

Revealed: Childcare costs a third more in London than the rest of UK ^[1]

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EXCERPTS

London parents are paying thousands more for childcare than mothers and fathers across the rest of the UK, a report today reveals.

Research shows parents with two-year-olds and under in the capital on average pay 36 per cent more for part-time and 39 per cent more for full-time childcare.

In 2011, London parents were paying just 22.9 per cent more for part-time care than the rest of the UK.

It means parents with toddlers now pay £2,182 more for part-time and £4,400 more for full-time childcare.

Childcare for pre-school children over two is similarly more expensive, but is supplemented by the age of three when children become entitled to 15 hours of free childcare every week.

The report also reveals huge shortages of childcare places in London, which the Trust says is partly to blame for less than half – 46 per cent – of eligible two-year-olds from lower income families taking up the offer of free early education. Uptake across the rest of England is higher at 56 per cent.

It also says families in nine London boroughs are disproportionately affected by a cap on claiming back costs. Parents on lower incomes can claim up to 70 per cent of childcare costs, but it only applies to a maximum cap of £175 a week.

However, in nine London boroughs, the average cost of part-time childcare already exceeds the cap.

The report, by the Family and Childcare Trust, surveyed every local authority in the UK for the average childcare costs across all types of providers.

The findings today prompted promises from Mayoral hopefuls Sadiq Khan and Zac Goldsmith to do more over the issue if elected, with Mr Khan saying “eye-wateringly expensive” childcare is “bad for families, bad for business and bad for London”.

The Labour candidate told the Standard: “Childcare will be a priority for me if I get into City Hall. I’ll bring together businesses, local authorities, charities and childcare providers to ... identify what needs to be done to increase supply and cut the soaring cost for families.”

A spokesperson for Tory candidate Zac Goldsmith said: “If elected in May, [Zac] will lobby government to ensure the promised 30 free hours of childcare from 2017 adequately reflects the cost of childcare in London.”

The report’s author, Jill Rutter, says costs are much more in London due to space shortages and higher staff wages and rents. Julia Margo, Chief Executive at the Family and Childcare Trust, said: “The Government needs to review the sufficiency of the support it offers so that childcare does not act as a barrier to work for London families.

“It is also vital that the next London Mayor takes targeted action to help increase the supply of early education places and ease cost pressures in the capital.”

Education and Childcare Minister, Sam Gyimah, said: “It is vital parents are able to access high, quality affordable childcare and this report shows there is record support available. For the first time in a decade costs are stabilising and there are rising numbers of places on offer.

“Latest figures show 7,000 more providers are offering the universal 15 hours offer with 1.3million children - the vast majority taking it up. Rising numbers of disadvantaged two-year-olds are also benefiting.

“Thanks to record investment by this government - £6billion a year by 2020 - and with our plan to double the free childcare offer for working parents we expect take-up numbers to rise. That ambition is supported by the huge levels of interest in our early implementer which will trial the 30 hour offer a year ahead of schedule in parts of the country including in Newham.

"Further to this, a number of other London areas - Kingston & Richmond, Barking & Dagenham, Islington, Ealing and Hillingdon - will be looking to develop innovative approaches to support flexible childcare for working parents."

'Money is so tight at weekends after paying for nursery places'

A working mother-of-two said paying for childcare was one of the biggest challenges facing parents today in London.

Health visitor Gemma Gordon, 31, said the cost of leaving her children at nurseries and with childminders so she could return to work was "a huge burden" on her and her construction sitesupervisor husband, Joe, 30.

The couple, from Dagenham, had a combined salary of £50,000 but found they could still not afford to go out with Keira, eight, and Freddy, four, at weekends because they had to pour so much income into childcare.

She said: "You feel so guilty because it's your maternal instinct to want to stay with your child and yet you have to go back to work to keep your job and pay your bills.

"Yet you can't even afford to send your children to the best nurseries, so you have to pay for something you are less happy with where you worry about the support they are getting.

"Then at weekends there's barely any money left to take them out to enjoy things because money is so tight." She said through her work in the NHS with new mothers, she knew most working parents faced similar pressures. "It's particularly bad for mothers on low salaries as they need to be incentivised to get back to work and they won't be when childcare is so expensive." She called for a ban on deposits for nurseries or, at second best, government subsidies for more nursery deposits – and a cap on the cost of nursery places." - Glen Munro

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