

# Holiday childcare costs survey 2008

This is the seventh annual  
Holiday childcare costs survey  
conducted by Daycare Trust.



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This year's survey shows considerable cost increases in almost all parts of Britain – in particular England, but with costs in all three nations rising ahead of inflation. In the first costs survey conducted since Childcare Sufficiency Assessments have been completed in England and Wales, over two-thirds of English local authority Family Information Services (FISs)<sup>1</sup> report that parents feel there is not enough holiday childcare, although not all authorities necessarily believe this to be the case themselves. All regions report a particular lack of holiday childcare places for children of 12 years and over, and for disabled children.

### England

Holiday childcare costs have continued to rise in almost all parts of England, although at vastly differing rates with an overall regional average increase of 10.1%. Despite the level of the increases varying across the country, in most places they were still well above the present official inflation rate of 3.3%.<sup>2</sup> The largest rises were seen in the West Midlands and the North East, although despite considerable increases since last year, these two regions still have the cheapest average holiday childcare costs in the country in 2008.<sup>3</sup> Only one region, the South West, experienced a reduction in costs. The shifts in all three areas may be a sign that the childcare market is correcting itself slightly, or evidence of local authority activity, it is hard to judge.

The overall average regional holiday childcare cost for England stands at £91.56 per week, a large rise of 10.1% since last year. This was almost double the rate of increase in Wales, and slightly higher than the rise in Scotland.

### Scotland

Scotland has seen an 8.6% rise in the cost of its holiday childcare – again, well above the 3.3% inflation rate. However, Scotland still has amongst the cheapest holiday childcare costs in Britain and only the West Midlands and the Inner London regions in England report lower costs than Scotland.

### Wales

Holiday childcare costs in Wales increased at the lowest rate of the three nations (5.3%), although still by considerably more than the present inflation rate of 3.3%. However, Welsh holiday childcare is still cheap compared to many parts of the country – only Scotland, the West Midlands and Inner London reported lower costs than Wales.

Region	Typical weekly cost 2008	Typical weekly cost 2007	Percent change
East of England	£105.04	£87.64	+ 19.9%
East Midlands	£97.64	£92.05	+ 6.1%
Inner London	£68.25	£63.37	+ 7.7%
North East	£89.89	£73.94	+ 21.6%
North West	£91.83	£82.83	+ 10.9%
Outer London	£91.83	£83.48	+ 10.0%
South East	£101.03	£93.00	+ 8.6%
South West	£90.01	£97.00	- 7.2%
West Midlands	£81.99	£67.72	+ 21.1%
Yorkshire & Humber	£98.06	£90.82	+ 8.0%
England – regional average <sup>4</sup>	£91.56	£83.19	+ 10.1%
Scotland	£82.88	£76.35	+ 8.6%
Wales	£87.86	£83.44	+ 5.3%
GB average <sup>5</sup>	£87.43	£80.99	+ 8.0%

Fig.1 Childcare Costs by Region (Figures compiled from a survey of 200 Family Information Services of which 144 responded)

### The increasing cost of holiday childcare

The 10.1% increase in England is the biggest year-on-year jump in holiday childcare costs since 2003 when the typical cost rose by 15.8%. Figures for Scotland and Wales have been collected for less time, but this is the first time that the average cost of holiday care in Wales has dropped below the average cost in England. Scottish costs continue to rise as they have done every year since 2005 (when Daycare Trust's Holiday Costs survey of Wales and Scotland began).

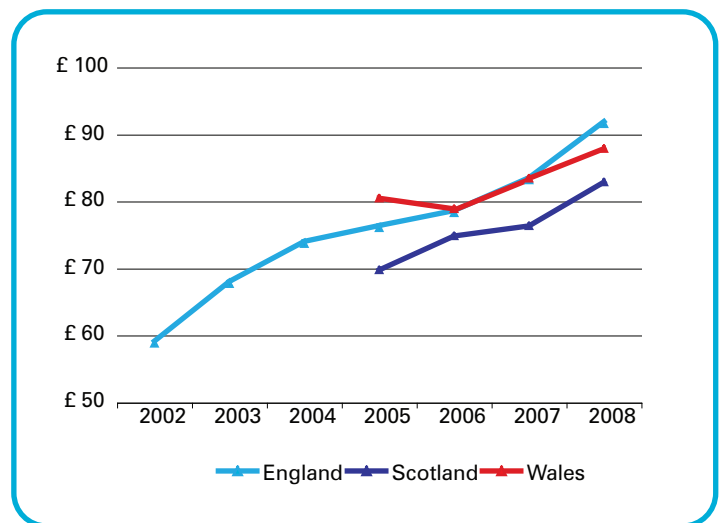


Fig.2 Average weekly holiday childcare costs in England, Scotland and Wales (2002–2008)

1. Statutory childcare information services are known by different names (such as Children's Information Services) in different local authorities. In this report, though, all shall be referred to as Family Information Services.  
 2. Inflation rate (CPI) June 2008  
 3. Although Inner London registers the lowest average cost, this is partly because Inner London holiday childcare receives significant

subsidies for particular groups including measures related to the Childcare Affordability Programme (CAP). For that reason it is felt it should not compare directly to the costs in other parts of the country.  
 4. Daycare Trust obtains the overall regional cost by calculating the mean average of the ten individual regional totals.  
 5. The GB Average is the mean average of the three national totals.

## Overall holiday childcare provision and sufficiency

FISs reported a mixed picture of whether the number of holiday childcare places were increasing, decreasing or staying the same. In both England and Wales opinion was split broadly evenly between each of these positions. In Scotland FISs predominantly felt that the number of places had stayed the same or increased.

	Increased	Decreased	Same	No response
England	34 (31%)	27 (25%)	29 (27%)	18 (17%)
Scotland	6 (29%)	3 (14%)	11 (52%)	1 (5%)
Wales	4 (27%)	4 (27%)	4 (27%)	3 (20%)

Fig.3 – “Has holiday childcare provision increased in your area?”

Local authorities in England and Wales were recently required to conduct Childcare Sufficiency Assessments to ascertain whether their area has sufficient childcare places to meet parental demand. Fig.4 shows the response from FISs in England to a series of questions about this.

SUFFICIENT CHILDCARE?	Yes	No	No response
All children	31 (29%)	55 (51%)	22 (20%)
Disabled children	28 (26%)	58 (54%)	22 (20%)
4–7 year olds	55 (51%)	29 (27%)	24 (22%)
8–11 year olds	50 (46%)	33 (31%)	25 (23%)
12+ year olds	13 (12%)	69 (64%)	26 (24%)
Do parents report a lack of suitable holiday childcare?	73 (68%)	24 (22%)	11 (10%)

Fig.4 – Sufficient holiday childcare in England: local authority

Nearly three-quarters of FISs in England that responded to the survey said that parents had reported a lack of holiday childcare places. However only about half (51%) of FISs themselves stated that they felt that there was insufficient holiday childcare in their area. FISs reported particular gaps in holiday childcare for disabled children and children aged 12 years and over, with 54% and 64% reporting a lack of sufficient childcare for those groups respectively.

As there are fewer local authorities in Scotland and Wales the figures are less conclusive, though it seems that all nations had fewer holiday childcare places for disabled children and children aged 12 and over. However, over half of Scottish FISs (12 out of 21) reported that they felt holiday childcare was sufficient, whereas not a single FIS of the 15 that responded from Wales felt that there was sufficient holiday childcare.

## Forthcoming welfare reform – lone parents

From autumn this year lone parents with children aged 12 and over will be required to make themselves available for work or risk losing benefits and it is intended to extend this to all parents with children aged 7 and over by 2010. In light of the figures in the survey indicating a dearth of childcare places for children of 12 years and over, it is clear that urgent action needs to be taken to ensure that lone parents have access to appropriate holiday childcare for their children if they are expected to find work. Lone parents are more likely to be caring for disabled children<sup>6</sup> and thus are likely to find it especially difficult to find childcare. This needs to be addressed. Daycare Trust would urge that lone parents who are to be required to be available for work, will need access to flexible working and term-time working. However, we also know that lone parents are more likely to find employment in low-paid jobs and would question how likely it is that such requests will be granted in such occupations? We would urge government to conduct a feasibility study related to this point.

## Help with childcare costs

The costs survey reports the shockingly high costs of holiday childcare in Britain, although it should be remembered that there is a difference between the fees charged and the actual amount that parents pay. The government provides several types of funding to reduce the amount that parents have to pay. Some families can claim help with childcare costs through the tax credits system, although only a small proportion actually do so (only one in ten families receiving Working Tax Credit also receive the childcare element)<sup>7</sup> – partly due to the complicated eligibility criteria. An employer-supported childcare voucher system, worth up to £1,195 a year, is also available to assist with childcare costs, and is taken up by 19% of parents with children under 14 in receipt of help with childcare costs.<sup>8</sup> In London there is also the Childcare Affordability Programme which subsidises the costs of full daycare all year round by up to £30 a week for parents on a low-income.

**For further information about how to get help with childcare costs, accessing free early years education and all other childcare enquiries, call Daycare Trust’s information line on 020 7840 3350.**

6. 27% of lone parents compared to 20% of couple families. Hoxhallari, L. Conolly, A. and Lyon, N. (2007) *Families with children in Britain: Findings from the 2005 Families and Children Study* (DWP)

7. Kazimirski A., Smith R., Butt S., Ireland E., Lloyd E. (2008) *Childcare and Early Years Survey 2007: Parents’ Use, Views and Experiences*. Research Report DCSF – RR025: DCSF

8. Ibid

## Daycare Trust recommends

- Subsidised out of school activities for all 11–14s and for younger children from poorer families, aiming ultimately to make them free.
- That urgent provision of holiday childcare is increased, given the growing number of working parents and especially given their increased importance within the government's welfare reform programme. This will require sustained subsidy to ensure all parents are able to access such care.
- An increase to the proportion of help with childcare costs through tax credits from the current 80 per cent to 100 per cent; vary maximum levels that can be claimed by region to accommodate costs in high cost areas; and consider more fundamental reform.
- The Government tackle the affordability crisis by giving local authorities the means to develop sustainable services in poorer areas and provide free places for those missing out, including places for disabled children, parents needing out of hours care, Further Education students and parents of under-threes who want to train.

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**Daycare Trust  
21 St George's Road  
London, SE1 6ES  
Tel: 020 7840 3350  
Fax: 020 7840 3355  
Email: [info@daycaretrust.org.uk](mailto:info@daycaretrust.org.uk)  
Websites: [www.daycaretrust.org.uk](http://www.daycaretrust.org.uk)  
[www.payingforchildcare.org.uk](http://www.payingforchildcare.org.uk)**

**Information line 020 7840 3350  
or email [info@daycaretrust.org.uk](mailto:info@daycaretrust.org.uk).**

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**Imagine Co-operative Childcare  
Co-operative House  
234 Botley Road  
Oxford, Oxon, OX2 0HP  
Freephone: 0800 458 7929  
[vouchers@imagine.coop](mailto:vouchers@imagine.coop)  
[www.imagine.coop](http://www.imagine.coop)**

