

# IPPR calls for all families to receive help with childcare costs <sup>[1]</sup>

**Author:** McVeigh, Tracy

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## AVAILABILITY

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

## EXCERPTS

Every family should get help from the government with the cost of childcare, according to a report from the Institute for Public Policy Research to be published this week.

In a far-reaching look at resolving the struggles that families are facing with the cost and quality of childcare, the centre-left IPPR says prioritising policy on the issue makes sense because it would improve children's development, boost the employment rates of parents, especially women, and allow parents to make choices about sharing work and childcare.

The thinktank claims that by 2020, £750m could be saved in extra taxes and lower benefits, with the system helping around 150,000 mothers back into work. Lower-income families would benefit most, but help would be extended to every family.

Based on current average childcare prices, a typical family with two children aged one and three, each using 35 hours of childcare a week, faces costs of £1,042 a month. Under the IPPR's proposals, this family would receive £313 a month towards their childcare costs, £105 more than under the government's proposed system of tax-free childcare. The family would be left to pay £729 a month.

A family using the same amount of childcare, but who receive universal credit, would get £990 a month towards the cost of childcare, £80 more than under government plans, leaving them with monthly net childcare costs of £52 a month.

The report also recommends extending the 15 hours a week of free early education currently received by only the most disadvantaged families to all two-year-olds, and extending 15 hours a week of free early education for three- to four-year-olds from the current 38 weeks to 48 weeks a year.

It also recommends guaranteeing places for toddlers; raising qualifications across the sector; ensuring that settings delivering free early education are graduate-led; and introducing a one-month "daddy quota" of parental leave, paid at the national minimum wage.

Dalia Ben-Galim, IPPR associate director, said: "Many parents, especially mothers, find it difficult to take up work because the cost of childcare is so high and the quality of provision is so patchy. Reforming our childcare system would help many more families with the cost, improve the quality and allow families to decide how they want to balance work and care. A universal system also brings families across income groups together, strengthening bonds in local communities."

She said the government's plans to extend tax relief to parents were not enough. "Without any price controls, simply extending tax relief is unlikely to make childcare more affordable for families. We also need to raise the quality of childcare on offer. Politicians of all parties should be aiming for something more radical and transformative in their manifestos."

The report argues that funding should be shifted from tax reliefs and credits into supply funding for providers, with price controls to ensure that parental fees are capped. It says that the extension of childcare and early learning should take place through children's centres, nursery schools and other local institutions shared by parents and communities, rather than through cash benefits or tax reliefs.

The thinktank costs out how the government could pay for the proposals within the next parliament - a package of around £2.5bn in cuts and tax reforms, including scrapping the marriage tax allowance (raising £500m), capping tax-free pension lump sums (raising up to £2bn) and freezing child benefit for children over five (raising more than £600m by 2020).

The IPPR report argues that these measures are needed to shift resources into universal childcare services, especially in the face of a new welfare cap after next year's election.

-reprinted from The Guardian

**Region:** Europe <sup>[3]</sup>

