

# Childcare Costs Survey 2012



## Introduction

Each year Daycare Trust conducts a survey of local authority Family Information Services (FIS) to find out about childcare costs in Britain. The information collected from these surveys allows us to monitor changes in childcare costs across different years. It also allows us to identify differences in childcare costs between regions and countries in Britain. This year's survey, the eleventh in the series, found significant increases in childcare costs at a time when parents are facing cuts to the financial support they receive from central government, as well as rising prices across other goods and services.

**"With year on year pay cuts and ever increasing living costs, affordable childcare enables me to be a good working mentor for my children and keep a roof over their heads."**

**(Parent interviewed by Daycare Trust)**

## Key Findings

- ▶ Average childcare costs now exceed £100 for 25 hours care in many parts of Britain.
- ▶ London and the South East remain the most expensive regions in Britain for pre-school childcare, with average prices as high as £130 for 25 hours childminder care in London.
- ▶ The average expenditure for a parent using 25 hours nursery care for 50 weeks of the year, for a child under two stands at £5,160 for parents in England, £5,075 for parents in Scotland and £4,618 in Wales.
- ▶ Nursery costs in England increased above the rate of inflation this year. However, this masks significant regional differences in the rate of increase.
- ▶ The most expensive nursery recorded by this year's survey costs £300 for 25 hours care – that's £12 per hour or £15,000 for 50 weeks childcare.
- ▶ Childminder costs are very similar for England, Scotland and Wales – around £92 to £93 for 25 hours of care. There are significant regional differences in England.
- ▶ Childcare for school-aged children is most expensive in the North East (£55.50 for 15 hours) and Scotland (£48.55).
- ▶ Over half (53 per cent) of local authorities said that parents had reported a lack of childcare in the previous twelve months.
- ▶ There are significant gaps in childcare availability across Britain with a worrying lack of provision for disabled children, parents working atypical hours and families in rural areas.

**Table 1: Childcare costs in Britain, 2012**

Region	Nursery (under 2)	Nursery (2 and over)	Childminder (under 2)	Childminder (2 and over)	Out-of-school club (15 hours)
East Midlands	£97.59	£96.24	£79.61	£79.73	£36.71
East of England	£103.73	£97.77	£90.69	£87.63	£43.96
London	£126.80	£112.24	£129.59	£129.02	£47.48
North East	£95.96	£94.61	£88.93	£87.72	£55.50
North West	£91.85	£90.58	£80.81	£80.33	£47.08
South East	£119.21	£110.88	£103.10	£101.76	£47.89
South West	£106.95	£105.78	£93.26	£93.26	£46.02
West Midlands	£91.04	£86.32	£84.12	£83.67	£42.99
Yorks & Humber	£95.54	£94.38	£83.35	£83.35	£44.61
<b>England regional average</b>	<b>£103.19</b>	<b>£98.75</b>	<b>£92.61</b>	<b>£91.83</b>	<b>£45.81</b>
<b>Scotland average</b>	<b>£101.49</b>	<b>£94.52</b>	<b>£93.10</b>	<b>£92.04</b>	<b>£48.55</b>
<b>Wales average</b>	<b>£92.35</b>	<b>£89.33</b>	<b>£92.96</b>	<b>£92.06</b>	<b>£40.05</b>
<b>Britain average</b>	<b>£102.05</b>	<b>£97.51</b>	<b>£92.68</b>	<b>£91.87</b>	<b>£45.53</b>

**Table 2: Regional Percentage Change**

Region	Nursery (Under 2)	Nursery (2 and over)	Childminder (under 2)	Childminder (2 and over)	Out-of-school Club	Change in earnings
East Midlands	9.0%	11.2%	-5.0%	-4.2%	-18.7%	7.9%
East of England	15.4%	9.1%	0.0%	-1.1%	4.9%	1.6%
London	7.0%	-0.6%	9.1%	11.1%	9.8%	0.5%
North East	5.5%	7.5%	6.1%	4.8%	26.1%	4.0%
North West	11.1%	14.4%	5.5%	10.0%	1.2%	-3.0%
South East	2.9%	-2.8%	7.5%	6.1%	13.8%	-4.1%
South West	11.2%	9.7%	1.9%	2.5%	-4.1%	-2.1%
West Midlands	-6.9%	-7.7%	-0.9%	1.6%	-12.5%	-0.5%
Yorks & Humber	7.6%	10.6%	1.2%	2.6%	-1.4%	-0.4%
England regional average	6.7%	5.1%	3.1%	3.9%	1.7%	-0.2%
Scotland average	1.9%	-3.1%	3.8%	5.0%	-1.9%	3.9%
Wales average	1.7%	0.0%	3.1%	2.7%	2.1%	4.0%
Britain average	5.8%	3.9%	3.2%	3.9%	1.4%	0.3%

## Background

**Childcare is essential for families. It is an investment in the future of children, and also in parents who need affordable childcare in order to return to or remain in work. Its pivotal role in helping children succeed and supporting parents to work mean that ultimately, an investment in childcare is an investment in the economy and in our society.**

Until the late 1990s many parents found it difficult to find affordable childcare and as a consequence mothers often left the labour market when they had children. The ability of many families to escape from poverty was therefore constrained. In 1998 the National Childcare Strategy committed government to increasing the availability and affordability of early childhood education and childcare. In the years since its implementation, a number of initiatives have improved parents' access to childcare services.

The current infrastructure of support includes the subsidy of parents' childcare costs through the childcare element of Working Tax Credit (WTC) and the roll out of children's centres in all parts of Britain. There is also an entitlement to free part-time early education for three and four year olds in England, Scotland and Wales. In England, this free provision is presently for 15 hours per week for 38 weeks of the year, having increased from 12.5 hours per week in September 2010. It will be extended to the 40 per cent most disadvantaged two year olds by 2014. Children in Scotland are entitled to 475 hours free early years education per year, typically offered as 2.5 hours a day for a total of 12.5 hours a week. In Wales, all three and four year old children are eligible for a free part-time Foundation Phase place, typically offered as ten hours per week during the school year, although some local authorities offer more.

The Childcare Act 2006 obliges all English and Welsh local authorities to ensure sufficient childcare for working parents and those undertaking training or education with the intention of returning to work. There is no equivalent legislation in Scotland, although the Early Years Framework (2008) requires that local authorities have 'a strategic view of childcare accessibility' and has a longer-term objective that families have 'access to integrated pre-school and childcare services in every community matched to an assessment of local demand'.

As a result of these interventions the number of childcare places has expanded and parents find it easier to find affordable childcare for their children. However, despite these advances, many parents still struggle to find suitable and affordable childcare. Indeed, a quarter of parents surveyed

by Daycare Trust and Save the Children (2011) say that their childcare payments have caused them to get into debt and nearly two thirds (63 per cent) say that they struggle to pay for childcare. Parents who have been supported by Daycare Trust also report that childcare for disabled children and older children is particularly hard to find.

**"They definitely shouldn't cut the tax credits or anything like that 'cos that's just gonna make more people unemployed and they're gonna keep the poor poor."**

**(Single parent, looking for work, interviewed by Daycare Trust)**

To compound these difficulties, recent public spending cuts have impacted on childcare. At a national level, the amount of help that parents can claim to cover part of their childcare costs was reduced from a maximum of 80 per cent back to 70 per cent in April 2011. This resulted in an average loss of £10.47 per week for families, or £544 per year (HMRC, 2011a; HMRC, 2011b) – a sizeable amount for parents struggling to make ends meet.

Meanwhile, reductions to local authority budgets have resulted in an assortment of cuts to local services. Although some authorities have prioritised childcare services and sought to protect them as much as possible, services in other authorities have been cut significantly.

The removal of the ring fence around Sure Start funding has exposed the scheme to cuts and has so far resulted in 124 fewer Sure Start sites, including six outright closures. The requirement for centres in the most disadvantaged areas to provide full daycare has also been removed.

Local authority Family Information Services, which provide parents with essential information on childcare options, have also experienced cuts in some areas with around one fifth (19 per cent) being incorporated into a generic council call centre. A further 45 per cent of Family Information Services have had their outreach services cut (Daycare Trust, 2011) and 62 per cent had reduced staff numbers. These cuts severely limit the ease with which parents can find information about childcare services in their local area which will act as a barrier for some parents wishing to use childcare services.

It is against this backdrop of cuts that this year's findings must be understood.

## Methodology

**Daycare Trust has been carrying out an annual survey of local authorities since 2002 in order to examine the costs and availability of childcare services. In November 2011 Daycare Trust asked all Family Information Services in Britain to complete a survey about the cost and availability of childcare in their area. We received responses from 160 local authorities – a 77 per cent response rate with a minimum response rate of 65 per cent in all regions. Due to cuts to Family Information Services – uncovered by a previous Daycare Trust report (Daycare Trust, 2011) – a number of Freedom of Information requests were issued to local authorities to ensure a sufficient response rate in all regions.**

In addition to asking about the cost and sufficiency of childcare for particular groups, this year's survey also gathered information on the difference between childcare in urban and rural areas and whether or not local authorities

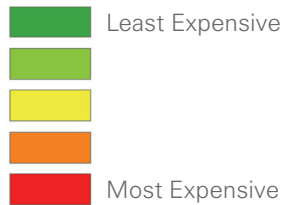
had enough places for the 40 per cent of two year olds that will be eligible for 15 hours free childcare in 2014.

All data was checked and cleaned to ensure its accuracy. Several follow up interviews were also conducted with Family Information Service staff to gain a deeper insight into the ways that childcare markets differ between areas. These discussions provided us with possible explanations for some of the differences and trends found by this year's survey.

Information on the Consumer Price Index inflation rate and wage inflation was also gathered from the Office for National Statistics to provide context to this year's findings. Both sets of figures refer to December 2011 to correspond with the timing of our survey.

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## Nursery costs



To better understand the way childcare costs vary across Britain we broke the cost of each type of childcare down into five equal groups, each representing a fifth of the difference between the lowest and highest average cost for that particular type of childcare.

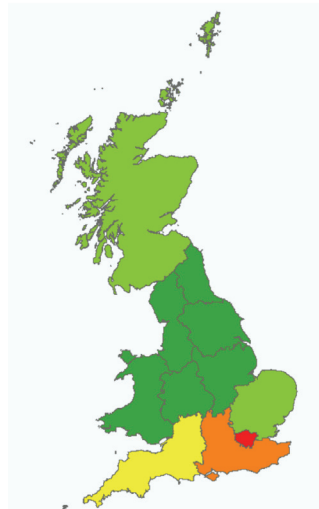


Fig 1: Relative nursery costs for under 2s

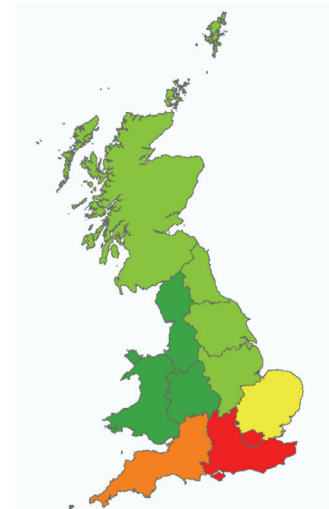


Fig 2: Relative nursery costs for age 2+

The average cost of 25 hours nursery care in Britain is £102.05 for a child aged under two and £97.51 for a child aged two and over – increases of 5.8 per cent and 3.9 per cent respectively. Table 1 and Figures 1 and 2 show the relative costs of nursery care across Britain. Nursery care for children aged under two in England (£103.19) was more expensive than Scotland (£101.49). Both were more expensive than Wales (£92.35). Within England there was a great deal of regional difference with average nursery costs ranging from £86.32 in the West Midlands to as much as £126.80 in London.

Across Britain nursery costs for children under two were more expensive than those for children aged two and over. This is not unexpected as nursery providers are required to have lower staff-to-child ratios for younger children.

In addition to childcare costs, changes in family income and the cost of rent, food, utilities, fuel, transport and other services all affect family

finances. For that reason, we analysed changes in childcare costs against inflation (4.2 per cent) and changes in average weekly earnings across all regions and countries in Britain.

Figure 3 shows that wages increased by less than inflation in all regions across Britain apart from the East Midlands over the last year. This alone makes parents' lives harder as they struggle to make their money stretch further. On top of these pressures, nursery costs for a child under two have risen by more than the rate of inflation in seven regions.

Costs increased in all regions except the West Midlands, where they fell by 7 per cent. The most striking increases were in the East of England and the South West. Despite recording the third biggest increase, the North West remains one of the least expensive regions for nursery costs in Britain, at £91.85 for 25 hours care for a child aged under two.

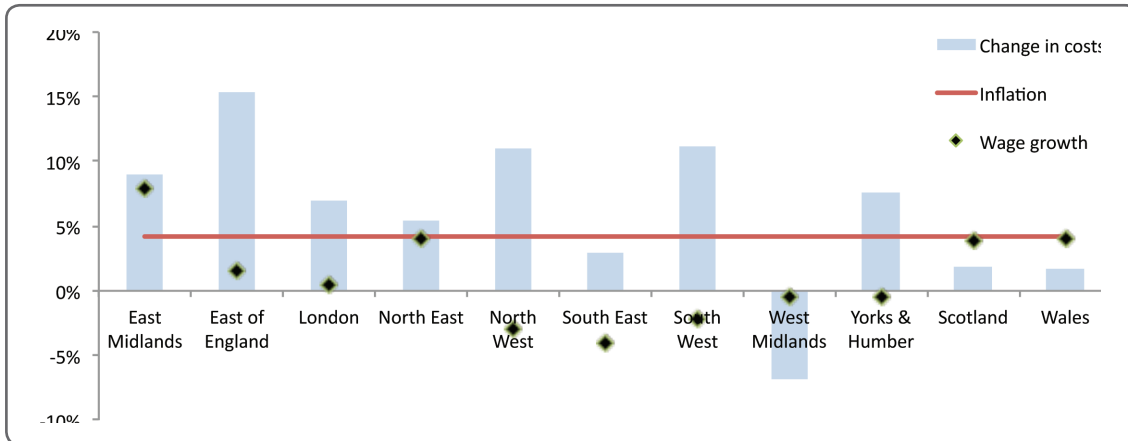


Figure 3: Percentage change in nursery costs for a child under 2

The combination of escalating living costs, stagnant wages and above inflation increases in nursery costs have placed considerable financial pressure on families. Through other research with parents and providers, Daycare Trust has been made aware of parents that have reduced their hours or stopped using nursery services altogether as they attempt to

manage family budgets in increasingly difficult financial circumstances (Daycare Trust and Save the Children, 2011). This can be damaging to children, who can lose out on important social and educational experiences; and to parents, who may reduce their hours at work or give up work completely to provide childcare themselves.

### Childminder costs

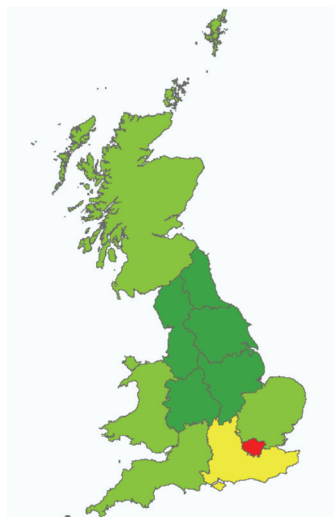


Fig 4: Relative childminder costs for under 2s



Fig 5: Relative childminder costs for age 2+



Registered childminders are often used by parents who prefer their children to be cared for in a home environment. According to the most recent figures from Ofsted there were an estimated 57,882 working childminders in England in December 2011.

Table 1 and Figures 4 and 5 show the relative costs of childminders across the UK. Average childminder costs are less than average nursery costs in Britain, at £92.68 for a child under two and £91.87 for a child aged two and over. The difference between nursery and childminder costs has become more pronounced in England over the past year with all regions experiencing greater increases in nursery costs except London, the South East, the North East and the West Midlands.

Looking at the difference between countries we see very similar costs for England, Scotland and Wales, with costs varying ever so slightly between £91.83 and £93.10 for 25 hours of care.

However, much like nurseries there were large differences in childminder fees between regions in England with costs ranging from £79.61 in the East Midlands to £129.59 in London. Unlike nurseries however, there was little difference between costs for a child under two and for children aged two and over. This may be due to the fact that childminders are not bound by the same ratio and qualification restrictions as group childcare settings, particularly in regards to younger children, and may also find it harder to cross-subsidise fees between different age groups.

The two regions that experienced the biggest growth in childminder costs – London and the South East – also reported the highest actual costs. Figure 6 shows that in addition to these two regions, childminder costs increased by more than the rate of inflation in the North East and North West. Costs also increased by more than the average wage in the South West and Yorkshire and Humberside.

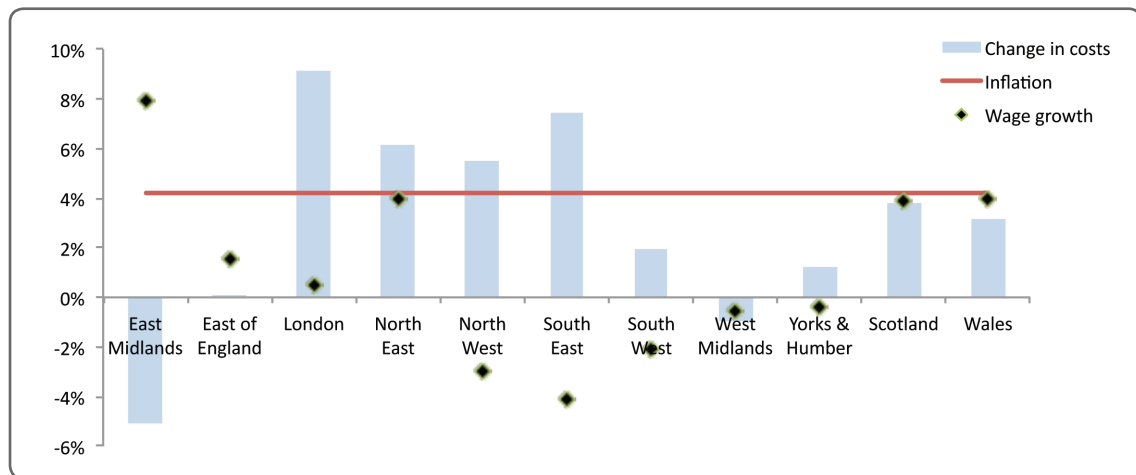


Figure 6: Change in childminder costs for a child under 2

### Out-of-school club costs

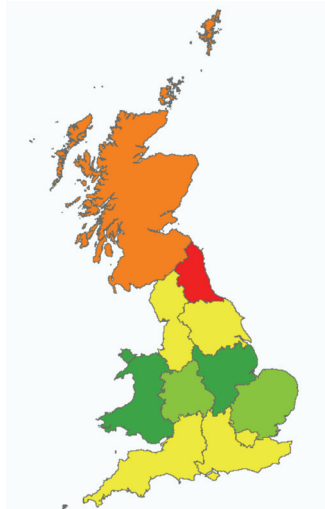
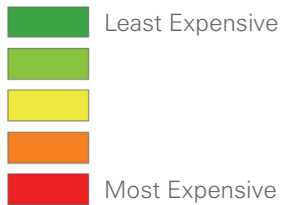


Fig 7: Relative costs for out-of-school clubs

Out-of-school clubs provide wraparound childcare for working parents with school age children. They are an essential part of the childcare landscape that enable parents of school aged children to find and remain in work.

Table 1 and Figure 7 show the relative costs of out-of-school childcare. This year, the average cost for 15 hours of care in an out-of-school club in Britain is £45.53. Parents in Scotland face higher out-of-school club costs (£48.55) than those in England (£45.81) and Wales (£40.05). Much like nursery and childminder costs, there was a great deal of regional difference. Unlike nursery and childminder costs, however, London was not the most expensive region for out-

of-school club care. This may be reflective of increased subsidy of out-of-school clubs by local authorities and schools in London to cope with parents' work demands.

The most expensive region for out-of-school care was the North East at £55.50 – a consequence of a huge increase in costs of 26.1 per cent. The South East was the second most expensive region in England for out-of-school care with an average cost of £47.89. It was also the region which showed the second highest increase in costs, up 13.8 per cent from last year (Table 2). On the contrary, out-of-school club costs fell by 18.7 per cent in the East Midlands, making it the least expensive region at £36.71 for 15 hours care.

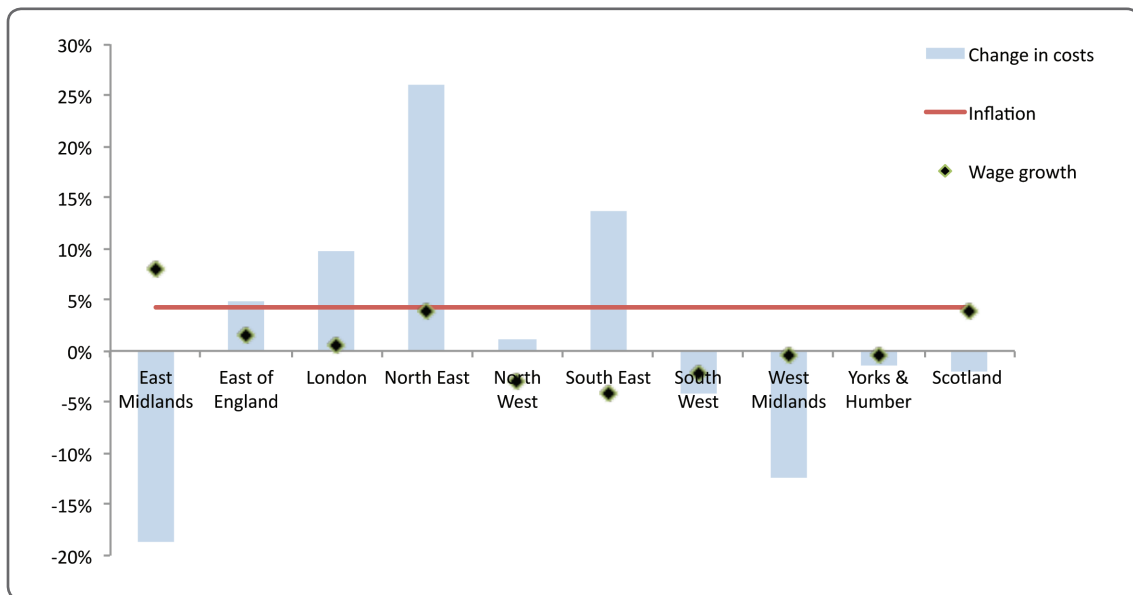


Figure 8: Change in out-of-school club costs

Out-of-school clubs are not as expensive as nurseries or childminders because they are typically used for fewer hours during the week. That is not to say, however, that above inflation increases in their cost do not have potentially serious consequences for parents. For many parents, out-of-school clubs are a vital service that enables them to work. It is therefore essential that they remain affordable.

One factor that often gets overlooked in these discussions is parents' ability to pay for childcare. To further explore this issue we looked at the extent to which childcare costs are related to average earnings across all government office regions in England, and Scotland and Wales. Figures 9 to 13 show graphs with the cost of childcare plotted against average earnings with each dot representing a region.

## Childcare costs and income

**"It's not worth working – you feel like you're working for nothing because most of the money is going on childcare."**

**(Parent interviewed by Daycare Trust)**

**As we have already shown childcare costs vary significantly across Britain, as does the extent to which they increase or decrease each year. There are a number of possible factors that contribute to changes in childcare costs such as increases in providers' operating costs and wider inflationary pressures. Providers may also increase their costs in response to falling occupancy rates in order to remain sustainable.**

If average childcare costs were perfectly related to average earnings, the points on the graph would form a line from the bottom left hand corner to the top right hand corner of each graph. This might suggest that the childcare market is working effectively, with childcare providers pricing their services in a way which matches parents' ability to pay.

Figures 9 through 13 show that nursery and childminder costs tend to be higher in regions with higher average earnings, although this is not always the case, meaning the relationship isn't perfect. Out-of-school club costs, on the other hand, show no clear relationship with average earnings, perhaps suggesting less price sensitivity among parents using this sort of childcare (since they are using fewer hours than for early years childcare) or a lack of competition at a local level.

The relationship between nursery costs and average earnings in particular suggests that childcare costs may be responsive to parents' ability to pay. However, we must qualify this finding by highlighting that a lack of available data prevents us from looking at this relationship at a local authority level. In other words, childcare markets are very localised and costs may vary significantly between and within local authorities, and this may not relate to earnings within those areas. Based on the fact that 36 per cent of parents believe the level of childcare affordability in their area to be poor (Smith et al, 2010), we assume that local childcare costs do not always match parents' ability to pay.

In instances where local childcare costs outstrip local wages, there is a clear argument for local authorities to intervene and re-align childcare costs with parents' incomes. This already happens in some areas through more heavily subsidised childcare places for parents on lower incomes or in greater need of childcare. These schemes are vital to the parents that use them. It is therefore important that we do not see reductions in these subsidies as part of local authority budget cuts. Doing so will seriously harm parents whose income does not match the cost of childcare in their local area; it may ultimately force them out of the labour market.

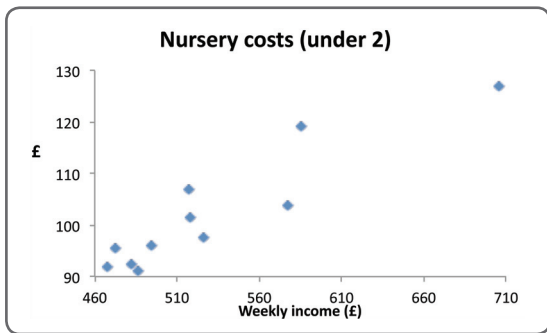


Figure 9: Nursery costs (under 2) and average earnings

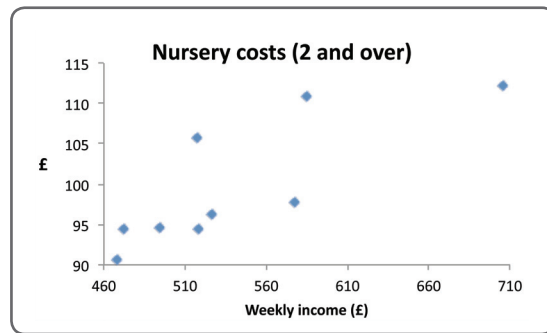


Figure 10: Nursery costs (2 and over) and average earnings

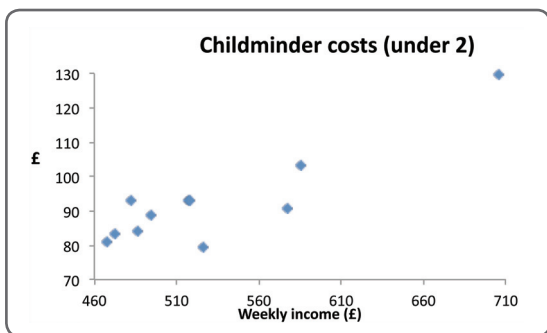


Figure 11: Childminder costs (under 2) and average earnings

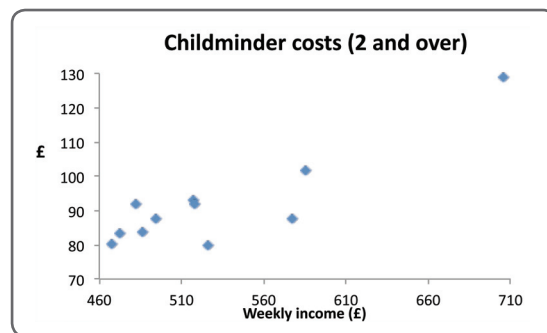


Figure 12: Childminder costs (2 and over) and average earnings

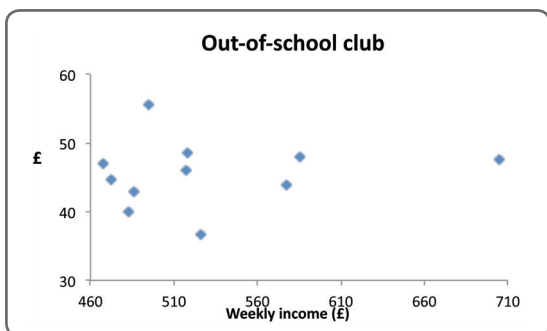


Figure 13: Out-of-school club costs and average earnings

## Help with childcare costs

**“I’m starting a University course at home in January and I’ve not been told [that my child is entitled to 15 hours free education]. I’ve been told I have to pay. ”**

**(Parent interviewed by Daycare Trust).**

Stagnant wages, high inflation and reduced Tax Credit support will have made rising childcare costs even harder for parents to bear this year. Faced with these challenging circumstances many parents may feel that childcare is unaffordable. However, it is important to remember that **there are a number of ways parents can get help with their childcare costs:**

### Childcare vouchers

Some employers offer parents childcare vouchers, either as an additional benefit on top of their salary or as a salary sacrifice. Parents receiving childcare vouchers as a salary sacrifice receive tax free vouchers to pay for childcare. This can save parents up to £933 per year, if they are basic rate tax payers. Higher rate tax payers are able to save up to £623 per year. These are the savings that can be made by each parent so, in families with two working parents, these figures may be doubled.

Childcare vouchers can also be saved up over time. Parents can start collecting them from when their child is born and save them up to use at a time when childcare costs may be particularly high. Likewise, parents can save childcare vouchers throughout term-time to use on expensive childcare during the school holidays.

The scheme is also beneficial for employers who can save on National Insurance contributions by offering a voucher scheme to employees. Unfortunately self-employed people are not currently able to access childcare vouchers.

### Tax Credits

Working Tax Credit provides financial support for those on low incomes who work more than 16 hours per week. Extra help is available for working parents through a childcare element, to help with the cost of registered childcare. It offers up to 70 per cent towards the costs of childcare up to a maximum level of £175 per week for one child and £300 per week for two or more children. The level of support was cut in April 2011 – prior to this up to 80 per cent of costs could be claimed.

Tax Credits and out-of-work benefits such as Jobseeker’s Allowance are being merged into a single Universal Credit between 2013 and 2017. Although we do not yet know the full details of how Universal Credit will be delivered, the government has pledged that it will continue to support childcare costs at the current level and will also extend support to those parents working fewer than 16 hours per week.

### Free entitlement

All three and four year old children in Britain are entitled to some free early education and this is largely delivered through nurseries and preschools. In England, the free entitlement is offered for 15 hours a week and for 12.5 hours a week in Scotland. Children in Wales can access a minimum of 10 hours per week although some authorities offer more. In England, the free early education offer will be extended to the 20 per cent most disadvantaged two year olds by 2013 and the 40 per cent most disadvantaged two year olds by 2014, making childcare costs cheaper for some parents.

### Local authority and provider initiatives

Despite cuts to local authority children’s services budgets, maintained-sector childcare provision is sometimes subsidised to make it more affordable for parents. This subsidy may involve a reduced rate for all parents using a particular provider (such as a children’s centre) or for parents with lower incomes. Some private, voluntary or independent sector providers also operate similar schemes. However, the rates of subsidy vary from local authority to local authority and in many areas have been cut due to pressures on local authority budgets.

**Table 3: Percentage of local authorities that have enough childcare across the whole authority**

Group	England	Wales	Scotland
Children aged 2 and under	35%	28%	25%
3-4s	50%	28%	37%
5-11s	29%	6%	25%
12-14s	21%	0%	15%
Disabled children	12%	0%	15%
Parents who work full-time	46%	17%	21%
Parents who work atypical hours	12%	0%	11%
Parents who live in rural areas	19%	0%	10%

**"I sat there and I was going to burst out into tears, 'cos I thought I've got a job and I can't go because I've got no childcare."**

**(Parent interviewed by Daycare Trust)**

**"My current day nursery closes at 6pm. My mother & my mother-in-law both work full time shifts & we have no other family we can ask for help. Our friends all either work or have 2 children, so we don't feel we can call on them to help."**

**(Parent interviewed by Daycare Trust)**

## Childcare gaps

Sections 6 and 22 of the Childcare Act 2006 state that English and Welsh local authorities must secure sufficient childcare to enable parents to work or undertake education or training that may help them find work. There is no equivalent legislation in Scotland, although the 2008 Early Years Framework has an objective that families have 'access to integrated pre-school and childcare services in every community matched to an assessment of local demand.'

To assess how well this obligation is being met, we asked local authorities about the sufficiency of childcare in their area for particular groups of children and parents. Table 3 shows the percentage of local authorities that said they had enough childcare for the groups across their entire authority.

Our findings show startlingly large gaps in childcare provision in Britain that need closing if parents are to have appropriate childcare options to enable them to work or study. Only 46 per cent of authorities in England believe they have enough childcare across the authority to meet the needs of parents working full-time despite the clear obligations of the Childcare Act 2006. This figure drops to just 12 per cent for parents working atypical hours, by which we mean outside of normal office hours. Quite clearly, this means that sections 6 and 22 of the Childcare Act are not being met by English and Welsh local authorities.

In keeping with the findings from previous surveys, local authorities reported a particular lack of childcare for older children and just 12 per cent of local authorities in England said they had enough childcare to meet the needs of all disabled children. This figure is even lower for Wales, where no local authorities believed they had enough childcare for all disabled children.

This year we also paid special attention to childcare in rural areas after speaking with parents who suggested there was a lack of it available. Just 19 per cent of local authorities said they had enough childcare to meet the needs of these parents. Moreover, 21 per cent of local authorities said that childcare was generally more expensive in rural areas than in urban areas. This may be because settings in rural

areas charge more due to lower occupancy rates or because they are able to charge more due to a lack of competition from other providers in the area. Whatever the reason, it is clear that more needs to be done to give parents in rural areas the same childcare opportunities as those in urban and metropolitan areas.

Comparing this year's findings to last year's findings we see that there has been no improvement in the proportion of local authorities that have enough childcare across the whole authority to meet the needs of these particular groups. This systematic failure is evidenced through parents explicitly raising a lack of childcare availability to 53 per cent of the Family Information Services who responded to our survey.

Although this isn't surprising given the cuts to local authority budgets, it is worrying that many parents will not be able to access the childcare they need because local authorities are failing to fulfil their duties, as outlined in the Childcare Act.

## Future sufficiency

A study conducted for the Department for Education (Gibb et al, 2011) raised serious concerns about local authorities' ability to provide high quality places for the 20 per cent most disadvantaged two year olds who will be eligible for 15 hours of free early education from September 2013.

In light of the Government's announcement that this offer will be extended to 40 per cent of two year olds from 2014, we asked local authorities whether they felt they had enough childcare to meet the increased offer. Over half (51 per cent) of local authorities did not believe they currently had enough childcare to fulfil the new offer. In light of the cuts to children's services budgets there is a very real danger that local authorities will not succeed in ensuring there is enough high quality childcare to meet the extended free entitlement offer.

## Conclusion and recommendations

Government commitment to making childcare more accessible and affordable has made a huge difference to the lives of parents over the last 15 years. The extension of the free early education entitlement to 40 per cent of two year olds is a further step in the right direction but cuts to Tax Credit support and local childcare services are two steps backwards.

This year's survey found costs of more than £100 for 25 hours childcare in many areas along with glaring gaps in availability. On top of this, wider economic factors are seriously restricting parents' financial security, making childcare less affordable and accessible to parents. Daycare Trust is therefore asking central Government to:

- ▶ Increase the proportion of costs which can be claimed under the childcare element of Working Tax Credit (and Universal Credit) to 80 per cent, with a higher rate of 100 per cent for families on the lowest incomes and those with disabled children.
- ▶ Introduce a higher limit for eligible childcare costs under Working Tax Credit (and Universal Credit) for families with three children so that the higher costs they face are recognised.
- ▶ Extend provision of the free early education entitlement to all two, three and four year olds by 2015 and increase the number of hours available to 20 by 2020.
- ▶ Ensure that all parents of school age children have access to free childcare either side of the school day.
- ▶ Promote the business case for employers helping parents with their childcare needs. This should include encouraging employers to offer flexible working arrangements, providing childcare information to parents and offering childcare vouchers to employees.
- ▶ Extend childcare vouchers to the self-employed.

- ▶ Ring fence funding for the free early education entitlement for two year olds and restore the ring fence to Sure Start funding to ensure that parents across the country have access to these key national services.

### **We call on the devolved Governments of Scotland and Wales to:**

- ▶ Extend the free early education entitlement to all three and four year olds for 15 hours per week by 2015 and 20 hours childcare to all two, three and four year olds by 2020.

### **We also call on local authorities to:**

- ▶ Recognise the important strategic role that childcare plays in allowing parents to take up and remain in work, therefore reducing child poverty, by prioritising childcare in their strategic planning.
- ▶ Produce a Childcare Sufficiency Assessment each year analysing the demand and supply of childcare. This should include an assessment of the need for childcare at atypical hours and for disabled children and should include an action plan with key priorities and milestones. Local authorities should report each year on progress towards filling gaps in availability.
- ▶ Commit to improving the quality of childcare providers through subsidised training and provider networks.
- ▶ Reconsider cuts to Family Information Services and evaluate their strategic importance in providing parents with the information needed to access childcare services and financial support. In particular they have a key role in supporting parents to access free early education places, including outreach to parents who may be eligible for new two year-old places.



## Acknowledgements

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## **Computershare** Voucher Services

Computershare Voucher Services is the UK's largest dedicated childcare voucher provider responsible for the administration, management and development of childcare vouchers which help working parents pay for registered childcare. Computershare Voucher Services is a founder member of the Childcare Voucher Providers Association (CVPA), the industry body launched to represent childcare voucher providers and promote best practice within the sector.

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Daycare Trust is the national childcare charity. We campaign for quality, accessible and affordable childcare for all.

We lead the national childcare campaign by developing credible policy recommendations based on high quality research.

Our advice and information on childcare assists parents and carers, providers, employers, trade unions and policy makers.

Daycare Trust has recently merged with National Association of Family Information Services (NAFIS) and now works to support families through local Family Information Services.

Daycare Trust offers a range of services, including:

- ▶ Consultancy and research
- ▶ In-house training
- ▶ Membership
- ▶ Support for Family Information Services

Parents wanting information on childcare issues can contact us at: [info@daycaretrust.org.uk](mailto:info@daycaretrust.org.uk)

Parents can also contact their local Family Information Service to get more detailed information about childcare available in your area. To find your nearest FIS, [click here](#).

To find out more about our work visit [www.daycaretrust.org.uk](http://www.daycaretrust.org.uk)

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