

Cuts to parent childcare support will be 'hammer blow' to nursery providers ^[1]

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EXCERPTS

Nursery owners are becoming increasingly concerned about the ability of parents to afford childcare, according to new research by the Daycare Trust.

The survey of London childcare providers found that four in ten of them are worried about parents' ability to pay childcare fees.

Childcare costs in the capital are the highest in the UK, and the charity warns that plans for the Universal Credit, combined with cuts to the support parents receive for childcare through tax credits, will be 'a hammer blow' to the sector.

One third of providers surveyed said that parents' ability to pay for childcare was threatening the sustainability of their business.

Nurseries, including the private and voluntary sector, childminders, out-of-school clubs, pre-schools, creches and holiday clubs took part in the survey.

Questioned about their top five areas of concern, one in three settings said they were concerned about local authority cuts, and 13 per cent cited direct cuts to funding.

Other key findings:

- 61 per cent said cuts meant less local authority training was available
- 18 per cent had seen children's centres closed or services cut
- 40 per cent had an EYP in their setting and 73 per cent said this has had a positive effect on the quality of childcare.

Anand Shukla, acting chief executive of the Daycare Trust, said the cut to the amount families are able to claim in Working Families Tax Credit for childcare costs, from 80 per cent to 70 per cent, had taken 'tens of millions of pounds out of the sector, and that won't be replaced by parents' income.'

Mr. Shukla also said that proposed changes to the Universal Credit would exacerbate the problem.

'It's the same pot of funding and the Government is trying to stretch it to cover parents working less than 16 hours a week, but they are not increasing the funding.

'The funding pot for childcare in the Universal Credit should take account of the increase to the number of eligible parents.

'Parents will have less to spend on childcare and this will affect the sustainability of providers.'

He added, 'If the Government is serious about social mobility and making work pay it has to provide more money for childcare costs.

'Affordable childcare is key to a fully flexible labour market, and cutting childcare support runs counter to Government policies.'

The Government's Welfare Reform Bill proposes extending support for childcare to parents working fewer than 16 hours a week, but the budget will stay the same.

Currently, eligible parents can claim up to 70 per cent of their childcare costs up to £175 a week for one child and £300 for two or more children.

The Daycare Trust is concerned that one option being considered, reducing the amount parents can claim to £125 for one child or £210 for two or more children, will force many parents to give up work.

-reprinted from Nursery World

Region: Europe ^[2]

Tags: funding ^[3]

[1] <https://childcarecanada.org/documents/child-care-news/11/06/cuts-parent-childcare-support-will-be-hammer-blow-nursery-providers> [2] <https://childcarecanada.org/category/region/europe> [3] <https://childcarecanada.org/category/tags/funding>