A NURSERY IN GREAT BRITAIN

**LESS THAN
1 IN 5**



LOCAL AREAS IN ENGLAND HAVE ENOUGH CHILDCARE FOR DISABLED CHILDREN

Price of childcare

- The cost of childcare continues to rise steadily. This is a pattern that we have observed since the inception of our survey in 2001. The average cost of a part time (25 hours a week) childcare place for a child under two in a nursery in Great Britain is now £148.63 (£7,134 per year¹), and £144.01 for a two year old (£6,912 per year).
- This year’s price increase since 2022 for a part time (25 hours a week) place in a nursery for children in Great Britain, is 5.6 per cent for children aged under two and 6.1 per cent for two year olds.
- Some working parents of three and four year olds in England and Wales are eligible for 30 hours of funded childcare a week during term time. If they need to pay for 20 extra hours to take this up to a full time place (50 hours a week) the average weekly price in a nursery is £117.60 in England and £98.79 in Wales.
- Since August 2021, all three and four year olds in Scotland have been able to access 1,140 hours of funded childcare per year. This equates to 30 hours a week during term-time, or about 22 hours if spread across the year. For a full-time place in a nursery (50 hours a week) in Scotland, families are paying on average £102.37 per week if they are receiving 30 hours of funded childcare and paying for 20 hours.
- This year, the average price of an after school club for a week is £67.42 across Great Britain, or £2,629 a year during term time (39 weeks a year). The average price of a childminder to 6pm for a week is £72.36 across Great Britain, or £2,822 a year during term time.

Table 1 – Prices of 25 hours nursery for children aged under five, and price increases since 2022



¹ Based on 48 weeks per year

Is there enough childcare?

- We asked local authorities (LAs) across England, Scotland and Wales to report whether they had sufficient provision across a range of types of childcare in terms of: 'Yes: in all areas', 'Yes: in some areas', 'No' or 'Data not held or cannot tell'.
- England has seen reductions in availability for all pre-school childcare with a marked reduction of -7 percentage points for both children aged under two (down to 50 per cent) and three and four year old 30 hour entitlement (down to 66 per cent). See table 2 below.
- Other reductions of note in England relate to childcare for parents working full time (-11 percentage points, down to 48 per cent); for families living in rural areas (-9 percentage points, down to 30 per cent) for disabled children (-3 percentage points, down to 18 per cent), and for parents working atypical hours (-3 percentage points down to 15 per cent).
- In Scotland, availability of the funded entitlements is high (96 per cent for three and four year old 1,140 hour entitlement) but with gaps, or data gaps, for some other groups
- In Wales, there are still some gaps in availability, with no local authorities reporting enough childcare right across the borough for disabled children, parents working atypical hours and families living in rural areas.

Current pressures on childcare providers

- In response to our survey local authorities report that the key factors decreasing sustainability of childcare in their area are problems with recruiting and retaining staff (69 per cent of LAs); cost of staff (65 per cent of LAs); cost of energy (57% of LAs); the funding rate of early education entitlement (56% of LAs); and the cost of food (53% of LAs).
- Nineteen per cent of local authorities who provided data determine that a quarter or more of childminders in their area are at risk of leaving the profession, with 18 per cent highlighting that a quarter or more of group-based providers are at financial risk.

- Seventy-two per cent of local authorities reported that 'at least some' of their local childcare providers have increased the prices charged to parents to help with business sustainability.
- Local authorities also identified other steps taken by childcare providers to manage sustainability pressures that could reduce the accessibility, affordability or quality of provision:
 - Reduced number of childcare staff (reported by 48 per cent of local authorities).
 - Reduced opening hours of settings (44 per cent of local authorities).
 - Reduced number of funded early education entitlement places provided (43 per cent of local authorities).

Table 2 - Childcare sufficiency defined as 'Yes: in all areas' in England, for 2023 and 2022 (% LAs)

	2023	2022	% point change
Children aged under 2	50%	57%	-7%
2 year old free entitlement	62%	63%	-1%
3 and 4 year old 15 hour entitlement	73%	79%	-6%
3 and 4 year old 30 hour entitlement	66%	73%	-7%
5 to 11 year olds after school	25%	26%	-1%
12 to 14 year olds after school	13%	13%	0%
Disabled children	18%	21%	-3%
Parents working full time	48%	59%	-11%
Parents working atypical hours	15%	19%	-3%
Families living in rural areas	30%	39%	-9%





Areas for action

The findings from our survey show that the need for action to improve the childcare and early education system is urgent. High costs are freezing parents out of work and gaps in availability are leaving disadvantaged children at risk of missing out.

For childcare to achieve its potential, we need complete reform of the system. We repeat our call that the Government must review and reform all current spending on childcare and create a simpler and more efficient system that prioritises quality, guarantees a childcare place for every child, values the workforce and makes sure that parents only pay what they can afford.

These changes will take time to implement. There are urgent changes that are needed to the current system while we move through this transition:

- **Review the funding rate for early education entitlements** to ensure that it meets the cost of providing high quality care. Alongside any increases in funding, requirements should be put in place to make sure that it is used to increase the focus on childcare quality and to value the workforce to help alleviate recruitment and retention pressures.
- **Extend 30 hours funded early education to parents in training or education** to help parents move into work and out of poverty.
- **Improve support for children with SEND** through introducing responsive funding to improve staff skills and make more childcare places accessible.
- **Reform Universal Credit so it does not lock parents out of work** by increasing the maximum amount of childcare costs paid under Universal Credit and guaranteeing support for upfront childcare costs.
- **Double the Early Years Pupil Premium (EYPP)** to ensure it is enough to help close the widening attainment gap between disadvantaged children and their peers.
- **Government should re-allocate underspend from Tax-Free Childcare** to other parts of the childcare system and realign Government funding towards low-income families.

Introduction

This report is the 22nd annual Childcare Survey. It is based on surveys from local authorities in England, Scotland and Wales, that were returned to Coram Family and Childcare between November 2022 and February 2023. A total of 191 local authorities returned data generating a response rate of 93 per cent. The methodology section at the end of the report provides further information on how we conducted the survey and analysed the findings.

The report consists of three main sections: 1) the prices of childcare, 2) the availability of childcare, and 3) current pressure on childcare providers across Great Britain. Information on the price and availability of childcare is broken down by nation and region (in England), by the age of child and the type of childcare. Based on the survey data, we make recommendations for reform.

This report is published at a time when the faults in the childcare system are becoming deeper – and the pressure for change to an inefficient system is building. There is significant media attention on

the high cost of childcare as parents face multiple pressures on the cost of living. These often unaffordable childcare costs mean that parents are not able to work or work more and so have few options to increase income to manage the rising cost of living. The early years achievement gap between disadvantaged children and their peers is widening – high quality early education can narrow this gap. Childcare providers are raising concerns about their sustainability, Government funding and the difficulties they are facing recruiting and retaining qualified practitioners.

The Government and opposition parties are now starting to consider proposals to improve childcare policy in time for general election manifestos. We are awaiting the result of the Government's consultation on relaxing child to staff ratios for two year olds – a proposal that the sector and parents have objected to. And Labour has announced an intention to provide free breakfast clubs for all primary school children as a first step towards a new childcare system. But these proposals show there

is still some distance to travel before there is a commitment to the level of reform that is needed.

Our Childcare Survey looks at the price of childcare before the support to help pay for childcare (Tax-Free Childcare or Universal Credit) is taken into account, as this allows us to track price changes over time and recognises that different families will also be eligible for different levels of support depending on their circumstances. However, for three and four year olds, we ask about the price of childcare assuming that they are using the funded childcare entitlement.

The Government has an opportunity to outline ambitious plans for reform in the upcoming Spring Statement that can really help children, parents and providers, and the tax payer. Coming out of a pandemic and in a cost of living crisis, we urge the Government to seize this opportunity and set out plans for bold reform that really helps children and families.



Glossary 1 – Terms used in this report

Childcare – the care, education and supervision of a child or multiple children by someone who is not their parent or carer, usually including pre-school and school-aged children. In this report, childcare includes government funded early education but not compulsory schooling, nor support from relatives or friends.

Early years – from a child’s birth to school age.

Nursery – childcare provided in a group setting, with several early years professionals looking after a group of children. For children under five years of age and can include pre-school, day nurseries, and school nurseries.

Private, voluntary and independent nurseries – nurseries not run by local authorities or schools. They may be run by private companies, independent schools or voluntary organisations such as charities.

Maintained nurseries – stand-alone local authority nurseries that provide early education and childcare to children under five years, normally during school hours in term time.

Nursery classes in schools – provide early education and childcare to children usually aged between two or three and four years. They are usually closed in school holidays.

Wrap-around childcare – where children are looked after before and after school. This includes breakfast or after school clubs and childminders.

Childminder – a registered child carer who works with children for more than two hours a day in their own home.

Registered childcare – childcare providers that are registered for quality assessment by the childcare regulator. In England this is Ofsted, in Wales, it is the Care Inspectorate Wales (CIW) and in Scotland, the Care Inspectorate. To receive government funding for childcare, providers must be registered.

25 hours – considered as ‘part time’ childcare to cover a typical part time working week, including time to travel to and from work.

50 hours – considered as ‘full time’ childcare to cover a typical full time working week, including time to travel to and from work.

Weighted average – this provides a more realistic average to account for differences in the population of children and number of childcare providers in the local authority areas.



Glossary 2 – terms related to childcare payments

There is different childcare and early years provision in England, Wales and Scotland². Where there are commonalities, we have presented the data comparatively. Where there are differences, the data is separated. The table below outlines some of the key terms.

Childcare support	Age of child	Nation	Applicability
Funded childcare for 2 year olds	2 year olds	England	15 hours a week for 38 weeks a year for parents in receipt of benefits (including in-work benefits) or children who are disabled or looked after.
		Scotland	Up to 1,140 hours a year for parents in receipt of certain benefits (including in-work benefits) or children who are looked after.
		Wales	12.5 hours a week for 39 weeks a year for 2 to 3 year olds in Flying Start areas (geographic areas which are deprived).
Universal funded childcare for 3 and 4 year olds	3 to 4 year olds	England	15 hours a week for 38 weeks a year for all 3 and 4 year olds.
		Scotland	1,140 hours a year (30 hours a week during term time, or 22 hours spread across the year).
		Wales	10 hours a week for all 3 and 4 year olds. Increased to 12.5 hours for 3 and 4 year olds in Flying Start areas.
Funded childcare for 3 and 4 year olds with working parents	3 to 4 year olds	England	3 and 4 year olds with working parents are entitled to an extra 15 hours a week funded childcare for 38 weeks of the year, meaning they get 30 hours a week in total.
		Scotland	1,140 hours a year (30 hours a week during term time, or 22 hours spread across the year).
		Wales	3 and 4 year olds with working parents are entitled to 30 hours per week for 48 weeks a year.
Tax-free childcare	Aged under 12 or under 17 if child has a disability	All nations	<p>Covers 20% of childcare costs up to a maximum of £2,000 per child per year or £4,000 for disabled children. Tax-free childcare replaces the childcare vouchers scheme which has closed for new applications.</p> <p>Parents and their partner (if they have one) must earn at least the equivalent of 16 hours a week at the National Minimum Wage or Living Wage. Parents' earnings cannot exceed £100,000 a year.</p> <p>Can be received alongside the 30 hours extended entitlement, but not Working Tax Credit or Universal Credit.</p>
Universal Credit	Any age, with Ofsted registered providers	All nations	<p>Universal Credit claimants are able to claim back up to 85% of their childcare costs to a maximum of £646 for one child or £1,108 for two or more children per month.</p> <p>Universal Credit can be claimed alongside funded childcare, but not with Working Tax Credit or Tax-Free Childcare. Parents must have an income below a certain level – this varies depending on families' circumstances.</p>

² Information for this table has been gathered from: www.gov.uk/help-with-childcare-costs (England); www.mygov.scot/childcare-costs-help (Scotland); www.gov.wales/get-help-flying-start (Wales)

Findings

Section 1 – Prices for childcare

This section describes the typical prices charged by childcare providers and discusses how they have changed. Most parents receive some support through the Tax-Free Childcare or benefits system to help them pay these costs (see the childcare support glossary in the introduction).

A. Prices for part time (25 hours a week) childcare for children aged under three

This year, the average price of a part time childcare place (25 hours) a week for a child aged under two in a nursery is £148.63 across Great Britain, or £7,134 a year³. The average price of 25 hours of childcare a week for a child aged under two by a childminder is £125.91 a week, or £6,044 a year across Great Britain. There are substantial variations between regions outlined below. Inner London has the highest and East Midlands the lowest costs for 25 hours a week childcare for two year olds.

Great Britain:

- In Great Britain overall, nursery prices are higher than childminder prices (for 25 hours a week for those aged under two and two year olds). For example, nursery costs for those aged under two were £148.63 a week and 18 per cent more expensive than the equivalent costs for a childminder (£125.91).
- However, in Scotland childminder prices are higher than nursery prices for this age group.
- England has higher costs for nurseries and childminders than Scotland and Wales.
- Nursery childcare for those aged under two is generally more expensive than for children aged two years. This is because the required staffing ratios are higher for younger children and hence the staffing costs are higher.

Table 3 - Price of 25 hours a week of childcare for children aged under three at nurseries and childminders

	Nursery		Childminder	
	Under 2	2 years old	Under 2	2 years old
Great Britain	£148.63	£144.01	£125.91	£126.59
England	£150.89	£146.00	£126.20	£126.98
Scotland	£118.14	£114.81	£125.16	£124.78
Wales	£135.67	£134.92	£121.63	£121.15
East Midlands	£131.08	£125.02	£104.81	£104.77
East of England	£163.97	£161.48	£128.77	£130.20
London, Inner	£199.01	£188.02	£178.98	£177.98
London, Outer	£188.65	£178.93	£165.14	£169.33
North East	£132.02	£129.55	£115.56	£115.56
North West	£135.87	£130.02	£110.46	£110.46
South East	£165.67	£154.80	£129.50	£128.86
South West	£133.35	£137.78	£122.71	£122.69
West Midlands	£143.55	£137.93	£121.88	£119.18
Yorkshire and the Humber	£129.32	£130.55	£117.46	£118.90



3 Based on 48 weeks per year

- Although the nursery prices for childcare for two year olds are slightly less than those aged under two, childminder costs for both age groups are relatively similar. This may reflect childminders having less scope to change staff to child ratios compared to nurseries, meaning they are more likely to charge the same or similar prices for those aged under two and two year olds.

English regional differences:

- Within the English regions, the highest price for 25 hours of nursery childcare for those aged under two (Inner London, £199.01) is 54 per cent higher than the lowest price which is in (Yorkshire and Humberside, £129.32)
- For 25 hours of nursery childcare for children aged two, the highest prices are again seen in Inner London (£188.02), which is 50 per cent higher than the lowest price which is seen in East Midlands (£125.02).
- Childminder costs for 25 hours (under twos) are 71 per cent higher in Inner London (£178.98), which has the highest cost compared to the lowest price which is in the East Midlands (£104.81).

B. Prices for full-time (50 hours a week) childcare for children aged under three

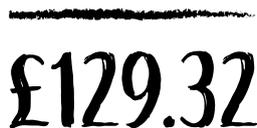
Prices for full-time care (50 hours a week) tend to be slightly less than twice the price of 25 hours a week, as providers pass economies of scale on to parents. The average price of 50 hours of care a week for a child aged under two in nursery is £285.31 across Great Britain, or £13,695 a year. (See table 4 overleaf)

For a childminder for a child aged under two it is £247.19 per week across Great Britain, or £11,865 a year. There are again substantial variations between regions outlined below with Inner London having the highest costs and East Midland the lowest for 50 hours of childcare a week for two year olds.

English regional differences:



INNER LONDON: THE HIGHEST PRICE FOR 25 HOURS OF NURSERY CHILDCARE FOR UNDER TWOS



YORKSHIRE AND HUMBERSIDE: THE LOWEST PRICE FOR 25 HOURS OF NURSERY CHILDCARE FOR UNDER TWOS



CHILDMINDER COSTS FOR 25 HOURS, FOR UNDER TWOS, ARE 71 PER CENT HIGHER IN INNER LONDON THAN IN THE EAST MIDLANDS (THE LOWEST COST AREA)



Table 4 - Price of 50 hours a week of childcare for children aged under three at nurseries and childminders

	Nursery		Childminder	
	Under 2	2 years old	Under 2	2 years old
Great Britain	£285.31	£279.60	£247.19	£246.95
England	£289.98	£283.95	£247.72	£248.00
Scotland	£227.17	£225.44	£246.27	£234.29
Wales	£250.95	£249.24	£239.15	£237.78
East Midlands	£242.80	£241.84	£208.63	£208.41
East of England	£292.39	£276.44	£255.11	£256.59
London, Inner	£394.58	£373.40	£355.07	£352.53
London, Outer	£359.98	£346.49	£322.08	£326.02
North East	£252.77	£251.45	£225.08	£224.90
North West	£255.22	£247.10	£214.50	£214.73
South East	£311.91	£303.77	£256.00	£254.14
South West	£269.29	£278.26	£240.60	£240.15
West Midlands	£285.24	£275.45	£234.71	£229.45
Yorkshire and Humberside	£255.98	£256.83	£230.83	£231.73

Great Britain:

- Overall, nursery costs are again higher than childminder costs (for 50 hours a week for two year olds and those aged under two). For example, the cost of a nursery in Great Britain for under twos is £285.31 a week, 15 per cent more than the equivalent costs for a childminder (£247.19).
- However, in Scotland, childminder prices are higher than nursery prices for this age group.
- In general, England again has the highest costs for nurseries and childminders, relative to those in Scotland and Wales.
- Average nursery costs in Scotland are lower than England and Wales. For example, for nursery costs for those aged under two (for 50 hours a week), Scotland is £63 cheaper than England and £24 cheaper than Wales.
- On the whole, 50 hours per week of childcare costs slightly more for children under two than for those aged two, apart from in the South West and Yorkshire and Humberside. Childminder costs for both age groups are relatively similar.

English regional differences:

- Within the English regions, the price for full-time nursery places (for those aged under two) are 62.5 per cent higher in Inner London (394.58) compared to the East Midlands (£242.80).
- For nursery places for children aged two, the highest prices are again in Inner London at £373.40, 54 per cent higher than East Midlands (£241.84).
- For most of the English regions, childminder prices are generally cheaper than nurseries for 50 hours a week. The highest prices are again seen in Inner London (£355.07 for those aged under two and £352.53 for two year olds).

Families on low incomes are able to receive some support with childcare costs through Universal Credit. Such families are able to claim back up to 85 per cent of their costs to a maximum of £646 for one child or £1,108 for two or more children per month⁴. Our survey results reveal a significant gap where the cost of childcare in many cases – particularly for children aged under three – exceeds these thresholds. We have calculated that the maximum limit of support for childcare under Universal Credit is not enough to cover even a part time place for a child under two in 20 per cent of local authorities, or a full time place for a child under two in 97 per cent of local authorities. Also, these childcare costs need to be paid up front, with receipts usually required to make the claim for reimbursement. With many families on Universal Credit already struggling to make ends meet, needing to find childcare costs upfront and not having enough to cover the costs can create an insurmountable barrier to (re)enter paid employment.

4 For more information on Government support available see: [Help paying for childcare: Universal Credit and childcare - GOV.UK \(www.gov.uk\)](https://www.gov.uk/help-paying-for-childcare)

C. Prices for childcare for children aged three and four

When asking about childcare prices for three and four year olds, we took into account that all children of this age group in England, Scotland and Wales are entitled to some funded early education until they start school. Parents will therefore only need to pay for some of the hours of childcare that they need. In England, a parent who needs childcare for 25 hours a week during term time, and is entitled to a funded place for 15 hours a week, would only need to pay for 10 hours. In Scotland, since August 2021, all parents (not just working parents) now have access to funded early education for 1,140 hours per year.

In Wales they would be entitled to a funded place for 10 hours a week during term time and would pay for 15 hours, except in Flying Start areas where the funded entitlement is for 12.5 hours for three year olds.

In addition to the universal early education entitlements, working parents of children aged three and four may be eligible to access additional hours in England and Wales. In England, for children of eligible working parents the entitlement is for up to 30 hours a week for 38 weeks per year. For some these entitlements are used during term time, for others they are ‘stretched’ across the year. In Wales it is also 30 hours for up to 48 weeks a year.

The following figures show costs of childcare for three and four year olds (including the funded entitlements) in nurseries. These do not include additional costs - for example lunch or other consumables – which we do not collect in our survey to local authorities. They are also based on term time costs with families using the full 30 hours per week. This means that costs during school holidays would be considerably higher.

Table 5 - Price of 25 and 50 hours a week childcare for three and four year olds (including the funded entitlements) in nurseries in England

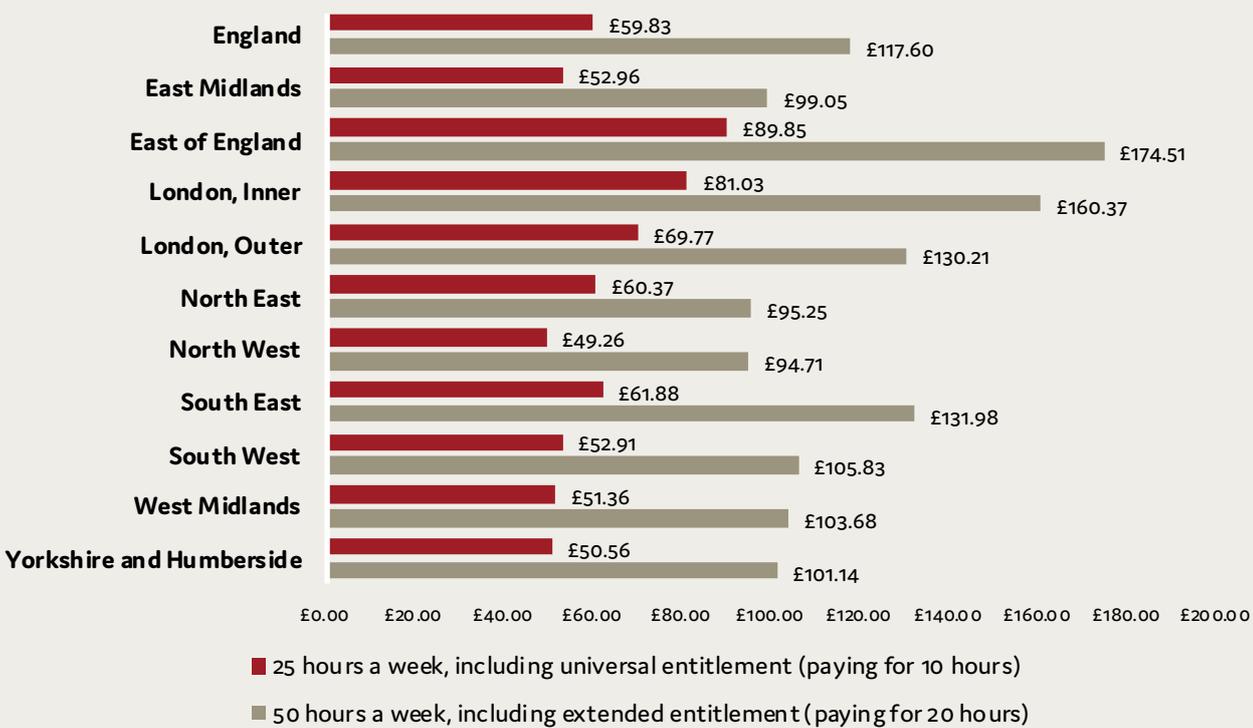


Table 6 – Prices of 25 hours a week childcare in a nursery for three and four year olds (including the funded entitlements) in Scotland and Wales



Please note, in table 6 on the previous page there is no cost for 25 hours a week childcare in Scotland since this is covered by the 1,140 hour entitlement.

The following figures show costs of childcare for three and four year olds in childminder settings. Again, these do not include additional costs - for example lunch or other consumables – which we do not collect in our survey to local authorities.

English regional differences:

- Within the English regions (see table 6 on the previous page), the highest price for 25 hours a week of childcare (where families receive 15 hours per week funded childcare) is seen in East of England (£89.85) and is 82 per cent higher than the lowest price which is seen in North West (49.26).

Table 7 - Price of 25 and 50 hours a week childcare for three and four year olds (including the funded entitlements) with childminders in England

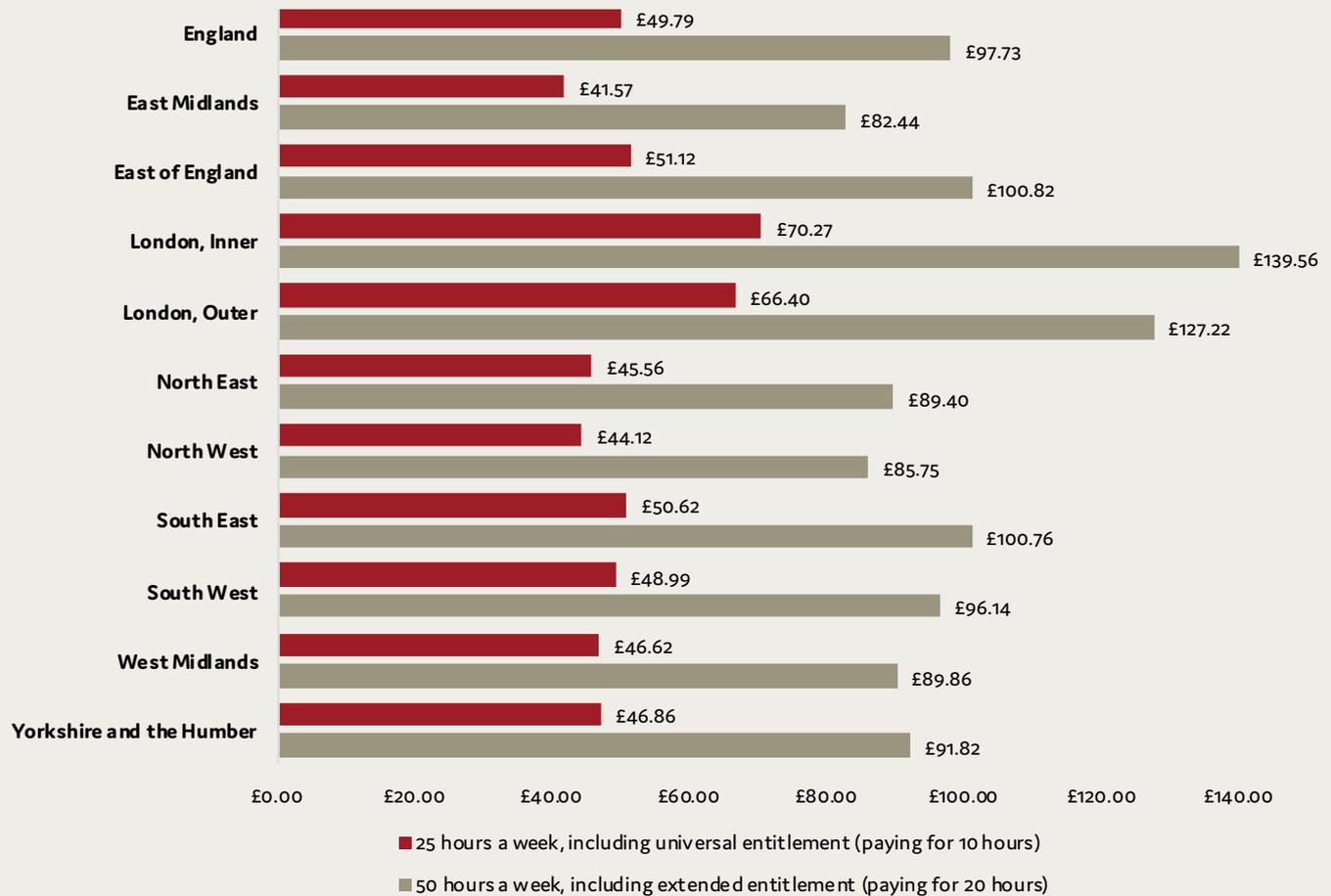
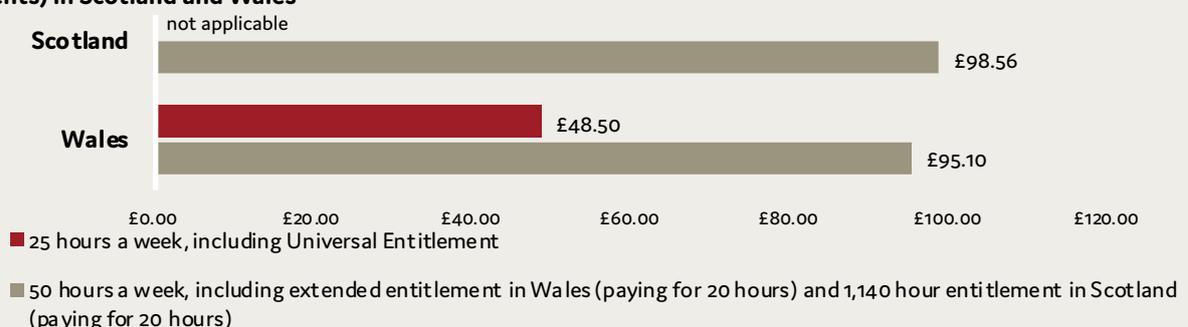


Table 8 – Prices of 25 hours a week childcare with a childminder for three and four year olds (including the funded entitlements) in Scotland and Wales



Great Britain:

- In the same way that prices for childcare for younger children are often higher at nurseries than with childminders, this pattern continues for three and four year olds. For 25 hours of childcare for three and four year olds childminder prices are 20 per cent less than nursery prices in England. In Wales, while childminder prices are less, this is only by 6 per cent.
- In Scotland, for 50 hours of childcare for three and four year olds childminder prices are 4 per cent lower than in a nursery. In Scotland, there is no cost for 25 hours of childcare for three and four year olds with a childminder as this is covered by the 1,140 hour entitlement.

English regional differences:

- Within the English regions (see table 7 on the previous page), the price of 25 hours a week for a childminder (where families receive 15 hours per week funded childcare) for three and four year olds is 69 per cent higher in Inner London (£70.27) compared to the East Midlands (£41.57).
- For 50 hours per week for three and four year olds, costs are again the greatest in inner London (£139.56) and 69 per cent higher than in the East Midlands (£82.44).

Comparing costs for two, three and four year olds

In all nations and regions, families are paying considerably less for nursery childcare for three and four year olds compared to younger children. There are two key drivers for this: 1) families are receiving funded hours resulting in parents paying for fewer hours; and 2) childcare providers are able to operate at lower staff to child ratios for older children, which often means that childcare costs less to provide.

In England families pay £86.17 less for 25 hours of childcare per week during term time for three and four year olds than for two year olds, and £166.35 less for 50 hours of childcare per week. (See table 9 below)

Table 9 - Price difference for 25 and 50 hours a week childcare between three and four year olds (including the funded entitlements) and two year olds, in England.

	2 year olds – 25 hours a week	3&4 year olds - 25 hours a week, (including universal entitlement)	Price difference per week for 3&4 year olds – 25 hours (paying for 10 hours)	2 year olds – 50 hours a week	3&4 year olds - 50 hours a week, (including extended entitlement)	Price difference per week for 3&4 year olds – 50 hours (paying for 20 hours)
England	£146.00	£59.83	-£86.17	£283.95	£117.60	-£166.35

D. Changes in childcare prices for children under five, since 2022

The majority of nursery prices in Great Britain have risen this year and with a higher percentage point increase than was seen from 2021 to 2022. The highest increases are for two year olds, followed by under twos, and then three and four year olds. Price increases have risen most sharply in England.



Table 10 - Price increases since 2022 for 25 hours nursery for children aged under 5

	Under 2	2 year old	3-4 year old using free entitlement
Great Britain	5.6%	6.1%	3.8%
England	5.9%	6.4%	3.9%
Scotland	1.6%	3.7%	N/A ¹
Wales	2.8%	2.8%	2.6%

Great Britain:

- Across Great Britain childcare prices for a part time (25 hours per week) nursery place have increased for all ages: for under twos by 5.6 per cent (over double the percentage point rise seen last year – 2.5 per cent); for two year olds by 6.1 per cent (just over three times the percentage point rise seen last year – 2 per cent); and for three and four year olds by 3.8 per cent (in line with the rise seen last year – 3.5 per cent). See table 10 above.
- England has seen the sharpest rise in prices across all age groups – for under twos prices have increased by 5.9 per cent (over double the percentage point rise seen last year – 2.5 per cent); for two year olds by 6.4 per cent (over three times the percentage point rise seen last year – 1.9 per cent); and for three and four year olds by 3.9 per cent (in line with the rise seen last year – 3.5 per cent).
- Scotland has seen the sharpest rise in costs for two year olds at 3.7 per cent which is nearly double the percentage point rise last year (2.1 per cent).
- In Wales childcare prices for under fives have risen by between 2.6 to 2.8 per cent, which are similar rises to last year.

¹ In Scotland, costs are not applicable for 25 hours a week childcare since they are covered by the 1,140 hour entitlement.

Table 11 - Price increases since 2022 for 50 hours nursery for children aged under five

	Under 2	2 year old	3-4 year old using free entitlement
Great Britain	5.9%	6.6%	5.0%
England	6.6%	7.1%	5.3%
Scotland	0.9%	5.1%	5.8%
Wales	-0.6%	-0.9%	-1.3%



Great Britain:

- Again, England has seen the sharpest price rises for childcare across all age groups for full time (50 hours per week) nursery places. Prices have increased more this year than last year for all the age categories including for three and four year olds. See table 11 above.
- This year Scotland has seen steeper price rises in childcare for two year olds than last year (5.1 per cent rise this year, compared to 0.6 per cent last year), and for three and four year olds (5.8 per cent rise this year, compared to 1.1 per cent last year).
- Outside of this year's trend, prices in Wales have slightly decreased this year for full time (50 hours per week) childcare. However, as the data set for Wales is relatively small (there are only 22 local authorities in Wales compared to 152 in England), this means that a change in just a few areas will affect the overall figure.

For a detailed explanation of how these price changes were calculated, please see the methodology section. The average change does not mean that all areas have seen equivalent rises, or that all providers have put their prices up by the same amount: the childcare market is fairly volatile and varies substantially between and even within local areas. Price changes can reflect existing providers changing their prices, or providers opening or closing in an area.



E. Ten years of childcare prices (since 2014) for children aged under three

Over the last decade, we have seen considerable price rises for both children under two and two year olds. It is interesting to note the different trajectories between the three nations over this period. England has seen the most substantial price rises, with Scotland seeing the lowest level of rises, with the gap between the nations opening up from 2018. This has been a period of considerable policy change with the 30 hour entitlement starting nationally in 2017 in England, and a slower rollout across Scotland with full national entitlement from August 2021.



Chart 1: Increase in price of 25 hours of childcare for children under two in Great Britain since 2014

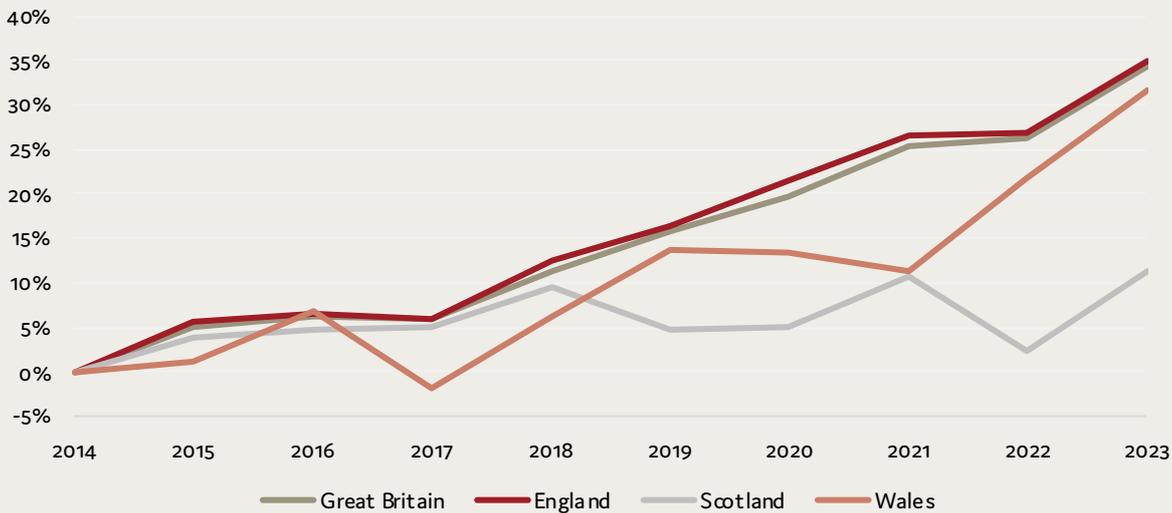
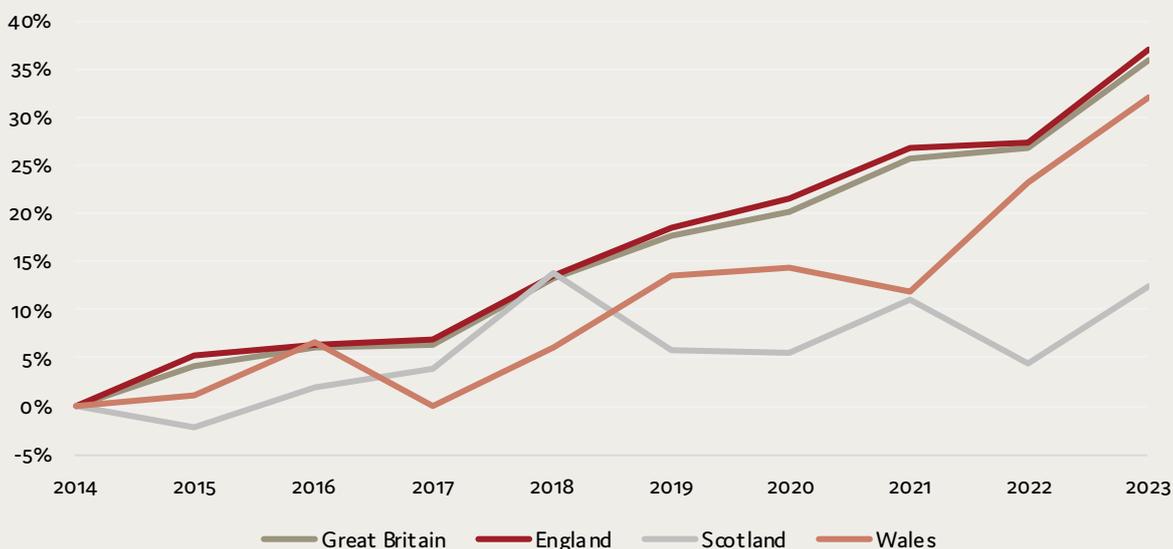


Chart 2: Increase in price of 25 hours of childcare for children aged two in Great Britain since 2014



F. Variations in prices for part time (25 hours a week) childcare for children aged under two

This section outlines the highest and lowest prices of 25 hours of childcare for children under two years old, relative to the average price in the region. Childcare in this country for under two year olds (which is outside the funded entitlement) is provided by childcare businesses who set their fees in a competitive marketplace, leading to a broad range of difference in prices. These variations have a significant impact on families who may find that the only childcare available to them locally costs significantly more than the average.

Great Britain:

- The highest prices in local authorities for 25 hours of childcare for those aged under two tend to be further from the average than the lowest prices. There is a minimum cost to providers for delivering places owing to rental, required space, minimum wage, and regulations regarding staff to child ratios.
- There is a broader variation in prices which are higher than the average compared to the prices which are lower. This suggests that some parents are able to pay considerably more than the average for childcare.
- There is less variation in price in Scotland (18 percentage point difference) and Wales (both 69 percentage point difference) compared to England (82 percentage point difference).

English regional differences:

- Within the English regions, the highest prices range from 35 per cent above the average in Outer London to 85 per cent above the average in the South West.
- The lowest prices show less variation, between 20 per cent lower than the average in Yorkshire and Humberside and 41 per cent lower than the average in Inner London.

Table 12 - Highest and lowest prices as a percentage above or below average prices, for 25 hours of care for a child under two

	Highest price above average	Lowest price below average
Great Britain	+52%	-30%
England	+53%	-31%
Scotland	+36%	-18%
Wales	+45%	-24%
East Midlands	+52%	-32%
East of England	+56%	-37%
London, Inner	+42%	-41%
London, Outer	+35%	-30%
North East	+39%	-24%
North West	+50%	-31%
South East	+61%	-33%
South West	+85%	-28%
West Midlands	+62%	-28%
Yorkshire and Humberside	+42%	-20%



G. Prices for childcare for school age childcare

Childminders and after school clubs offer childcare to 5 to 11 year olds after school, during term time. The prices featured in this section do not include the additional costs that parents will face if they are also paying for childcare before school, which is often necessary for parents working typical 9am to 5pm hours.

Great Britain:

- This year, the average price of an after school club for a week is £67.42 across Great Britain, or £2,629 a year during term time (39 weeks). The average price of a childminder to 6pm for a week is £72.36 across Great Britain, or £2,822 a year during term time.
- This shows that childminder costs for 5 to 11 year olds after school tend to be higher than after school clubs. Please note though that after school clubs are sometimes open for fewer hours than childminders.
- England and Wales are a little more expensive for after school clubs than Scotland, while childminder costs are highest in Scotland and lowest in Wales.

English regional differences:

- The most expensive region for a weekly after school club is in the West Midlands (£79.60), which is 35 per cent higher than the lowest cost which is found in Yorkshire and Humberside (£58.79).

- The price difference is notably more for childminders, with Inner London (£105.95) being 89 per cent higher than the North West (£56.14), the least expensive region for childminders.
- The difference between the price of after school clubs and a childminder after school, is particularly notable for Inner London, where a childminder (£105.95) is 55 per cent higher than an after school club (£68.21).
- In London some local authorities have been running after school clubs in-house for some time, bringing down the average price in an otherwise high cost area. This is particularly the case in Inner London, but less so in Outer London. Childminders are less likely to be subsidised, and so the price differences between childminders and after school clubs is likely to be greater in regions where subsidised after school clubs are more common.

As well as using formal after school clubs, parents may also use activity clubs after school as childcare. Prices for this are not captured in our survey. Because clubs providing a specific activity such as football or dance for children over eight do not have to be registered and regulated as childcare by Ofsted, they are not officially counted as childcare, and so parents will not usually be able to pay for them using Tax-Free Childcare or childcare support through the benefits system. Additionally, they usually do not offer enough hours of care per week, or for enough weeks per year, to provide reliable childcare for working parents.

Table 13 - Weekly price of an after school club or childminder for children aged 5 to 11.

	After school club	Childminder to 6pm
Great Britain	£67.42	£72.36
England	£67.68	£72.46
Scotland	£63.92	£75.09
Wales	£66.20	£69.28
East Midlands	£60.61	£65.71
East of England	£64.02	£59.27
London, Inner	£68.21	£105.95
London, Outer	£79.30	£104.68
North East	£61.14	£62.73
North West	£62.33	£56.14
South East	£72.19	£77.49
South West	£68.35	£73.48
West Midlands	£79.60	£71.81
Yorkshire and Humberside	£58.79	£66.19



Section 2 – Childcare sufficiency – is there enough childcare?

This section outlines the legal duties on local authorities around monitoring the local childcare market and then presents data on whether there is enough childcare across Great Britain.

A. Childcare sufficiency – legal duties

Local authorities are required to manage the market for childcare in their local area, which means they need to know whether enough childcare is available for key groups.

The precise rules vary between the nations of Great Britain:

- In England, local authorities have to audit childcare sufficiency annually, including considering the funded early education entitlements, childcare for school age children, disabled children, and different types of families.
- In Scotland, local authorities have a statutory duty to consult with parents on the delivery of early education and childcare, and to publish a plan based on the results of their consultation.
- Welsh local authorities were required to produce a sufficiency assessment and action plan in 2017 and every five years thereafter, and report to the Welsh government annually through a progress update.
- Because these duties vary in different parts of the UK, we have presented sufficiency data separately for the three nations. These data are based on local authorities' assessments at the time of the survey, which may differ from their published Childcare Sufficiency Assessments if the local situation has changed since this was last published.

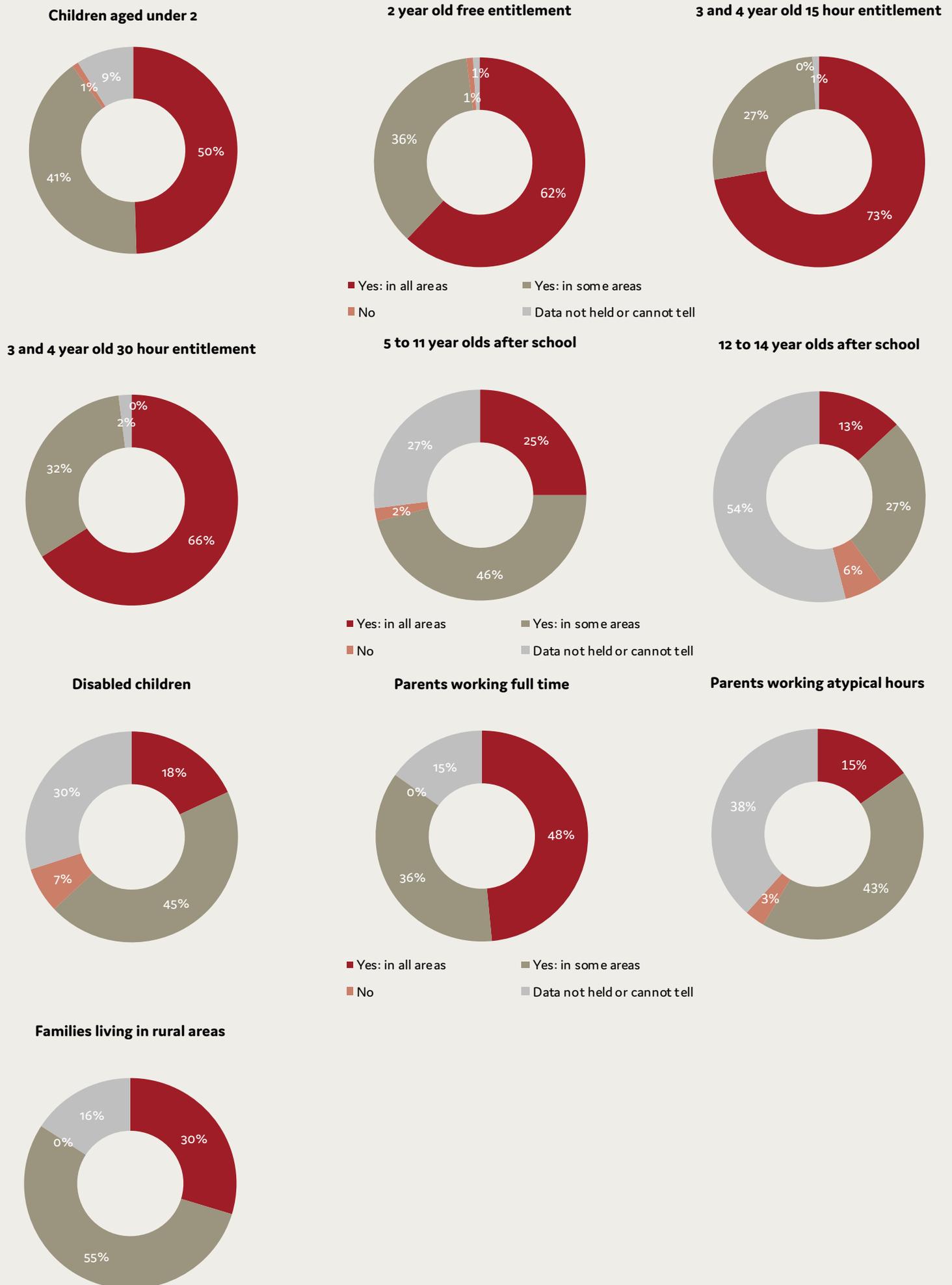
B. Childcare sufficiency in England

Local authorities were asked to report whether they had sufficient childcare in terms of 'Yes: in all areas', 'Yes: in some areas', 'No' or 'Data not held or cannot tell'. Overall, the provision of childcare 'in all areas' was far from universal and varied according to the type of childcare required (see table 14 overleaf).

- Most local areas are able to say whether there is enough childcare in their area, with the exception of after school childcare for 12 to 14 year olds where there are significant data gaps – 54 per cent reported 'Data not held or cannot tell'.
- The biggest gaps in sufficiency, as measured by provision 'in all areas', are seen for parents of 12 to 14 year olds after school (13 per cent), parents working atypical hours (15 per cent) and for disabled children (18 per cent).
- Generally, there is more childcare availability for younger children. Fifty per cent of local authorities report enough childcare 'in all areas' for children aged under two, 62 per cent for those aged two (free entitlement), 73 per cent for three and four year olds in receipt of the 15 hour entitlement and 66 per cent for the 30 hour entitlement. This compares to only 25 per cent provision 'in all areas' for 5 to 11 year olds after school.



Table 14 – Childcare sufficiency in England (% local authorities)



- Since 2022, childcare sufficiency 'in all areas' has decreased for all categories apart from 12 to 14 year olds after school where it has been very low and stable at 13 per cent. The largest drops in sufficiency over the year have been seen for parents working full time (-11 percentage points); three and four year old 30 hour entitlement (-7 percentage points); children aged under two (-7 percentage points); and three and four year old 15 hour entitlement (-6 percentage points).
- Sufficiency for the 30 hour entitlement for three and four year olds continues to be less than for the 15 hour entitlement the same age group, and while the former stabilised to nearly three quarters (73 per cent) of local authorities reporting provision 'in all areas' last year, it has now dropped to under two thirds (66 per cent).
- While there has been a seemingly small decrease of 3 percentage points in childcare sufficiency for 'disabled children' this is a further drop since last year, and from a low baseline of 21 per cent.

Table 15 - Childcare sufficiency defined as 'Yes: in all areas' in England, for 2023 and 2022 (% LAs)

	2023	2022	% point change
Children aged under 2	50%	57%	-7%
2 year old free entitlement	62%	63%	-1%
3 and 4 year old 15 hour entitlement	73%	79%	-6%
3 and 4 year old 30 hour entitlement	66%	73%	-7%
5 to 11 year olds after school	25%	26%	-1%
12 to 14 year olds after school	13%	13%	0%
Disabled children	18%	21%	-3%
Parents working full time	48%	59%	-11%
Parents working atypical hours	15%	19%	-3%
Families living in rural areas	30%	39%	-9%



- Provision for two year old free entitlements and for three and four year old 15 hour entitlements is intended to close the gap in attainment for children in the early years. The North East report the highest levels of provision for both of these categories at 100 per cent sufficiency 'yes in all areas'. See table 16 below.
- East of England report the lowest levels of provision at 36 per cent for two year old free entitlements and 45 per cent for three and four year old 15 hour entitlements.
- Across the English regions, the North East generally report the most provision across the early years with 100 per cent sufficiency for all categories apart from the three and four year old 30 hour entitlement which stands at 90 per cent sufficiency 'in all areas'.
- East of England generally has the least provision (from 36 per cent to 45 per cent sufficiency) for all categories of early years childcare.
- The largest variation within the categories was for those aged under two which ranged from 28 per cent sufficiency in Outer London to 100 per cent in the North East.
- The majority of childcare providers offer 30 hours, with the highest proportion offered by maintained nurseries and PVI settings (see table 17 below).
- There are small drops in the proportion of all providers offering 30 hours.

Table 16 - Childcare sufficiency defined as 'Yes: in all areas' in English regions, for early years (% local authorities)

	Under 2	2 year old free entitlement	3 and 4 year old 15 hour entitlement	3 and 4 year old 30 hour entitlement
East Midlands	50%	60%	50%	50%
East of England	36%	36%	45%	45%
London, Inner	46%	54%	85%	62%
London, Outer	28%	50%	67%	56%
North East	100%	100%	100%	90%
North West	57%	71%	81%	81%
South East	47%	74%	79%	68%
South West	43%	50%	57%	50%
West Midlands	58%	58%	83%	75%
Yorkshire and Humberside	50%	71%	79%	79%

Table 17 - % of childcare providers in England offering 30 hours

% offering 30 hours	2023	2022
Childminders	64%	66%
PVI settings	89%	91%
Maintained nurseries	92%	94%
Primaries with nursery classes	71%	72%



Table 18 - Childcare sufficiency defined as 'Yes: in all areas' in English regions, for other groups
(% local authorities)

	5 to 11 after school	12 to 14 after school	Disabled children	Parents working full time	Parents working atypical hours	Families in rural areas
East Midlands	30%	30%	30%	50%	30%	0%
East of England	36%	9%	27%	27%	9%	25%
London, Inner	23%	8%	15%	38%	0%	N/A
London, Outer	22%	6%	11%	39%	11%	N/A
North East	40%	30%	20%	80%	40%	75%
North West	30%	14%	14%	62%	14%	33%
South East	16%	16%	21%	63%	21%	25%
South West	21%	7%	21%	21%	7%	22%
West Midlands	17%	17%	17%	42%	17%	40%
Yorkshire and Humberside	21%	7%	14%	57%	14%	60%

- Local authorities in the North East report the highest levels of provision in five out of the six categories (see table 18 above) above: parents working full time (80 per cent); families in rural areas (75 per cent); provision for 5 to 11 year olds after school (40 per cent); parents working atypical hours (40 per cent); and provision for 12 to 14 year olds after school (30 per cent).
- The East Midlands also report the highest level of provision for 12 to 14 year olds after school (30 per cent) and the highest for disabled children (30 per cent). However, they report the lowest provision for families in rural areas (0 per cent).
- Sufficiency of childcare across all categories is generally low in the South West ranging from only 7 per cent (for 12 to 14 year olds after school provision) to 22 per cent (for families in rural areas), and with the lowest levels of provision for parents working full time (21 per cent).
- Outer London report the lowest levels of childcare provision for disabled children, with only 11 per cent of local authorities reporting sufficiency in all areas.
- Yorkshire and Humberside also report the lowest level of 12 to 14 year olds after school provision at 7 per cent (the same as in the South West).
- Inner London local authorities report the lowest level of provision for parents working atypical hours (0 per cent).
- The South East reports the lowest level of provision for 5 to 11 year olds after school (16 per cent).

C. Childcare sufficiency in Scotland

Differences in statutory requirements in Scotland mean that local authorities tend to have less knowledge than their English counterparts about the availability of childcare outside of the free entitlements. For the categories of childcare outside of the free entitlements, Scottish local authorities report between 33 per cent and 64 per cent as 'Data not held or cannot tell'.

- 96 per cent of local authorities report sufficient childcare for the three and four year old 1,140 hour entitlement 'in all areas', compared to 4 per cent for the provision for 12 to 14 year olds after school, matching figures from last year's survey. See table 19 below.
- The second highest provision 'in all areas' was for the two year old free entitlement (75 per cent).
- The next highest levels of provision 'in all areas', was for disabled children and families living in rural areas (both at 29 per cent).

Table 19 - Childcare sufficiency in Scotland (% local authorities)

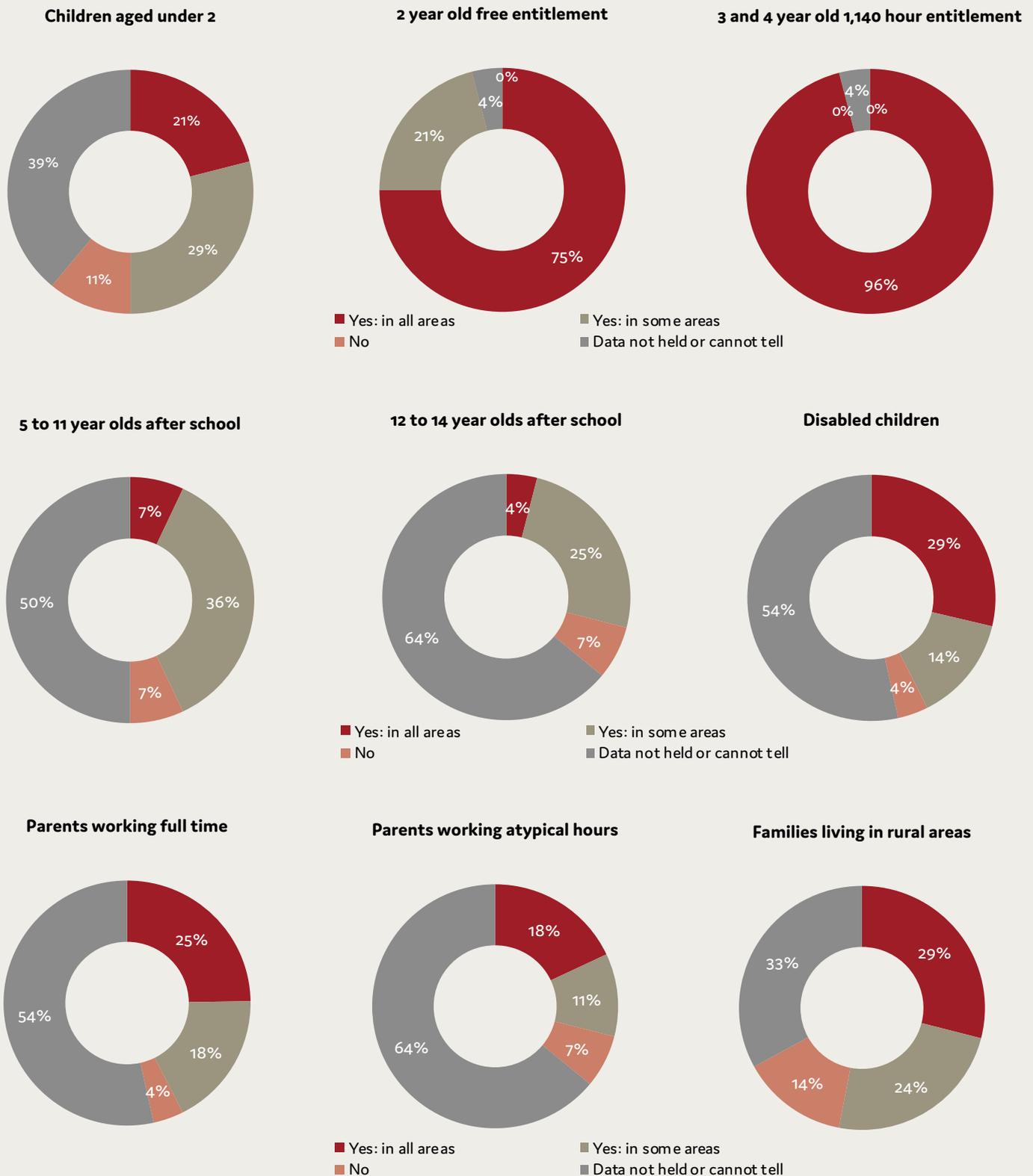


Table 20 - Childcare sufficiency defined as 'Yes, in all areas' in Scotland, for 2021 and 2022 (% local authorities)

	2023	2022	% point change
Children aged under 2	21%	18%	3%
2 year old free entitlement	75%	78%	-3%
3 and 4 year old 1,140 hour entitlement	96%	96%	1%
5 to 11 year olds after school	7%	9%	-2%
12 to 14 year olds after school	4%	4%	-1%
Disabled children	29%	30%	-2%
Parents working full time	25%	30%	-5%
Parents working atypical hours	18%	13%	5%
Families living in rural areas	29%	20%	9%

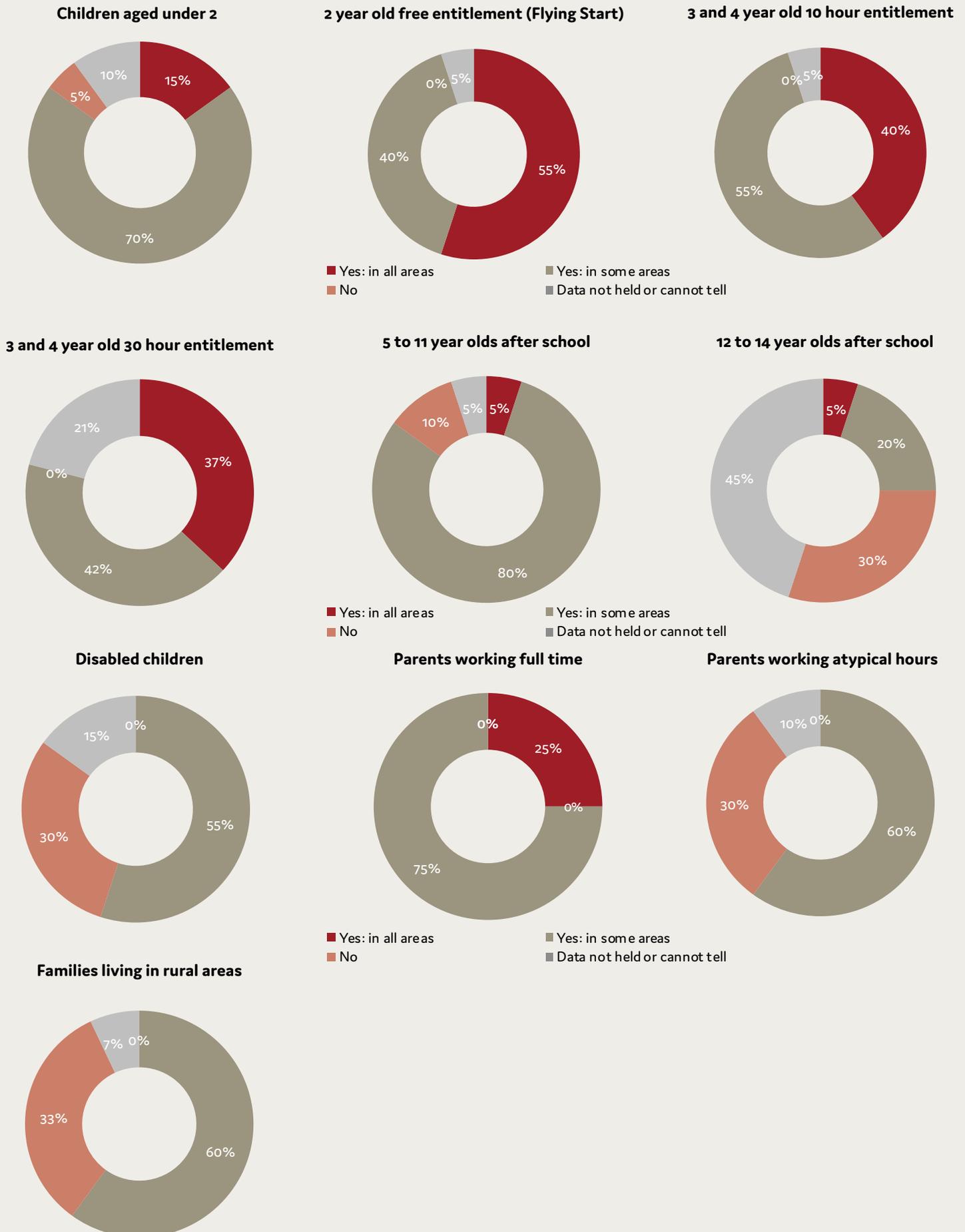
- The proportion of areas with enough childcare for children eligible for funded childcare in Scotland has remained at the same high rate for the three and four year old 1,140 hour entitlement (96 per cent in 2022 and 2023) but has decreased for the two year old free entitlement (from 78 per cent to 75 per cent). In general, there is a mixed picture of sufficiency increasing and decreasing since 2022. See table 20 above.
- Other decreases in sufficiency of provision have been seen for parents working full time (-5 percentage points), for disabled children (-2 percentage points), for 5 to 11 year olds after school (-2 percentage points), and for 12 to 14 year olds after school (-1 percentage point).
- Sufficiency in provision for children aged under two and parents working atypical hours has increased by 3 per cent and 5 per cent respectively since 2022.
- There has been a substantial increase of provision for families living in rural areas (9 per cent).
- However, because Scotland has relatively few local authorities (32, compared to 152 in England), changes in responses from a few authorities can make a noticeable difference to the overall figures.

D. Childcare sufficiency in Wales

Welsh local authorities were required to produce a statutory five-yearly Childcare Sufficiency Assessment in 2022. Over the last few years, the proportion of local authorities reporting that they do not know whether they have enough childcare, across a range of categories, has reduced. This trend was interrupted last year but has returned in 2023.

- In Wales, the highest level of sufficient childcare 'in all areas' is for two year olds who are eligible for the free entitlement (55 per cent). The lowest level of early years childcare is for children under two with only 15 per cent of local authorities reporting provision 'in all areas'. See table 21 below.
- There are significant shortages in childcare reported for 12 to 14 year olds after school, disabled children, parents working atypical hours and families in rural areas. For the last three categories mentioned, no local authorities report sufficient childcare 'in all areas'.
- Further shortages are seen for 5 to 11 year olds after school (5 per cent 'in all areas') and 12 to 14 year olds after school (5 per cent).

Table 21 - Childcare sufficiency in Wales (% local authorities)



- This year, reported sufficiency 'in all areas' for the two year old free entitlement has shown a significant increase of 14 percentage points. See table 22 below.
- Sufficiency for the three and four year old 30 hour entitlement has increased by 7 percentage points, however it has decreased by 1 percentage point for the 15 hour entitlement for the same age group.
- The largest reported decreases in sufficiency are for children under two (-9 percentage points) and for families living in rural areas (-7 percentage points).
- However, as Wales (similarly to Scotland) has relatively few local authorities (22, compared to 152 in England), changes in responses from a few authorities can make a noticeable difference to the overall figures.



Table 22 - Childcare sufficiency defined as 'Yes: in all areas' in Wales, for 2023 and 2022 (% local authorities)

	2023	2022	% point change
Children aged under 2	15%	24%	-9%
2 year old free entitlement (Flying Start)	55%	41%	14%
3 and 4 year old 10 hour entitlement	40%	41%	-1%
3 and 4 year old 30 hour entitlement	37%	29%	7%
5 to 11 year olds after school	5%	6%	-1%
12 to 14 year olds after school	5%	6%	-1%
Disabled children	0%	0%	0%
Parents working full time	25%	24%	1%
Parents working atypical hours	0%	0%	0%
Families living in rural areas	0%	7%	-7%



Section 3 – Current pressures on childcare provider

As part of this year’s Childcare Survey 2023, we asked local authorities across Great Britain to feedback their assessment of how current economic pressures are affecting the business sustainability of childcare provision in their area, and their view on staff recruitment and retention in the sector. Sixty-four per cent of local authorities (LAs) surveyed across the country provided data on these issues. These questions were not included in the Freedom of Information request which is used to gather the costs and sufficiency information for the other parts of the survey, and so have a lower response rate.

Local authority teams often work closely with childcare providers and parents, and can identify emerging issues early. We asked about the steps taken by childcare providers to maintain sustainability during the cost of living crisis, and the impact on parents and the quality of provision. This information was gathered in November and December 2022.

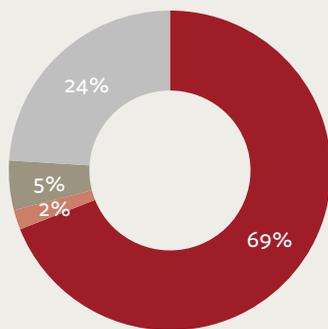
This section of the survey provides insight into local authorities’ assessments of their local childcare landscape at a particular point in time. They can act as a warning of the need for action to prevent the widening of existing inequalities or more volatility in the sector. When childcare providers face uncertainty, it can threaten the availability, affordability and quality of childcare.

A. Provider sustainability

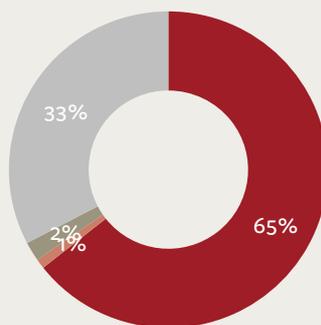
The survey finds that the majority of local authorities who provided data assess that a range of economic, workforce and Government funding pressures are decreasing the sustainability of local childcare providers. Factors decreasing sustainability include: problems with recruiting and retaining staff (69 per cent of LAs); cost of staff (65 per cent of LAs); cost of energy (57 per cent of LAs); the funding rate of early education entitlement (56 per cent of LAs); and the cost of food (53 per cent of LAs).

Table 23 - Impact of factors on business sustainability, % of local authorities

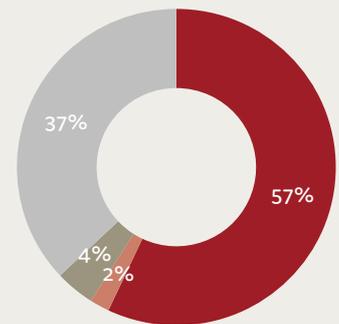
Recruiting and retaining staff



Cost of staff

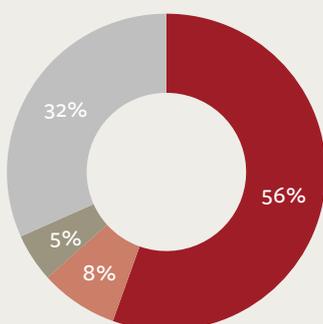


Cost of energy

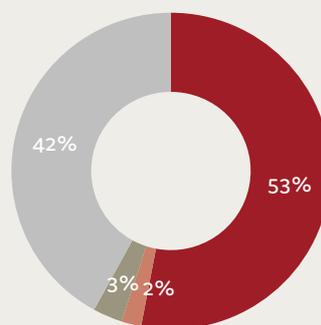


■ Decreasing sustainability ■ No impact on sustainability
 ■ Increasing sustainability ■ Data not held or cannot tell

Funding rate of early education entitlement



Cost of food



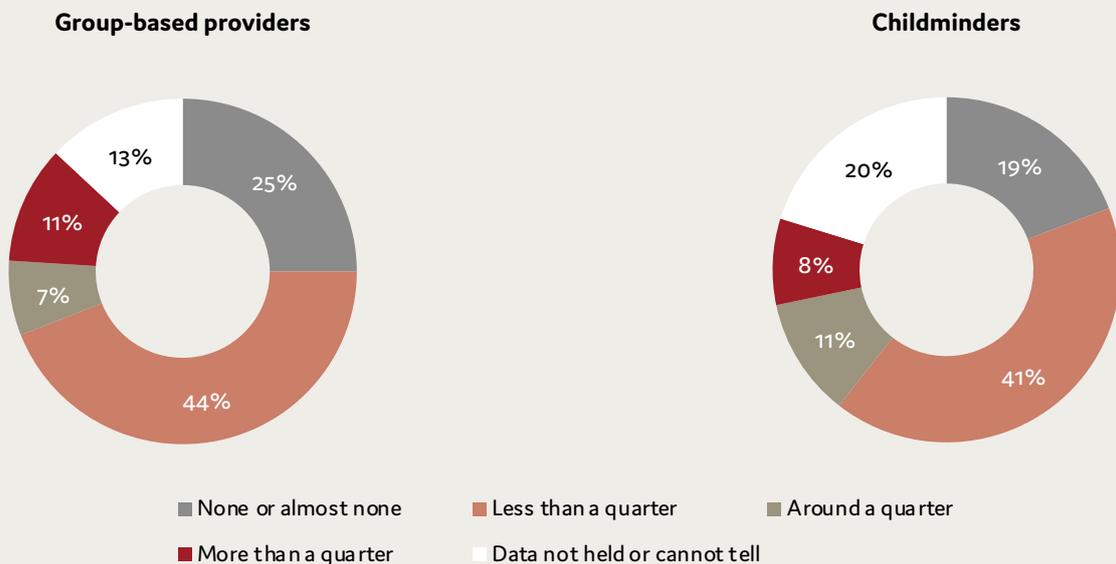
We also asked local authorities to feedback on the proportion of childcare providers in their area who are facing severe financial difficulties. By "severe financial difficulties", we mean settings that are at substantial risk of having to cease operating, or childminders at substantial risk of leaving the profession. See table 24 below.

Nineteen per cent of local authorities who provided data determine that a quarter or more of childminders in their area are at risk of leaving the profession, with 18 per cent highlighting that a quarter or more of group-based providers are at financial risk. Forty-four per cent of local authorities identify that less than a quarter of group-based settings are facing financial difficulties and 41 per cent highlight that less than a quarter of childminders are at risk.



NEARLY 1 IN 5 LOCAL AUTHORITIES SAY THAT A QUARTER OR MORE CHILDCARE PROVIDERS ARE FACING 'SEVERE FINANCIAL RISK'

Table 24: Local authorities reporting proportion of childcare providers in their area who are facing 'severe financial difficulties'



B. How providers have responded to business sustainability pressures.

Survey findings suggest that a significant proportion of local authorities determine that 'at least some' of their local childcare providers have taken steps to help with business sustainability. These steps are likely to impact negatively on the affordability and accessibility of childcare places.

Seventy-two per cent of local authorities who provided data reported that 'at least some' of their local childcare providers have increased the prices charged to parents to help with business sustainability. This figure consists of 31 per cent of local authorities reporting that charges were increased 'by many' childcare providers and 40 per cent reporting price increases 'by some' providers. See table 25 below.

A significant proportion of local authorities (LAs) also reported that 'at least some' of their local childcare providers:

- reduced their number of childcare staff (48 per cent of LAs).
- reduced opening hours of settings (44 per cent of LAs) and;
- reduced the number of funded early education entitlement places they provide (43 per cent of LAs).

All these steps could have a significant negative impact on the affordability and accessibility of childcare places, as well as the quality of provision.

The number, qualifications and experience of childcare staff has a significant impact on the quality of childcare provision, meaning that the reductions in numbers of staff are concerning. Reducing the opening hours of settings could be problematic for parents, particularly those who work longer hours, with longer commutes or single parents who cannot share drop-offs and pick-ups.

The reduction in the number of funded early education entitlement places is particularly concerning. Funded early education was introduced to help children get ready for school and to narrow the achievement gap between disadvantaged children and their peers that opens before they start school. A reduction in the availability of these places could mean children, and disadvantaged children in particular, missing out on this vital boost to their outcomes at a time when the achievement gap is widening.

Table 25 - Steps taken by providers to help with business sustainability, % of local authorities.

	Not taken locally	Taken by 'some' childcare providers	Taken by 'many' childcare providers	Data not held or cannot tell	Taken by at least some providers ('some' and 'many')
Increased prices charged to parents	3%	40%	31%	25%	72%
Reduced number of staff	14%	47%	2%	38%	48%
Reduced opening hours	24%	42%	2%	32%	44%
Reduced number of free early education entitlement places they provide	24%	40%	2%	34%	43%
Increased number of free early education entitlement places they provide	35%	1%	25%	39%	26%
Increased opening hours	37%	26%	1%	37%	27%
Decreased staff ratios – fewer children per member of staff	37%	18%	0%	44%	18%
Increased staff ratios – more children per member of staff	36%	16%	2%	47%	18%
Increased number of staff	37%	15%	2%	47%	17%
Reduced number of graduate (Level 6) qualified staff.	20%	9%	1%	70%	10%
Increased number of graduate (Level 6) qualified staff.	19%	9%	0%	72%	9%
Reduced prices charged to parents	54%	8%	1%	37%	8%

C. Recruitment and retention

Survey findings show that nearly three quarters (71 per cent) of local authorities determine that local childcare settings are finding it 'very difficult' to recruit staff with the required qualifications and experience, and a further 19 per cent are finding it 'somewhat difficult' (see table 26 below).

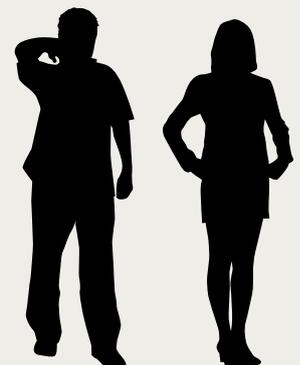
As indicated in section A, 69 per cent of local authorities report that such difficulties in recruiting and retaining childcare staff are decreasing the sustainability of local childcare provision

Without a strong workforce, settings will struggle to provide high-quality early education. This will ultimately have a damaging impact on developmental outcomes and will impact young children. In their response, some local authorities suggested that Government could do more to encourage people to join the early years sector, in national campaigns similar to those organised in teaching or nursing.



71% OF LOCAL AUTHORITIES REPORT THAT LOCAL CHILDCARE SETTINGS ARE FINDING IT 'VERY DIFFICULT' TO RECRUIT STAFF WITH THE REQUIRED QUALIFICATIONS AND EXPERIENCE

Table 26 - Difficulty in recruiting early years staff with the required qualifications and experience, % of local authorities



Conclusion

The results of the Childcare Survey 2023 should ring alarm bells for policy makers. Childcare costs are rising at almost triple the speed of last year at a time when families are already struggling to meet the costs. It also reveals significant decreases in the sufficiency of childcare in England. These shortages are likely to exacerbate existing inequalities. Only 18 per cent of local authorities in England have enough childcare for disabled children and less than half have enough for children under two, meaning many children will be unable to access childcare or childcare that meets their needs. This leaves parents unable to work, trapping them in poverty, and children unable to access the early education that would put them on a level playing field with their peers when they start school.

The drop in sufficiency of early education entitlements in England is especially concerning. Early education holds the potential to narrow the achievement gap between disadvantaged children and their peers. At a time when this gap is widening, it is vital that every child is able to access the high quality education and care that sets them up to learn at school and beyond.

Childcare is an excellent investment for public funds – today and in the future. It holds the potential to enable parents to work, increasing tax revenue and lowering benefit payments, and boost children’s outcomes. Our system is not achieving this potential. This must change.

Areas for action

The findings from this survey show that the need for action to improve the childcare and early education system is urgent. High costs are freezing parents out of work and gaps in availability of childcare are leaving disadvantaged children at risk of missing out.

For childcare to achieve its potential, we need radical reform of the system. We repeat our call that the Government must review and reform all current spending on childcare to a simpler and more efficient system that prioritises quality, guarantees a childcare place for every child, values the workforce and ensures parents only pay what they can afford.

The details of this system is outlined in *Creating an Anti-Poverty Childcare System* (Coram Family and Childcare / Joseph Roundtree Foundation, 2016)⁵.

Reform is needed, but will take time to implement. There are urgent changes that are needed to the current system while we move through this transition:

- **Review the funding rate for early education entitlements** to ensure that it meets the cost of providing high quality care. Alongside any increases in funding, requirements should be put in place to make sure that it is used to increase the focus on childcare quality and to value the workforce to help alleviate recruitment and retention pressures.
- **Reform Universal Credit so it does not lock parents out of work** by increasing the maximum amount of childcare costs paid under Universal Credit and guaranteeing support for upfront childcare costs.
- **Government should re-allocate underspend from Tax-Free Childcare** to other parts of the childcare system and realign Government funding towards low-income families.
- **Extend 30 hours funded early education to parents in training or education** to help parents move into work and out of poverty.
- **Improve support for children with SEND** through introducing responsive funding to improve staff skills and make more childcare places accessible.
- **Double the Early Years Pupil Premium (EYPP)** to ensure it is enough to help close the widening attainment gap between disadvantaged children and their peers.



Methodology

Timescales

This report is based on surveys sent to all Family Information Services at local authorities in November 2022. Respondents were able to fill in a form or reply online. After a month, we sent Freedom of Information requests to those local authorities which had not responded. The questions about the impact of COVID-19 were not included in the Freedom of Information requests. The deadline for Freedom of Information requests was in early January 2023.

Authorities who responded without the need for a Freedom of Information request were promised that individual responses would not be published, with only regional/national averages provided in the report. This is consistent with previous surveys, and we do it to encourage honest and accurate data reporting. When Freedom of Information requests are used, some local authorities automatically publish their own responses, so we cannot make the same promise. However, we do not report these Freedom of Information individual responses in this report, and nor do we say which responses were acquired through Freedom of Information requests and which through surveys.

Data sources

Average, maximum and minimum childcare prices are provided by local authorities rather than being calculated by Coram Family and Childcare from information gathered directly from providers. Similarly, assessments of sufficiency are provided by local authorities rather than being based on data collected by Coram Family and Childcare research team.

Where possible, we have kept questions consistent with previous versions of the survey to allow for tracking over time. However, we have made some changes to reflect the changing policy environment and in response to feedback from both survey respondents and organisations who use the data. We used slightly different surveys for local authorities in England, Scotland and Wales to reflect the different policy environments in the three nations.

Response rates

For sections 1 and 2 of the survey we received responses from 93 per cent of local authorities. The lowest response rate for any region was 83 per cent. Some local authorities did not give data for all questions, or gave data in a format that we could not use. The response rate for section 3 – current pressures on childcare providers – was 64 per cent of local authorities. This is lower than the response rate for the main survey as section 3 questions were not included in the Freedom of Information Requests.

Weighting

In line with recent surveys, we have weighted cost data within regions and nations. This ensures that results from small local authorities which have relatively little childcare do not unduly influence overall results. Data on pre-school childcare is weighted against the 0 to 4 year old population based on ONS mid-year population estimates, and data for school-age childcare is weighted against the 5 to 11 year old population. Within local authorities, we have weighted cost data for PVI and maintained setting providers against the number of providers in that area. This is based on an assumption that these types of settings will have the same number of children on average. Childminder cost data is presented separately and not as part of the local weighted average for non-domestic settings. This is because of difficulties accurately estimating the number of children using childminders as opposed to non-domestic settings on a local level, and the unique role childminders play in the market. We did not weight the data used for section 3.

Tracking change over time

Our comparison does not include any use of childcare subsidies through Tax-Free Childcare or the benefits system.

When comparing prices over time, we only include local authorities where we have data for both this year and the previous year. This is to avoid results being skewed by different local authorities having missing data year-on-year. This approach produces different results than would be reached simply by comparing the overall price figure from this year's survey against the overall price figure from last year. We believe this gives a more accurate reflection of the changes experienced by families.

Changes are weighted against this year's population data as described above. In some cases, we received 2022 data after the survey deadline for the year, but 2023 data within the deadline: in these cases, we have included the data in our calculations although they do not appear in the 2022 survey. This approach produces slightly different results to comparing regional weighted prices from the 2022 survey to regional weighted prices in the 2023 survey – we believe it gives a more accurate reflection of the changes experienced by families.

Data we do not collect

We do not collect data on the costs and availability of nannies and au pairs. This is because this data is not held by local authorities, and because they are used by a very small proportion of the population. Necessarily, the survey also excludes all types of informal childcare (e.g. grandparents, friends, babysitters). Information on families' use of formal and informal childcare can be found in the latest release of *Childcare and Early Years Survey of Parents: 2021* (Department for Education, 2022)⁶.

We exclude Northern Ireland because the childcare funding system is very different, making it hard to draw direct comparisons.



6 [Childcare and early years survey of parents: 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk)



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