

Cost of childcare remains too high for parents, charity warns ^[1]

Author: Bleach, Isabel

Source: Nursery World

Format: Article

Publication Date: 2 Mar 2017

AVAILABILITY

Read online ^[2]

EXCERPTS

A part-time nursery place is costing British parents more than £6,000 a year, twice as much as what the average household spends on food and drink, according to the Family and Childcare Trust.

The family charity also says that most local authorities in England have reported insufficient care in their area for two-year-olds eligible for free childcare. Inadequate care also exists for after-school care and for disabled children. Children with parents working atypical hours are also experiencing a lack of available childcare.

The Family and Childcare Trust's annual childcare survey report highlights the necessity in ensuring families can access the high quality childcare needed to boost their child's development, while also allowing for parents to work. It calls on the Government to re-evaluate early years spending, including how effective it is at increasing employment opportunities for parents and ultimately 'narrowing the achievement gap in the early years.' It also urges the Government to review funding for free childcare entitlements annually based on evidence of the cost of providing high quality provision.

The most expensive areas for both nurseries and childminders are Inner London, Outer London and the South East, according to the survey.

Families are spending up to 45 per cent of their disposable income on average childcare costs.

The survey was sent to all local authority Family Information Services in England, Scotland and Wales, and is based on responses from 95 per cent of local authorities across Britain.

Survey findings - costs

British parents are paying an average of £116 a week for a part-time nursery place (25 hours) for a child under two. This is double the average weekly household expenditure of £56.80 on food and non-alcoholic drink, according to 2016 Office for National Statistics figures.

However, childcare fees have stayed largely static.

Part-time nursery childcare for this age group has risen by only 0.1 per cent since last year's report.

Parents with a child under the age of two who seek part-time care from a childminder will pay roughly £110 in 2017. The cost of this care has increased by 1.9 per cent since last year.

The survey highlights that low and middle income parents of pre-school children claiming universal credit are only £1.96 an hour better off after paying for childcare if they move in to work at the minimum wage.

It explains that some families paying childcare costs may not see this gain when moving into work. Two low-earning parents are likely to be eligible for universal credit or working tax credits, however when the second parent goes into work, their entitlement to universal credit will 'be tapered off by 63p for every £1 earned, from which they will pay some childcare costs'.

Ellen Broomé, deputy chief executive at the Family Childcare Trust, said, 'It is a disgrace that so many parents are effectively shut out of the workplace by crippling childcare costs.

'Recent Governments have rightfully invested in childcare, but too many parents are still struggling to find and pay for childcare that they and their children need.

'Childcare is as vital as the rails and roads for helping our country to run: it boosts children's outcomes throughout life and helps parents work. We need a strategy to make sure that every parent is better off working after they have paid for childcare.'

30-hours

Described in the report as 'one of the most significant recent changes to childcare' in England, local authority Family Information Services

in England have reported a lack of certainty about the availability of the free 30 hours of childcare to eligible families.

Expectations from authorities across the country show that around 70 per cent believe some settings will not be offering the entitlement, with only a third expecting there to be enough childcare available. Just over half of authorities do not yet know whether or not there would be enough.

The report shows that a 'clear majority' of local authorities do not expect settings to offer the 30-hour entitlement, and make clear that 'until the policy has been released in full, it is difficult to predict how many settings this will apply to'.

With this in mind, most local authorities reacted positively towards the entitlement.

Ms Broomé said, 'The Government must closely monitor the roll out of the 30-hour offer and tax-free childcare to make sure that all children can access high quality childcare and all parents can make real choices about how they work and care for their children.'

For families not entitled to the 30 hours, who qualify for the universal 15 hour offer, 20 per cent of authorities are predicting reduced availability. 17 per cent are predicting less flexibility on how the 15 hours are accessed, and one in ten authorities expect a lack of available places for these families overall.

This considered, the report found that a 'significant group of local authorities' anticipate a rise in childcare prices outside of the free entitlement.

Availability of childcare

As prices are seen to remain almost the same, families in Britain are also still struggling to find the childcare they need.

'In England, only half of the areas have enough childcare for parents working full time. The gaps are even bigger for parents who do not work typical office hours, where only one in eight areas have enough care,' the report said.

More generally, the report has uncovered 'stark differences' between regions in England. Three-quarters of local authorities in the East of England have enough childcare for under-tuos, whereas only a quarter of authorities in Outer London have adequate care.

The report found that sufficiency of free childcare for two-year-olds in Wales was mostly the same as in England, at 47 per cent. This was much higher in Scotland, where 64 per cent of areas had sufficient free care.

The majority of local authorities in England said they had enough childcare for three- and four-year-olds, while Scotland reported 82 per cent sufficiency for the age group. Wales stated that 50 per cent of all authorities with enough free childcare.

Now in its 16th year, the survey also highlights the insufficiency in childcare for disabled children.

It reveals that a mere 18 per cent of local authorities in England have enough childcare for these children. Local authorities have however seen a three per cent increase since the last survey in 2016.

The report said, 'It is often difficult for parents of disabled children to find suitable childcare, and when it is available prices can be high and availability very limited – this can make it challenging or even impossible for parents to work at all.

'With the number of people in non-standard employment likely to increase, Family and Childcare Trust is concerned about the persistent gaps in care available for this group.

Commenting on the findings, Angela Rayner MP, Labour's Shadow Education Secretary, said, 'When parents working full-time are spending almost half their income on childcare, it's clear the Tories are failing to deliver fair, affordable and sustainable childcare for hardworking families,' said

'The survey shows that the Tory election promise to provide 30-hour free childcare is now in further trouble with many local authorities reporting major shortages of available places.

'There are simply not enough places to meet demand, especially after school, or if parents are working shifts or have disabled children.'

A spokesperson for the Department for Education (DfE) has said, 'Helping working families with the cost of childcare is at the heart of this Government's agenda – that's why we are investing a record £6 billion per year by 2020.

'The government has a package of support for parents, which includes doubling our free childcare offer for three- and four-year-olds to 30 hours a week, saving families around £5,000 per year. A number of areas are delivering the 30 hours offer a year early which is benefitting over four thousand parents already, many of whom do not work the traditional 9-5.'

The DfE also said that it expects councils to provide information for parents on the childcare provision available in their local area in an accessible way. They said they will be strengthening the regulations to make sure this is published online regularly. The DfE also stated that they would monitor the implementation of 30-hour childcare and were clear that getting the funding right was critical to its successful delivery.

The Family and Childcare Trust Survey 2017 SECTOR RESPONSE

Neil Leitch, chief executive of the Pre-school Learning Alliance:

'It is of course concerning to see that childcare costs are continuing to place such a large burden on parents' finances. That said, it's important to note that nursery costs have actually frozen over the past year, while childminder costs have only increased marginally

higher than inflation. Given the significant financial pressures facing the early years sector at the moment – particularly the introduction of the 'national living wage' last year – these statistics highlight the extent to which providers have actually been absorbing the impact of rising delivery costs.

'Of course, that doesn't take away from the fact that many families are continuing to struggle to afford childcare, and without adequate funding from Government, this problem will continue. This is all the more concerning in light of the 30-hour offer which, despite being set to roll out in just six months, is looking less and less sustainable by the day – it's no surprise that only a third of local councils feel confident that they'll have enough places available under the extended scheme.

'As we have said time and time again, if the so-called 'free entitlement' offer is to have any chance of succeeding in the long term, government funding must increase in line with rising delivery costs – and so we are pleased to see the Family and Childcare Trust echo our call for an annual review of funding. Ultimately, if the Government doesn't act soon, the long-running issues of childcare affordability and availability are going to get worse, not better, in the years ahead.'

Councilor Richard Watts, Chair of the Local Government Association's Children and Young People Board

'Councils are committed to ensuring that parents have access to high quality, flexible childcare so that all children get the best start in life.

'From September, councils and providers will be delivering the Government's commitment to an additional 15 hours of free childcare for working parents, bringing the total to 30 hours. However, councils remain concerned that the proposed increase in funding will not be enough to secure this provision for everyone who wants it.

'Government must use the learning from local areas that have been piloting the offer to ensure that there is no reduction in the quality of early education and care provided.

'When the offer is rolled out across the country, councils will need to have both adequate funding and sufficient local flexibility to work with their providers to ensure that all families have access to high quality care that meets their needs.'

Purnima Tanuku, chief executive of National Day Nurseries Association (NDNA)

'This year's survey makes hard reading for ministers ahead of their heralded 30 hours "free" childcare policy, clearly putting it at risk of failure.

'The report paints a picture of a childcare market in peril, with only a third of councils confident they have sufficient childcare to fulfil this policy.

'Equally worrying, almost half of councils believe offering 30 "free" hours will reduce financial sustainability within the nursery sector. Nurseries won't be able to offer funded hours if they cannot balance their books. Just last week, the DfE published figures showing 27 per cent of nurseries are already making a loss.

'Vulnerable families and those with disabled children are expected to be particularly badly affected in trying to secure free places. This situation needs to be turned around urgently.

'Government must revisit this policy before it is too late if it is to be successful. It needs to either inject much-needed cash into the funding pot which must keep pace with rising costs into the future or allow nurseries to make mandatory charges to parents for extras such as meals so they can continue to operate as going concerns.'

Liz Bayram, chief executive of PACEY

'PACEY recognises the difficulties families experience due to the high cost of childcare across the UK. However the fact that nursery costs have remained stable, and childminders have risen in line with inflation, despite huge increases in operating costs and removal of local authority support, is a credit to the sector to minimise the impact on parents.

'Childcare providers are dedicated, trained professionals who offer a high quality service to families, and yet they are among the lowest paid in the UK. Indeed, according to Government figures released just last week, the average total income of a childminder in the UK is just £10,100.'

-reprinted from Nursery World

Region: Europe ^[3]

Tags: affordability ^[4]

funding ^[5]

accessibility ^[6]

access ^[7]

child care policy ^[8]

30 hour entitlement ^[9]

warns

Links

[1] <https://childcarecanada.org/documents/child-care-news/17/03/cost-childcare-remains-too-high-parents-charity-warns> [2]
<https://www.nurseryworld.co.uk/news/article/cost-of-childcare-remains-too-high-for-parents-charity-warns> [3]
<https://childcarecanada.org/category/region/europe> [4] <https://childcarecanada.org/category/tags/affordability> [5]
<https://childcarecanada.org/category/tags/funding> [6] <https://childcarecanada.org/category/tags/accessiblity> [7]
<https://childcarecanada.org/category/tags/access> [8] <https://childcarecanada.org/category/tags/child-care-policy> [9]
<https://childcarecanada.org/category/tags/30-hour-entitlement>