



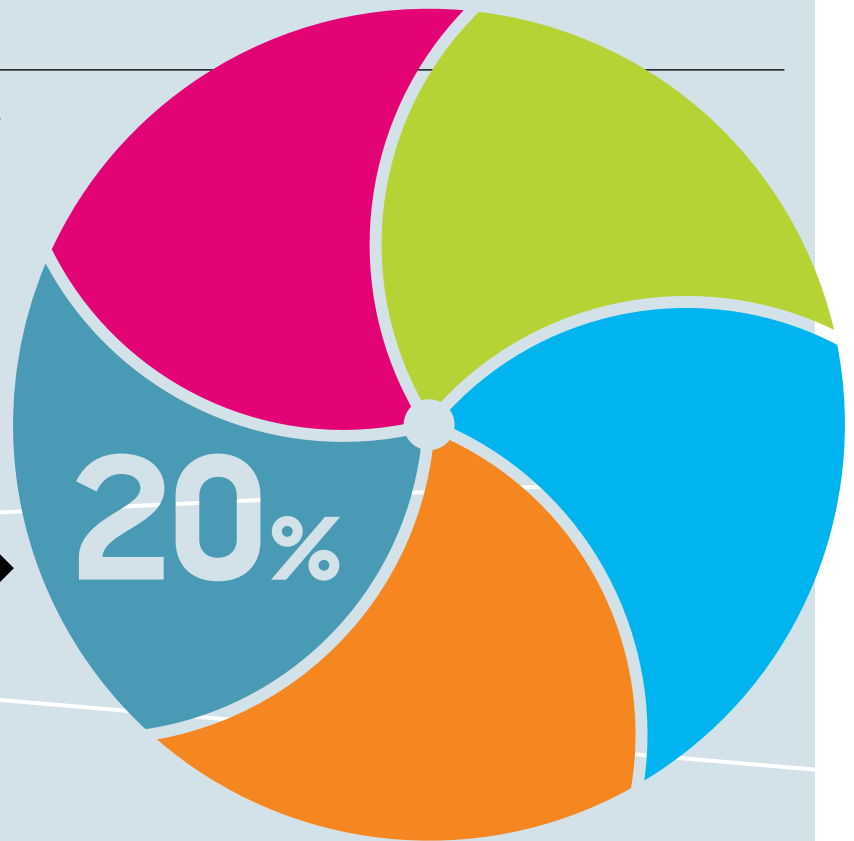
Family and Childcare Trust

Creating a family friendly UK

Holiday Childcare Costs Survey 2013

Jill Rutter

The average parent in Britain will spend one fifth of their gross wages on childcare during the weeks that they use holiday projects.



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Foreword

Every year the Family and Childcare Trust (formed from a merger of the Daycare Trust and the Family and Parenting Institute) conducts a survey to gather information about the cost of holiday childcare and its availability across Britain. The data, collected from local authorities, makes it possible to monitor changes in the costs and availability of childcare during school holiday periods and identifies differences in childcare provision across the regions and nations of Britain.

This year's survey, the 12th in the series, is released at a time of heightened debate around the cost of childcare, as well as the configuration of the school year. This holiday costs survey complements our annual survey of childcare costs which we released in February.

This year's survey has found that holiday childcare in the private, voluntary and independent sector has now—for the first time—broken the £100 per week threshold in all parts of Britain. This is a significant cost to all parents but particularly those on low and modest incomes.

The Family and Childcare Trust believe that the cost and availability of childcare for older children, particularly over the summer holidays, go unrecognised. Current government proposals on tax-free childcare, for example, only cover children up to the age of five. We hope that this survey will help create the evidence base that leads to a more concerted effort to do something about this problem

Anand Shukla
Chief Executive
Family and Childcare Trust

Key findings

Childcare costs

- Over the school holidays, about one in five parents of children under 15 use formal childcare provided by holiday clubs or play schemes, the majority (79 per cent) of which is provided through private, voluntary and independent (PVI) sector groups.
- In Britain the average cost of one week's full-time (50 hours) holiday childcare in the private, voluntary and independent sector is now £109.23. The average cost of one week's full-time childcare provided in the maintained sector—mostly by local authorities and schools—is now £101.97.
- Based on the above costs the average parent in Britain will spend one fifth of their gross wages on childcare during the weeks that they use holiday projects.
- The East of England is the most expensive region in England for holiday childcare with an average weekly price of £128.95.
- In every region or nation of Britain the average cost of childcare in the PVI sector is now over £100 per week. This is the first year that the £100 barrier has been broken in all parts of Britain.
- The most expensive holiday childcare cost found was £530 per week and this holiday project was located in the East of England.
- There were six local authorities where the average cost of holiday childcare exceeded £175 per week, this figure being the maximum amount of help that a parent on a low income can claim through Working Tax Credit support for childcare costs. In these local authorities low income parents who qualify for the maximum childcare support through tax credits are likely to be out-of-pocket. This is the first time that the £175 threshold has been crossed.
- Cost and availability issues lead to pressures on family finances, disruption to businesses, and is particularly acute for those who cannot rely on grandparents.

- Unlike nursery care, where costs are highest in southern England, there are significant differences in costs within regions and nations and within local authorities. These differences are caused by different levels of local authority subsidy to holiday childcare, different ownership patterns, as well as levels of supply and market failure.

The average parent in Britain will spend one fifth of their gross wages on childcare during the weeks that they use holiday projects

- In England the average holiday childcare costs have increased by 9.2 per cent in the PVI sector and 10.9 per cent in the maintained sector since last year—over three times the rate of inflation. However, the rate of price changes since last year differ across Britain, again as a consequence of funding cuts and of changes to local authority subsidies to holiday childcare projects.

The availability of holiday childcare

- Across England and Wales there are particular shortages of childcare for older children, disabled children, children who live in Wales and those in rural areas. Over the last four years there has been little progress in filling these gaps and for some groups shortages have worsened since 2009.
- For older children, sports and cultural activities, open access play schemes and youth clubs provide supervision and *de facto* forms of holiday childcare. In many local authorities, budgets for youth services have been cut. This may result in more parents struggling to find suitable supervision for their children over the school holidays and in the worse cases children left unsupervised.

- The Childcare Act 2006 obliges local authorities in England and Wales to ensure that there is sufficient childcare for working parents and those undertaking training to enable them to work. Given this legal duty, it is disappointing that seven years after the Childcare Act 2006 was passed, our survey showed that just 30 per cent of English local authorities and 16 per cent Welsh local authorities have sufficient holiday childcare for working parents.
- In order to fill gaps in provision, local authorities need to understand childcare supply and demand in their local area. While local authorities in England and Wales are required to assess

childcare supply and demand, recent changes to statutory guidance in England have weakened this duty. Some 36 per cent of local authorities in England had not reported on the sufficiency of childcare since 2011.

- In Scotland duties to assess and provide sufficient childcare are presently weaker, although it is hoped that new legislation will change this. But at present nearly half of Scottish local authorities in our survey reported that they had no information on supply and demand in their local area.

Table 1: The weekly cost of holiday childcare across Britain, 2013

Region/nation	Maintained (school, local authority) sector holiday club or play scheme	Private, voluntary and independent sector holiday club or play scheme
East of England	£130.61	£128.95
East Midlands	£85.33	£119.63
Greater London	£84.83	£112.11
North East	£76.92	£124.15
North West	£95.97	£108.28
South East	£109.50	£125.18
South West	£106.00	£111.94
West Midlands	£96.86	£109.49
Yorkshire and Humberside	£96.58	£120.68
England (Regional Average)	£98.07	£117.82
Wales	£87.62	£108.52
Scotland	£120.23	£101.35
Britain average	£101.97	£109.23

Source: Family and Childcare Trust Holiday Childcare Costs Survey 2013

Five areas for action

Looking after children during the school holidays is, of course, the responsibility of families to arrange and finance, but we must recognise the disruption this has on parents' ability to get to work, employers' ability to rely on workers to turn up, and the additional financial strain this has on already hard-pushed parents. In order to improve holiday childcare, we believe there are five specific areas for action.

1 Government and local authorities should improve the support available for childcare for school-age children during the school holidays and before and after school. Parents' needs for childcare do not end when their children start school, but for too long the childcare needs of this group of children have been marginalised.

Specifically, we urge the government to revisit its plans for narrowing the focus of financial support to parents to parents of under fives—reinstating to previous arrangements of 0–15 as a starting point.

2 Alongside this we would urge the Government to consider ways to simplify the funding mechanisms for supporting parents with childcare costs. At present, money is channeled through tax credits, childcare vouchers, Job Centre Plus schemes, as well as local authority and school funds. This is over-complex and an inefficient use of money.

A simplified public funding mechanism for supporting childcare provision would enable us to better understand where funding could be most effectively and consistently allocated.

3 We need to revisit a national strategy to enhance the role of schools in supporting holiday childcare. Current debates around changes to school term dates and shortening the school holidays run the risk of further fragmenting provision across the individual nations of England and a free-for-all for schools risks worsening childcare problems for parents.

There is evidence to suggest that children's linguistic development stalls over long summer holidays. Certainly, many parents find it hard to juggle the demands of work and childcare. More research is needed on the social and educational impacts of the configuration of the school year.

But schools do have an essential part to play and many are leading the way. Costs could be brought down by encouraging more holiday childcare to be provided within schools, as they have premises and equipment that can be used at little extra cost. In rural areas, in particular, a school may be the only suitable building where childcare can be located.

4 Local authorities need to play a stronger role in ensuring adequate provision of childcare in their area. They are best placed to understand the availability of local provision, the needs of local families, and to coordinate activity across communities. We are particularly alarmed by continued cuts to youth service budgets that subsidise many open access play schemes, holiday sports and cultural activities that act as a *de facto* form of childcare and supervision for older children.

5 Finally, we must ensure that more parents benefit from family friendly work practices, such as flexible working or term-time only contracts. At present, those most likely to benefit are highly qualified parents who have the most power in negotiations with employers.

Background

School holidays, particularly the long summer holidays, present challenges to working parents. Schools and school-based nurseries are closed and working parents have to find childcare during the day. Parents resort to many different strategies to find childcare in the holidays.

A lucky few have employers who support flexible working, for example, term-time only contracts. Many parents also resort to 'shift parenting' where they split their own annual leave and take it in turns to look after their children. Informal childcare from relatives and friends is also important; recent research showed that 19 per cent of parents of children under 15 used maternal grandparents, 11 per cent used paternal grandparents and 6 per cent used family friends to provide childcare during the school holidays (Rutter and Evans, 2012).

But not all families can rely on shift parenting, or informal childcare provided by relatives and friends. For them, formal childcare, in the form of childminders, holiday play schemes and holiday clubs, is essential. The *2011 Childcare and Early Years Survey of Parents*, covering England, estimates that 8 per cent of families with school age children use holiday childcare clubs and 2 per cent use childminders. Single parents in employment, couples where both parents are working and those in higher income groups are most likely to use formal childcare during the school holidays.



Background

For older children, sports camps and holiday activities run by museums, orchestra, theatre projects and other cultural organisations often function as what can be described as *de facto* childcare—arrangements that serve as childcare despite this not being the primary purpose.

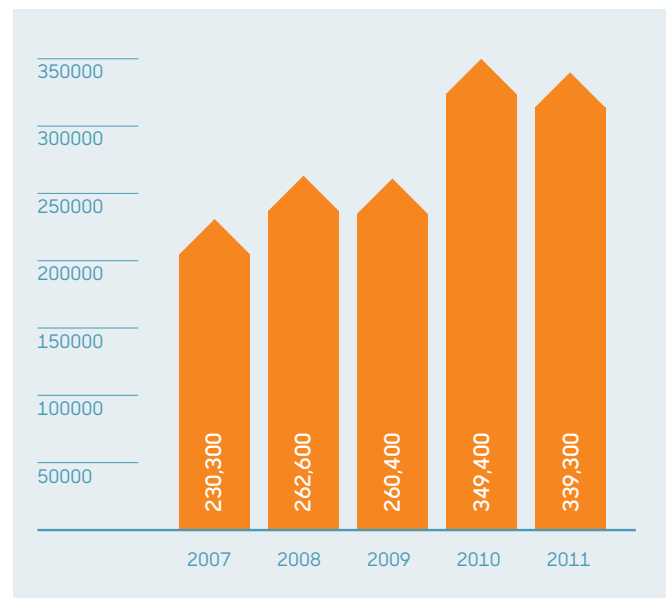
“ There are no affordable clubs that are suitable for the ages of our children. Since we have had children, my wife and I have had to share out our holiday time to care for the children, which means that we have not gone away together as a family for ten years.

The importance of affordable formal holiday childcare has been recognised by successive governments which have acted to make holiday childcare more affordable and more available to working parents.

In 1998 the *National Childcare Strategy*¹ committed government to increasing the availability and affordability of early childhood education and childcare in England and Wales. A further ten-year childcare strategy was published in 2004 which paved the way for the Childcare Act 2006. This legislation 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.

At present 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'. At the time of writing the current Children and Young People (Scotland) Bill does not strengthen the duties of Scottish local authorities to provide enough childcare for the over fives.

Figure 2: Number of holiday childcare places in England 2007–2011



Source: Childcare and Early Years Survey of Providers, 2011

1 Department for Education and Employment and Department for Social Security, 1998.

Background



Alongside moves to increase the availability of childcare, a number of initiatives have also helped make childcare more affordable. The current infrastructure of support includes the subsidy of parents' childcare costs through the childcare element of Working Tax Credit. Currently, working parents on low incomes can receive up to 70 per cent of their childcare costs up to a maximum of £175 per week for one child in childcare and £300 per week for two or more children. This rate of support has not increased from 2005 and in 2013 the Government introduced an up-rating cap on most benefits of a 1 per cent increase per year. Yet in many areas there are holiday childcare projects whose costs exceed £175 per week per child.

Initiatives have also aimed to increase employer support for childcare, with this aspect of support now receiving £800 million government investment per year². This is often in the form of childcare vouchers, either as an additional benefit on top of their salary or as a salary sacrifice. Those receiving childcare vouchers can save up to £55 per week if they are basic rate taxpayers and higher rate taxpayers who joined a voucher scheme before 5 April 2011. Childcare vouchers can also be saved up over time and used at a time when childcare costs may be particularly high, for example, during the school holidays.

As a consequence of these developments the number of childcare places has expanded in all parts of Britain (Figure 2). By 2011 there were 339,300 holiday childcare places delivered by 7,900 providers in England. This represents a 279 per cent increase in places and a 282 per cent rise in the number of providers since 2003. Figure 2 shows the growth in holiday childcare places in England since 2007. There has been a similar increase in places in Scotland and Wales.

Over the next three years there will be further changes to the way that parents' childcare costs are supported. From April 2013 tax credits will be merged into the single Universal Credit, but the structure of childcare support will remain broadly similar to Working Tax Credit. Parents will still receive a percentage of their childcare costs up to a weekly maximum, which is likely to remain at £175 per week for one child.

Overwhelmingly it will be families in the top half of the income distribution who will benefit from the £1,200 voucher support.

There are potentially some positive developments when the Universal Credit is implemented. Parents who work less than 16 hours per week will qualify for help with childcare costs through Universal Credit, a move that eliminates some of the benefit 'cliff edges' that can disincentivise moving back into work. Maximum childcare costs will be calculated monthly, which will enable greater flexibility for parents whose childcare costs fluctuate from week to week. This greater flexibility is particularly important for parents who face a big increase in childcare costs during the school holidays.

In March 2013 the government announced that it intends to increase the level of childcare support through Working Tax Credit or Universal Credit support to 85 per cent of costs, up from 70 per cent of costs that parents receive today.

2 Department for Education, 2013

3 Childcare Written Ministerial Statement, Sajid Javid, Economic Secretary to the Treasury, 19 March 2013

Background

This increase is due to implementation in 2016, although at the time of writing this additional level of support will be restricted to families where *both* parents are paying income tax³.

For families who are not claiming Universal Credit or Working Tax Credit, the government has announced that it will phase out the present employer-supported childcare voucher scheme and replace it with a tax free 'voucher' of £1,200 per year. The government proposes to introduce this new scheme in 2015. At the time of writing this support will be restricted to families where both parents work but are each earning less than £150,000 per year and where children are under five year olds, so it will not initially help pay for holiday childcare costs for children beyond five.

The Family and Childcare Trust has concerns about the new proposals. Overwhelmingly it will be families in the top half of the income distribution who will benefit from the £1,200 voucher support. Analysis by the Resolution Foundation⁴ suggests that 80 per cent of the 2 million beneficiaries of this voucher will be in the top 40 per cent of the income distribution and almost no families in the bottom 40 per cent. While some of the latter group of families will receive additional support by increasing tax credit/Universal Credit support from 70 per cent to 85 per cent of costs, at the time of writing there are families that will miss out on this.

It is not clear whether families on the lowest incomes—those where parents are not paying income tax—will qualify for this increased level of support. There may be as many as 930,000 families who earn too little to pay income tax, who include many single parents in low paid, part-time jobs, as well as households where just one parent earns enough to pay income tax. Arguably, those who need the most support miss out on additional help.

Alongside these proposals about holiday childcare there have been other social policy changes that have the potential to impact on holiday childcare. In all parts of Britain there is discussion about the role of schools in providing wrap-around and holiday childcare, prompted in England by greater numbers of academies and free schools that offer these services to parents. In England, too, local authorities will lose the power to set term dates in 2015, affording all schools the powers

that academies, free schools, voluntary aided and foundation schools already have over term and holiday dates, although the school year will still have to have a minimum 190 days of term time.

Already, a number of schools have announced that they intend to cut the summer holidays back to four weeks in order to help parents who struggle with childcare. However, some educational leaders are suggesting that this move may increase parents' childcare difficulties by introducing big variations in holiday dates within the same local authority. It is for this reason that the Welsh Government introduced a bill in summer 2013 to harmonise school holiday dates across Wales.

It is worth noting that almost all developed countries have long summer holidays and there has been little pressure to reduce them outside England. More research is clearly needed on this issue, as well as looking at how other developed nations meet the school holiday childcare challenge.

These policy changes must also be seen against a backdrop of spending cuts to local authority budgets. In many parts of the country holiday childcare has been partly subsidised by local authorities, often to ensure that children are not left unsupervised over school holidays. Differing levels of subsidy account for some of the differences between holiday childcare costs across local authorities. However, pressure on budgets means that these subsidies have often been reduced or removed completely.

Additionally, public funding for sports, cultural, open access play schemes and youth activities, which often act as substitute childcare for older children, has also seen significant cuts. Business rates and rents have been increased. The additional costs to those who provide holiday childcare and activities are usually passed on to parents, where that provision continues to run.

The Family and Childcare Trust's annual holiday childcare is set in context of these policy changes.

4 www.resolutionfoundation.org

Methodology

In May 2013 the Family and Childcare Trust Daycare Trust asked all Family Information Services (FIS) in England and Wales and all Childcare Information Services (ChIS) in Scotland to complete a short questionnaire about the availability and average cost of holiday childcare in their area.

The survey asked for the average daily and weekly cost for full-time holiday childcare and the number of hours over which this care was provided. A distinction was made between public sector holiday childcare (local authority, school and other public sector) and childcare run by private, voluntary and independent (PVI) providers. It is important to emphasise that this survey asks local authorities to report the price that parents pay for different forms of childcare in their area. This survey does not ask local authorities to estimate what services cost providers to deliver – this is likely to be a different amount than the prices information held because of subsidies and grants that some providers receive. Thus this data cannot be used to represent the cost to providers of delivering services.

The figures given below are all average costs. This means that some parents face higher costs than are implied in this survey and some may also pay extra for additional services.

As noted above, the Childcare Act 2006 obliges local authorities in England and Wales to ensure that there is sufficient childcare for working parents and those studying with the intention of returning. At present the early years' Framework for Scotland requires that local authorities have a 'strategic view of childcare accessibility'.

In order to monitor whether local authorities are fulfilling these obligations, the survey asks whether there is sufficient holiday childcare for different groups of children: 4–7 year olds, 8–11 year olds, children aged 12 and over, disabled children, those living in rural areas and the children of working parents.

Over the last 12 months the Family and Childcare Trust has received accounts of holiday childcare projects ceasing to operate, as well as cuts made to local authority budgets for organising holiday childcare and play schemes. We were concerned that these cuts may reduce the availability and affordability of holiday childcare.

This year we also asked questions about the numbers of providers operating in each local authority, the ownership of this provision, as well as data about changes to the numbers of providers and childcare places since 2012.

We also asked questions to English local authorities about how regularly they are assessing the sufficiency of childcare provision—a question we have added after statutory guidance on Childcare Sufficiency Assessments was first changed in September 2012⁵.

We were concerned that these cuts may reduce the availability and affordability of holiday childcare.

In order to ensure an adequate response rate in all the regions and nations of Britain, Freedom of Information Act requests were used to collect the information where the survey methodology had failed. Responses were eventually received from 163 local authorities across England, Scotland and Wales, representing a 78 per cent response rate overall and a minimum of 65 per cent response rate in each region or nation of Britain.

5 See Children and Families Bill 2013 and Department for Education (DfE) (2012) *Statutory Guidance for Local Authorities on the Delivery of Free Early Education for Three and Four year Olds and Securing Sufficient Childcare*, London: DfE

The cost of holiday childcare

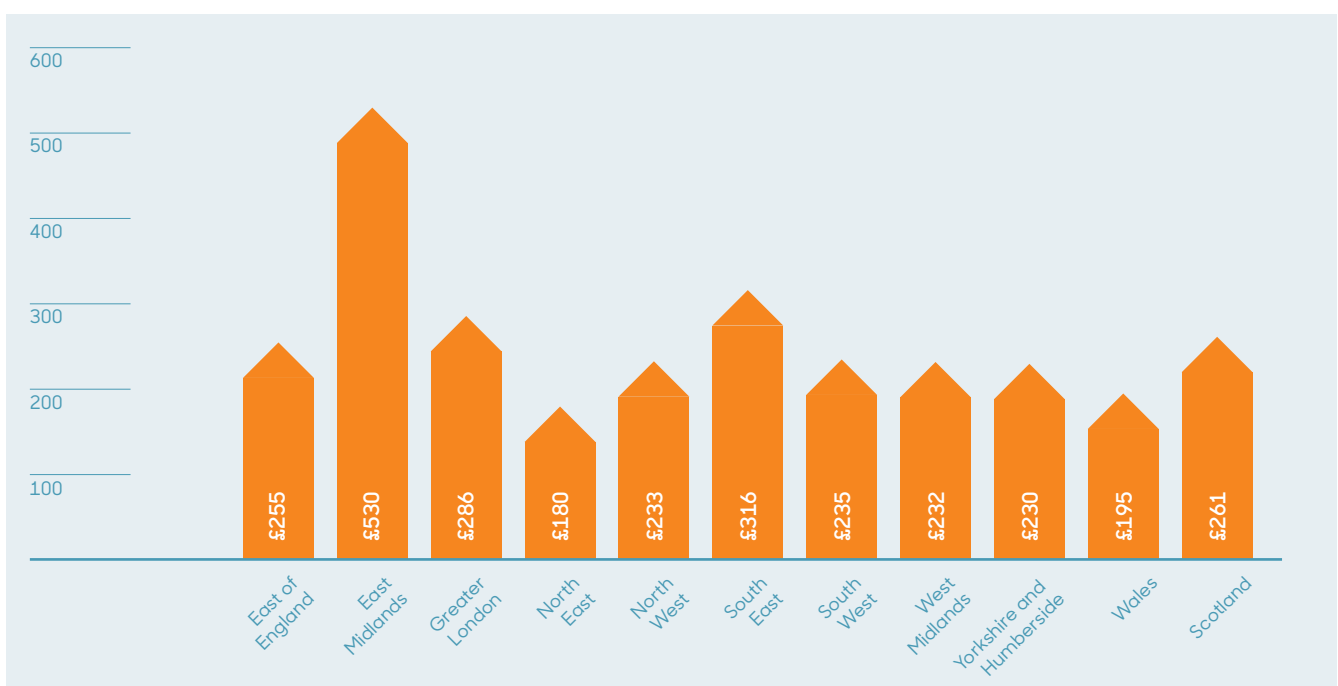
The majority of holiday childcare is provided by private, voluntary and independent (PVI) providers in all parts of Britain, so average childcare costs are calculated using the costs in this sector. In Britain the average cost of one week's full-time holiday childcare in the PVI sector is now £109.23 (Table 1). The average cost of one week's full-time childcare provided in the maintained sector—mostly by local authorities and schools—is now £101.97 per week.

The East of England is the most expensive region in England for holiday childcare with an average price of £128.95 per week for holiday childcare provided by the PVI sector. Holiday childcare provided by local authorities and schools is also the most expensive in the East of England, with the average cost in this sector now £130.61 per week.

The most expensive holiday childcare costs £530 per week. Figure 3 gives the most expensive holiday childcare in each region and nation of Britain.

There were six local authorities where the average cost of holiday childcare exceeded £175 per week, which is the maximum amount of help that a parent on a low income can claim through Working Tax Credit support for childcare costs. In these local authorities low income parents who qualify for the maximum childcare support through tax credits are likely to be out-of-pocket.

Figure 3: Most expensive holiday childcare for full-time place per week, by region, 2013



Source: Family and Childcare Trust Holiday Childcare Costs Survey 2013

The cost of holiday childcare

“ As soon as the holidays came, I couldn't pay the childminder, her fees were extortionate for the whole day. So she (her daughter) used to go to my grandmother's—rather than my mum because my mum was working full-time. But since my grandmother died, there has been no-one to care for my daughter. I just can't afford the childminder or the club. So until she is older, I take unpaid leave over the summer holidays. We can't afford it and I would rather work.



Table 4: Increase in holiday childcare costs over a 12 month period 2012–2013, by region and nation

Region/nation	Increase in costs in maintained (school, local authority) sector holiday club or play scheme	Increase in costs in private, voluntary and independent sector holiday club or play scheme
East of England	32.0%	19.1%
East Midlands	-11.1%	2%
Greater London	3.2%	15.3%
North East	-5.5%	13.4%
North West	13.1%	3.4%
South East	17.2%	0.7%
South West	17.7%	-3.5%
West Midlands	-1%	16.3%
Yorkshire and Humberside	18.2%	20.6%
England (Regional Average)	10.9%	9.2%
Wales	11.6%	-7.7%
Scotland	25.1%	0%
Britain average	15.6%	0.9%

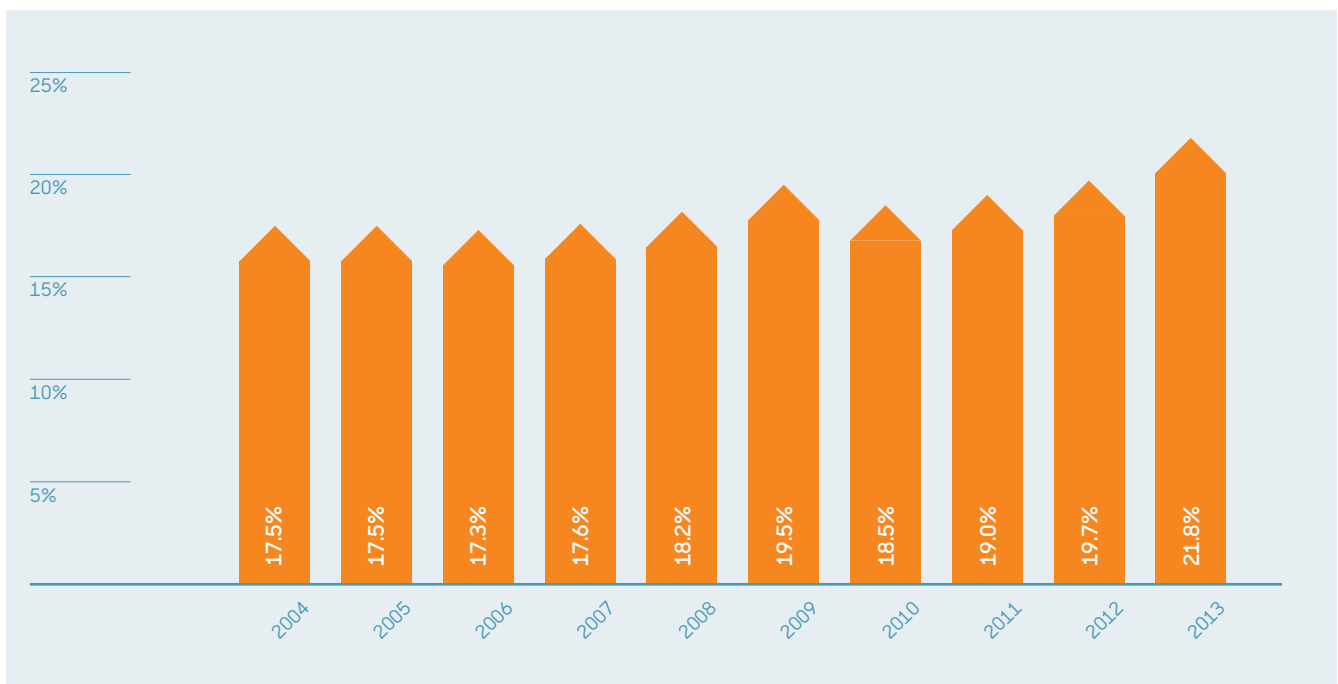
Source: Family and Childcare Trust Holiday Childcare Costs Survey 2013

The cost of holiday childcare

In every region or nation of Britain the average cost of childcare in the PVI sector is now over £100 per week. Looking back over 12 years of surveys, this is the first year that the £100 barrier has been broken in all parts of Britain. Table 3 sets out changes in holiday childcare costs since last year. In England the average holiday childcare costs have increased by 9.2 per cent in the PVI sector and 10.9 per cent in the maintained sector since last year. However, price changes since last year differ across Britain, again as a consequence of changes to subsidies to holiday childcare projects.

Ten years ago, in 2004, the average weekly cost for holiday childcare was £73.71. Over a ten year period, holiday childcare costs have increased at above the rate of wage growth. As a consequence, higher proportions of parents' wages are taken up with holiday childcare, which is becoming a greater burden for working families (Figure 5).

Figure 5: Proportion of average gross weekly income taken up by average holiday childcare costs, 2004–2013



Sources: Family and Childcare Trust Holiday Childcare Costs Survey 2013; Daycare Trust time series data 2004–2012; ONS Annual Survey of Hours and Earnings 2004–2013 with 2013 figures being preliminary data for 2013.

The costs lottery for holiday childcare

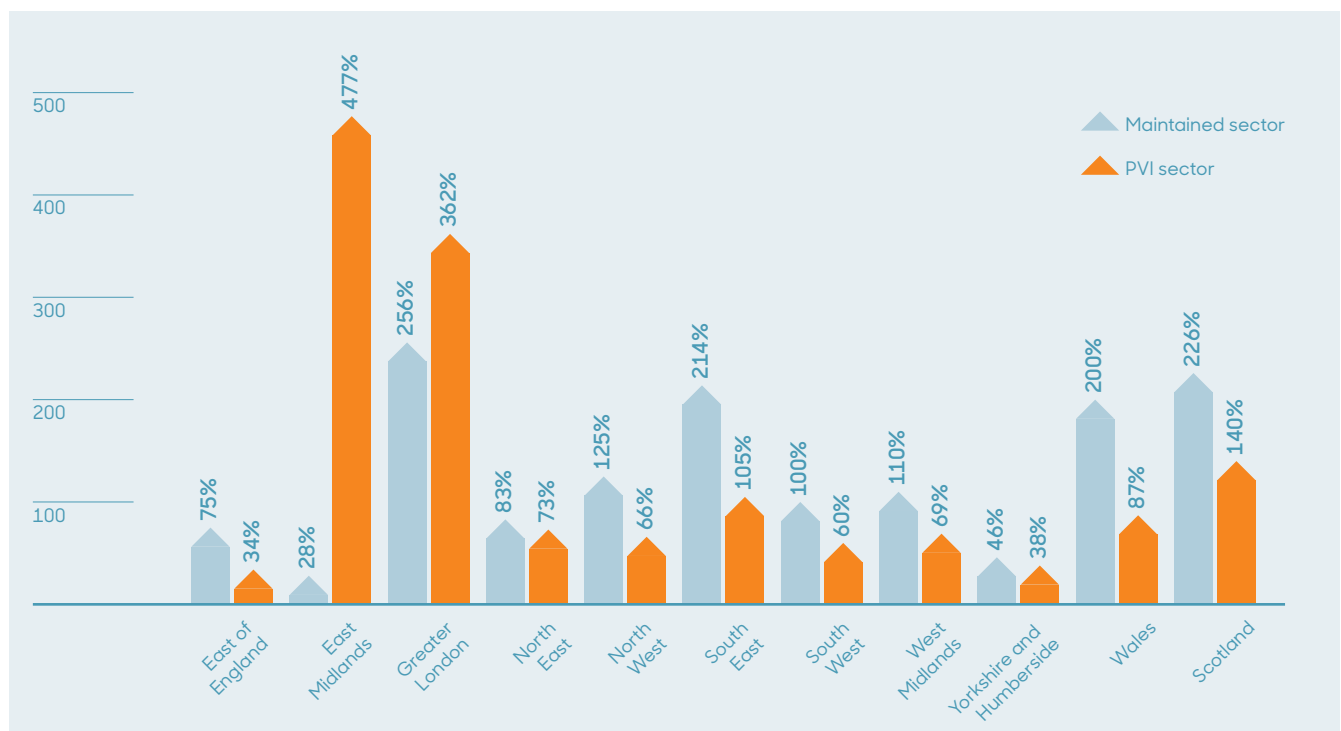
While average holiday childcare costs are now over £100 per week, many parents also face a childcare lottery as there are significant differences in holiday childcare costs, across Britain, but also within regions and nations, and within local authorities.

Figure 5 gives intra-regional differences in holiday childcare costs for maintained and PVI provision across Britain. These differences are caused by:

- different levels of local authority subsidy to holiday childcare
- different ownership patterns in different local authorities, with provision in the maintained sector generally being less expensive than in the PVI sector
- levels of supply and market failure in some areas.

The cost of daycare in nurseries is generally more expensive in southern England. Here higher wages can offset some of the higher costs of childcare for the under fives. But for the over fives there is no such inter-regional pattern in childcare costs. As can be seen from Figure 5, there are big differences within regions and parents in neighbouring local authorities may have different costs for holiday childcare that cannot be offset by regional differences in wages. This is indicative of a childcare postcode lottery.

Figure 6: Intra-regional differences in holiday childcare costs, 2013



Source: Family and Childcare Trust Holiday Childcare Costs Survey 2013

The costs lottery for holiday childcare

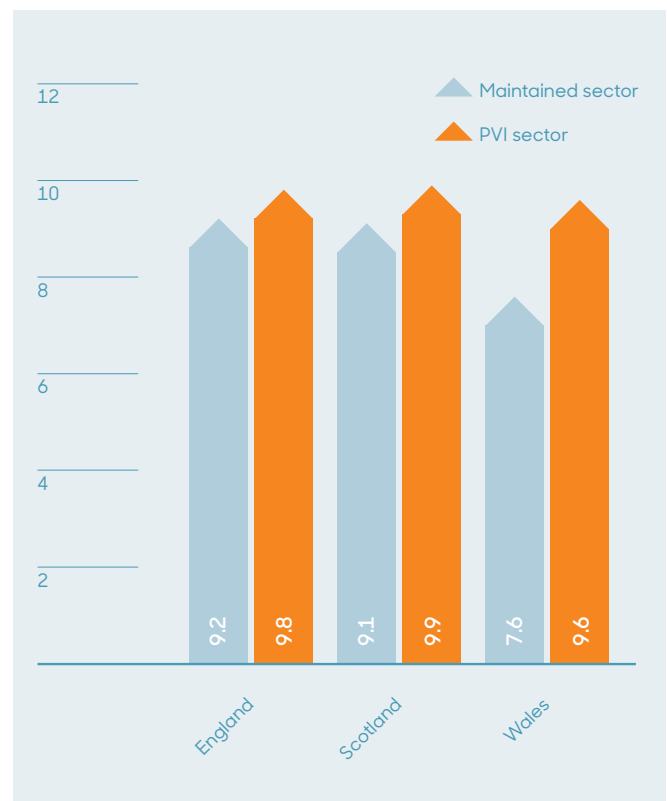


As can be seen from Table 1, holiday childcare provided in the PVI sector is generally more expensive than that provided by schools, local authorities and other public sector organisations. The difference in price between the maintained and PVI sector has a number of causes. Greater proportions of maintained sector childcare receive grants or subsidies from local authorities than does PVI provision. PVI providers may also have to rent premises, whereas schools are able to use their own premises without incurring additional costs.

PVI providers are generally open a little longer than those in the maintained sector, so they may have higher staff costs over the whole day. Our survey supports this finding: Figure 7 shows the average hours of opening by ownership. Childcare providers in the private sector more explicitly focus on profit which may also account for the higher price of provision in this sector. Conversely, hourly pay levels in the PVI sector tend to be lower than in the maintained sector, with wages being 22 per cent higher in maintained sector holiday provision than in the private sector in 2011⁶.

The difference in price between maintained sector and PVI provision raises important questions at a time when the costs of childcare are the subject of political and policy debate.

Figure 7: Average hours of opening by ownership in England, Scotland and Wales, 2013



Source: Childcare and Early Years Providers Survey 2011

Over the last year there has been much greater debate about the role that schools can play in delivering holiday childcare. Both the government and the opposition have called for schools to provide much more wrap-around and holiday childcare. Some schools have been doing this for many years and are offering 'extended' services that include childcare, cultural activities and support services for children and their families. More recently, some of the new free schools and academies have decided to remain open and run activities late into the evening or over school holidays by staff other than teachers.

The costs lottery for holiday childcare

At present, our survey indicates that in England 79 per cent of holiday childcare provision is provided by the PVI sector, 11 per cent by schools, 8 per cent by local authorities and 2 per cent by other organisations, for example, colleges and hospitals (Table 7). Ownership patterns are similar in Wales, although a slightly lower proportion of holiday childcare is provided by schools⁷. In England and Wales 16 per cent of local authorities in the survey had holiday childcare provision that was exclusively offered by the PVI sector. At the same time 30 per cent of local authorities in the survey had no

holiday childcare that was provided by schools. Their numbers included rural local authorities where it would often be reasonable to locate holiday childcare on school premises.

There are advantages in encouraging more holiday childcare to be provided by schools and on school sites (although by non-teaching staff). Most significantly, schools have premises and equipment that can be used by holiday childcare at little extra cost. In rural areas, too, a school may be the only suitable building where childcare can be located.

Table 8: Ownership status of holiday childcare

Region/nation	Percentage of holiday club or play schemes provided by local authority	Percentage of holiday club or play schemes provided by schools	Percentage of holiday club or play schemes provided by PVI sector	Percentage of holiday club or play schemes provided by other organisations
East of England	8%	13%	77%	2%
East Midlands	0%	6%	90%	4%
Greater London	20%	11%	69%	0%
North East	15%	12%	68%	5%
North West	4%	11%	80%	5%
South East	7%	11%	81%	1%
South West	8%	12%	81%	0%
West Midlands	9%	14%	75%	2%
Yorkshire and Humberside	4%	7%	89%	0%
England (Regional Average)	8%	11%	79%	2%
Wales	14%	8%	73%	5%

Source: Family and Childcare Trust Holiday Childcare Survey, 2013

⁷ Data for Scotland is difficult to collate. While most out-of-school childcare is delivered by the private and not-for-profit sector, there is an additional complexity in Scotland that over 50 per cent of out-of-school care provision is provided by parents for parents—a hidden contribution and provision completely separate from the school even if the school provides the base from which it is delivered. Local authority and official statistics do not give an accurate reflection of the amount of school-based holiday childcare

The costs lottery for holiday childcare



The Family and Childcare Trust welcomes the renewed focus on the role of schools in providing wrap-around and holiday childcare. There are many advantages in this approach. In particular, schools have unused premises and equipment that can be utilised by wrap-around and holiday childcare providers, whether they are schools, local authorities or private and voluntary sector providers who are operating from school premises. Potentially, too, the use of free premises by schools has the potential to bring down costs to parents as the operator may not need to pay rent or purchase equipment. However, the PVI sector, although more expensive on average, has shown it is more responsive to the childcare needs of working parents, as illustrated by opening times in the different sectors.

Figure 6 shows that PVI providers are more likely to open early in the morning, at 7.30 or 8 o'clock, as well as stay open later into the evening.

The use of free premises by schools has the potential to bring down costs to parents as the operator may not need to pay rent or purchase equipment.

Moreover, the PVI sector is more responsive to gaps in the market, with our survey showing that over three quarters (77 per cent) of the growth in the holiday childcare market over the last year has come from the PVI sector. If school-based holiday childcare can be expanded, it must focus on improving flexibility and availability to working parents as key elements.

Gaps in holiday childcare supply

As already noted, the Childcare Act 2006 obliges all local authorities in England and Wales to provide sufficient childcare for working parents and those undertaking training or education with the intention of returning to work.

At present there is no equivalent legislation to the Childcare Act 2006 in Scotland, although the 2008 Early Years' Framework 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'.

Despite the obligations of the Childcare Act 2006 and the Scottish Early Years' Framework there are still big gaps in provision across Britain (Table 9). These gaps are most acute for older children, disabled children and children who live in Wales. Just 10 per cent of rural local authorities had sufficient holiday childcare. Despite the Childcare Act 2006 stating that local authorities are required to provide sufficient childcare for working parents, there were only two regions of England where the majority of local authorities met this duty.

Table 9: Percentage of local authorities with sufficient childcare across the whole local authority for specific groups of children, 2013.

Region/nation	Percentage of local authorities reporting sufficient holiday childcare for 4-7 year olds	Percentage of local authorities reporting sufficient holiday childcare for 8-11 year olds	Percentage of local authorities reporting sufficient holiday childcare for children aged 12 and above	Percentage of local authorities reporting sufficient holiday childcare for disabled children	Percentage of local authorities reporting sufficient holiday childcare for working parents
East of England	27%	18%	9%	18%	27%
East Midlands	40%	20%	20%	0%	20%
Greater London	17%	26%	17%	13%	22%
North East	57%	42%	14%	28%	57%
North West	71%	57%	28%	50%	79%
South East	29%	29%	7%	14%	21%
South West	25%	25%	17%	0%	0%
West Midlands	30%	30%	20%	20%	30%
Yorkshire and Humberside	21%	21%	14%	7%	14%
England (Regional Average)	36%	30%	16%	18%	30%
Wales	16%	6%	0%	0%	64%

Source: Family and Childcare Trust Holiday Childcare Costs Survey 2013

Gaps in holiday childcare supply

The obligation of local authorities to assess the sufficiency of childcare was introduced in 2008 in England and Wales. It was in this year that local authorities carried out their first childcare sufficiency assessments, which were meant to identify gaps in supply and contain action plans to ensure that these gaps in provision were filled.

We reviewed our 2009 holiday childcare survey to look at how much progress had been made over a four year period in filling gaps (Table 10). We were concerned to note that over this period gaps in provision have increased rather than decreased. Little progress has been made to ensure sufficient childcare for older children, disabled children and those living in rural areas.

Table 10: Local authorities with enough holiday childcare for particular social groups in 2009 and 2013

	England 2009	England 2013	Wales 2009	Wales 2013
For 4-7 year olds	63%	36%	25%	16%
For 8-11 year olds	54%	30%	31%	6%
For childcare aged 12 and over	20%	16%	6%	0%
For disabled children	20%	18%	19%	0%
For parents who work full-time	49%	30%	19%	16%

Source: Annual holiday childcare surveys, Daycare Trust (2009) and Family and Childcare Trust (2013)

“ My life depends on the holiday play centre. Without it I could not work and provide for my disabled son. Childminders around here won't take children on just for the holiday and many don't have the skills to deal with my boy.

The Family and Childcare Trust is particularly concerned that such little progress has been made to meet the holiday childcare needs of older children, a group who are frequently forgotten in debates about 'childcare'. As well as a shortage of holiday projects that work with this age group, children of secondary school age may also attend sports or cultural activities in the school holidays, or activities organised by local authority youth services which include some open access play schemes⁸. All this provision has seen extensive funding cuts since 2010.

The Family and Childcare Trust is mapping cuts to youth service budgets across England. Using preliminary data, we estimate that local authority youth service budgets have fallen by an average of 4.9 per cent between financial years 2012-2013 and 2013-2014, although some local authorities have cut more and a minority have ended all local authority youth service provision entirely.

We are concerned that this level of cuts will result in severe reductions to what we have described as *de facto* childcare for older children, and leave more children unsupervised over the school holidays.

Local authorities are ignoring their statutory duty to provide sufficient childcare and central government is not holding them to account for this. In such a situation there are no winners; parents may be prevented from working and be forced to claim costly welfare benefits.

⁸ An open access play scheme is drop in provision where children can turn up and undertake supervised play for as many hours as they wish. Many adventure playgrounds are open access.

Understanding local childcare markets

In order to fill gaps in provision, local authorities need to understand childcare supply and demand in their local area. Until September 2012, all local authorities in England and Wales were required to carry out a Childcare Sufficiency Assessment every three years, supplemented by an annual update. The Childcare Sufficiency Assessments mapped supply and demand and contained an action plan to ensure that gaps were filled. But in September 2012 this duty was removed from local authorities in England in statutory guidance and replaced with the obligation to give an annual report to elected council members on how the local authorities are meeting their duty to provide sufficient childcare⁹.

This year we asked all local authorities in England when they had last reported on the sufficiency of holiday childcare. We were concerned to see that 36 per cent of local authorities in England had not reported on the sufficiency of childcare since 2011.

In Scotland duties to provide sufficient childcare are presently weaker, although new legislation has the potential to change this. At present there is no obligation on local authorities to assess the sufficiency of childcare. Here local authorities adopt different processes in order to fulfil the obligations of the Early Years Framework. In Scotland nearly half of local authorities in our survey reported that they had no information on supply and demand in their local area.

The Family and Childcare Trust believes that these local authorities in Scotland and a growing number in England are not equipped with the evidence they need to meet gaps in childcare supply.



⁹ Department of Education (DfE) (2012) *Statutory Guidance for Local Authorities on the Delivery of Free Entitlement for Three and Four year Olds and Securing Sufficient Childcare*, London; DfE

Rethinking holiday childcare



The majority of parents use holiday childcare provided by private and voluntary sector organisations. This year average weekly cost of holiday childcare in this sector is now over £100 per week. This is the first year that the £100 barrier has been broken in all parts of Britain.

Across the country, the average cost of one week's full-time holiday childcare in the private, voluntary and independent sector is now £109.23. This year's survey also showed that there were six local authorities where the average cost of holiday childcare exceeded £175 per week, this figure being the maximum amount of help that a parent on a low income can claim through Working Tax Credit support for childcare costs. In these local authorities low income parents who qualify for the maximum childcare support through Working Tax Credits are likely to be out-of-pocket.

High costs are coupled with severe shortages in some parts of Britain, particularly for older children, disabled children, children who live in Wales and those in rural areas. Over the last four years there has been little progress in filling these gaps and for some groups the survey showed that shortages have worsened since 2009.

Rethinking holiday childcare

The high cost and patchy availability of holiday childcare has a major impact on families and wider society. Much research suggests that the high costs of holiday childcare prevent some parents from re-entering the labour market¹⁰.

Others who do manage to return to work are forced to give up their jobs during the holidays because of a lack of childcare. This enforced worklessness has an economic impact: lost tax revenues and increased benefit payments. Working parents who cannot find or afford holiday childcare may also leave their children unsupervised and therefore at greater risk of getting into trouble or suffering an accident.

A lack of childcare affects some families more than others. Single parents may not always be able to turn to non-resident parents to look after their children and often have less means to pay for formal childcare.

Across Britain all of the major political parties have recognised the importance of high quality and affordable childcare, for families. In particular, new proposals have focussed on making childcare more affordable for working parents. From 2016 there will be increases in the level of childcare support through Working Tax Credit or Universal Credit support to 85 per cent of costs, up from 70 per cent of costs that parents receive today, although at the time of writing this extra help will be restricted to families where *both* parents are paying income tax¹¹.

For families who are not claiming Universal Credit or Working Tax Credit, the Government has announced that it will phase out the present employer-supported childcare voucher scheme and replace it with a tax free 'voucher' of £1,200 per year, but this help will initially be targeted at families with children under five.

But both proposals offer little to parents who are now worried about how they will manage the long summer holidays. The poorest families—those who pay no income tax—miss out on extra financial

support. And the extra £1,200 'voucher' is targeted at the under fives, so cannot be used to pay for school holiday childcare.

Parents' needs for childcare do not end when their children start school, but for too long the childcare needs of this group have been forgotten or marginalised. The Family and Childcare Trust believes that it is time to rethink childcare for school-age children. We believe that there are five key areas for action which we identify at the start of this report on page 05.

We must ensure that more parents benefit from family friendly work practices, such as flexible working or term-time only contracts

There is some evidence to suggest that children's linguistic development stalls over the long summer holidays. Certainly, many parents find childcare over this six-week period very difficult. Greater research is needed on the social and educational impacts of the configuration of the school year, but any changes to school term dates or moves to shorten the school holidays must be coordinated across the individual nations of England. A free-for-all for schools risks worsening childcare problems for parents.

We must ensure that more parents benefit from family friendly work practices, such as flexible working or term-time only contracts. At present, those most likely to benefit are highly qualified parents who have the most power in negotiations with employers.

The childcare needs of school-aged children must not be forgotten in any part of the country. Above all, we must work towards childcare provision that gives children a good start in life and supports parents to work.

¹⁰ See Bell, A., Finch, N., La Valle, I., Sainsbury, R. and Skinner, C. (2005) *A question of Balance: Lone Parents, Childcare and Work*, London: Department for Work and Pensions

¹¹ Childcare Written Ministerial Statement, Sajid Javid, Economic Secretary to the Treasury, 19 March 2013

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About the Family and Childcare Trust

The Family and Childcare Trust works to make the UK a family friendly society. The charity was formed in January 2013 as the result of a merger between Daycare Trust and the Family and Parenting Institute. Collectively, both organisations have almost 40 years' experience of policy and campaigning on issues affecting families. It undertakes research and policy advocacy, works with parents, childcare providers and all levels of government in order to serve families better in the challenging times ahead.

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