

# Childcare costs: Parents of children under two pay 5% more <sup>[1]</sup>

A report has found parents in England, Scotland and Wales are paying 5% more on childcare for under-twos than a year ago - and 4% more for two-year-olds.

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## AVAILABILITY

Access online <sup>[2]</sup>

## EXCERPTS

Childcare now costs on average more than £130 per week for a part-time nursery place for a child under two, according to children's charity Coram.

It has called for reform and simplification of childcare system.

The government said it was increasing the rate it paid for free childcare provision, and creating more places.

The findings of Coram Family and Childcare's survey suggest that childcare costs are rising faster than price increases generally, with the Consumer Prices Index (CPI) measure of inflation standing at 1.8% in January.

The charity said its survey revealed the average weekly price of a part-time nursery place for a child under the age of two had risen to an average of £131.61, or more than £6,800 per year.

The annual survey is based on data from 175 local authorities gathered between November 2019 and January 2020.

The report also found that childcare prices and availability vary significantly depending on where people live.

Research showed the most expensive regions were London and the South East, where the cost of 25 hours of nursery care for a child under two is £165.47 and £144.90 per week respectively.

In inner London, the average cost is £182.56.

The cheapest areas were in Scotland and Yorkshire and the Humber at £111.26 and £113.76 respectively.

Meanwhile, the findings also reveal gaps in availability, with just over half (56%) of local authorities in England having enough childcare for parents working full-time. This is compared to 57% in 2019.

There may also be gaps if parents are working outside regular office hours, if children have disabilities and if children are older - aged between 12 to 14, according to the report.

The average weekly price for families using an after school club five days a week across Britain was found to be £60.99.

## Call for reform

Coram's report argued that while support, subsidies and free entitlements are available to many families, the system is too complicated - which can leave parents at risk of missing out on help they are entitled to.

It has made several suggestions for reforms, including increasing the maximum amount of childcare costs paid under Universal Credit and moving to up-front payments for childcare.

Government spending on childcare should be reformed and simplified "so every parent is better off working after paying for childcare, and every child has access to childcare which supports their learning and development," said Claire Harding, head of Coram Family and Childcare.

She added: "Investing in childcare support is good for us all because it helps parents to work now, and boosts children's learning and skills for our future."

The government said investment in childcare and early years education will reach £3.6bn in 2020-21 to "give families the flexibility they need to be able to balance their work and family lives".

In October, the Department for Education said councils across England would receive extra funding to deliver free childcare places, with investment going towards increasing rates.

There are different funded childcare schemes across the UK.

Since 2017, working parents of three and four-year-olds in England have been entitled to 30 hours' free childcare a week - up from 15 hours.

In Wales, working parents of three and four-year-olds are entitled to 30 hours of free childcare a week for up to 48 weeks of the year.

Parents of three and four-year-olds in Scotland are entitled to around 16 hours of free childcare a week during term time.

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