

Counting the cost of childcare

**Daycare Trust
annual cost survey**

Help with childcare costs

**Have up-front childcare
costs affected your
decision to go back to
work?**



Welcome

Happy New Year! Welcome to the winter edition of Childwise.

As money is on all our minds at the moment – and we all know that childcare can take a big chunk out of the weekly income – the focus of this issue is on what help there is with paying for childcare and generally raising your family. As well as outlining some of the benefits and tax credits you may be able to get, we also tell you about some new funding for parents who are studying or training to start or return to work.

And new to our website is an audio resource offering information about childcare and financial help for families in nine different languages. You can listen to the guide at www.daycaretrust.org.uk

Daycare Trust has also recently published its annual Childcare costs survey and we give you a summary here which again highlights the increase in childcare costs above inflation in most areas. For the first time, we also asked about the availability of childcare within local authority areas, and the responses we received show a lack of childcare in certain areas particularly for children with disabilities and those aged twelve years and over. With the government's welfare reform making it compulsory for parents on income support to look for work once their youngest child turns 12, this is a worrying finding.

We bring you news on some of our projects including an update on the Listening to Families project, as well as details of research we are conducting for an exciting new scheme to help parents with the up-front costs of childcare. We need to hear your views and experiences of how much you have had to pay when you have started at a new childcare setting.

If you have questions about paying for childcare, remember that you can call our Information Line on 0845 872 6251 (calls charged at local rate) or email us at info@daycaretrust.org.uk

Wishing you a peaceful 2009.



Emma Knights and Alison Garnham
Joint-Chief Executives

Childcare costs survey 2009

On 28 January Daycare Trust published its eighth annual Childcare costs survey. This year's survey has again shown continuing rises in the cost of a full-time nursery place in Britain, with costs in England and Scotland rising above the annual rate of inflation. Childminder costs have increased substantially in England and Scotland, but have decreased very slightly in Wales. The overall rise in England, however, was led by large increases in costs in Inner London and the South East. Other regions saw costs level out somewhat more with some parts of the country even seeing slight decreases.

Scotland and Wales saw the cost of 15 hours in an out-of-school club rocket – by 29% in Scotland and 14% in Wales, whereas in England, out-of-school club costs decreased by 7%.

This year's survey also asked local authorities about whether there was sufficient childcare in their area for different aged children and for disabled children. Worryingly more than half stated that there was not a sufficient amount of childcare places for disabled children. Furthermore only 14% stated there were enough places for children aged twelve years and over – this is especially concerning given recent Government welfare reform which requires all lone parents whose youngest child has reached this age to seek work or risk losing their benefits. Daycare Trust will use this information in its continued efforts to persuade government to reconsider this legislation – particularly in light of the fact that it is planned to be extended to lone parents with younger children in the very near future.

Additionally the organisation is calling for the government to –

- Increase the amount of out-of-school childcare available and provide more subsidies for this type of care.
- Increase the proportion of help with childcare costs that parents are able to receive through tax credits – including raising the maximum amount that can be claimed in high cost regions such as London and the South East.
- Re-evaluate the present system of childcare funding to help alleviate spiralling costs to parents.



Daycare Trust is a member of the Campaign to End Child Poverty

For more information about the campaign visit www.endchildpoverty.org.uk

Help with childcare costs – are you claiming all you can?

Balancing the financial demands of family life can be difficult but there is some help out there towards the costs of raising children. Here we outline some of the benefits, tax credits and other forms of financial assistance to help both with the general costs of raising a family and specifically with the costs of childcare.

General help for families

Free early learning and childcare sessions

All children aged three and four years old are entitled to at least 12.5 hours of free early learning and childcare sessions per week for at least 38 weeks of the year. Sessions can be provided by a range of providers including nurseries and accredited childminders. The government has recently announced that free early years education sessions will be extended to all two-year olds 'stage by stage'. Ask your childcare provider or your local Family Information Service about these sessions.

Child Benefit

Child Benefit is a weekly tax free government payment available to all parents of children under the age of 17 (19 if your child is disabled). In January, the weekly rate increased and you should now be receiving £20 for your oldest child and £13.20 for your younger children.

You should make a claim for Child Benefit within three months of your child being born or coming to live with you and you will

need their birth certificate when you make the claim. For an application form, call the Child Benefit Helpline – see contacts box

Child Tax Credit

Child Tax Credit is an income –based credit available to all families with an income of less than £58,175 or £66,350 if you have a baby.



Average childcare costs in Britain

Region	Nursery (under 2)	Nursery (2 and over)	Childminder (under 2)	Childminder (2 and over)	Out-of-school club
Inner London	£226	£200	£196	£180	£40
Outer London	£192	£177	£189	£175	£52
South East	£199	£182	£173	£177	£40
South West	£161	£153	£165	£163	£36
East of England	£168	£158	£163	£158	£37
West Midlands	£146	£141	£115	£112	£40
East Midlands	£141	£135	£139	£135	£44
Yorks & Humber	£148	£139	£144	£143	£36
North West	£145	£137	£131	£130	£37
North East	£144	£136	£149	£149	£40
England Regional Average	£167	£156	£156	£152	£40
Scotland Average	£158	£143	£155	£154	£49
Wales Average	£146	£142	£150	£148	£41

You do not need to be working to claim it and the amount you receive depends on your income and the number of children you have. Tax Credits rates will be increased in April. See www.direct.gov.uk for more information.

Child Tax Credit is paid directly into the bank, building society or post office account of the main carer and to apply you need to contact the Tax Credit helpline – see contacts box.

Child Trust Funds

If you are a parent with a child born after 31 August 2002, your child should be eligible for a Child Trust Fund voucher worth at least £250. The voucher can be invested in a special savings account, including a Shariah compliant account. You and your family can add to the account over the years and your child can access it when they are 18.

You should automatically be sent a Child Trust Fund voucher within a month of receiving Child Benefit.

Returning to work

If you are returning to work after a period of unemployment and have been claiming Income Support you may be eligible for additional financial support to ease the transition back to work. Speak to your Jobcentre Plus adviser about the Job Grant as well as assistance through the New Deal programme which may include help with childcare costs through Childcare Subsidy and Childcare Assist.

Help for working families

If you are a parent and you work, there are two main forms of financial assistance available to help with registered child care costs:

- the childcare element of Working Tax Credit; and
- employer supported childcare, usually called childcare vouchers.

The childcare element of Working Tax Credit

The childcare element of Working Tax Credit is an additional payment for families on low income who work at least 16 hours a week. If you are part of a couple you both need to be working at least 16 hours to be eligible. You can claim for up to 80 per cent of your registered childcare costs up to a maximum of £175 per week for one child and £300 a week for more than one child.

Contact the Tax Credit helpline for an application form or to check your eligibility. You can also visit the HM Revenue and Customs tax credit calculator and input your income and childcare figures to find out how much help you may be able to get from the childcare element. Visit: www.hmrc.gov.uk

You will need to keep the Tax Credit office informed of any changes to your circumstances such as change in childcare provider, moving, or a significant change in income.

Employer-supported childcare

If you cannot claim help through the Tax Credit system, your employer may be able to offer help if they operate employer-supported childcare, which includes childcare vouchers. These are a way of paying for childcare that saves you money on your tax and National Insurance contributions.

Most companies who offer childcare vouchers operate them through a salary sacrifice scheme. This means that you can agree to take home less pay each week or month (up to £55 a week or £243 a month) and be paid this amount in childcare vouchers or alternatively this can be paid directly to the childcare provider. The amount you sacrifice is tax and National Insurance free saving you around £900 a year. If you are a part of a couple these savings can double. As with the childcare element of Working Tax Credit, it can only be used for registered childcare.

For further information contact

Child Benefit 0845 302 1444

Tax Credits 0845 300 3900

**The Child Trust Helpline
0845 302 1470**

**For Shariah compliant trust funds
contact The Children's Mutual
0845 077 1899**

**Daycare Trust Information Line
0845 872 6251**

or visit

www.payingforchildcare.org.uk



Have you had to pay up-front fees when starting at a new childminder or nursery?

Free Childcare for Training and Learning for Work

In September 2008 the Secretary of State for Children, Schools and Families announced the Free Childcare for Training and Learning for Work scheme. This scheme will help parents aged 20 years or over with the cost of childcare while they learn or train.

Parents who qualify for this support could receive up to £175 per child per week (£215 in London) to pay for childcare whilst they undertake learning or training that will help them into employment.

To be eligible for the Free Childcare for Training and Learning for Work scheme you must be 20 years old or over, be out of work and:

- have one or more children under 14 (or under 18 if the child is disabled);
- have a partner who is working;
- have a household income of less than £20,000 per year.

The types of courses that are eligible vary considerably and can be taken through a number of routes, for example, in a further education college or a specialist training centre. There are no minimum or maximum course length criteria provided it will lead into a progression route into sustainable employment.

Support will be available to parents across England from April 2009 with applications accepted from February 2009 onwards.

To find out more about Free Training and Learning for Work please visit www.lsc.gov.uk/providers/moneytolearn/childcaretraininglearning

Have you had to pay up-front childcare costs?

Childcare costs are one of the biggest financial burdens on parents when entering or re-entering the job market. When a parent first registers their child with a provider, the registration, deposit and up-front fees can run into hundreds of pounds, often before a parent has started work and received their first salary. For parents who have been out of work, on maternity leave or who have just left college, this outlay is just too much for many and makes the transition back to work so much more difficult.

Daycare Trust has recognised this as a significant problem and we are currently conducting some research into the feasibility of a scheme to offer parents help with the up-front costs of starting at a new childcare provider while ensuring that the provider will not lose out on deposits and fees.

The first phase of the project is research and consultation with parents, providers and Family Information Services. And you can be a part of this research. Have you had to pay up-front fees when starting at a new nursery or childminder? Did this affect your decision to go back to work or to use a particular childcare provider? We have an online survey at: www.daycaretrust.org.uk or you can call our help line on: 0845 872 6251 and we will send you a copy of the survey in the post.

We are also looking for case studies, so if you want to take part you can either leave your details or email us at info@daycaretrust.org.uk.

National childcare week 2009

Daycare Trust is pleased to announce the dates for National childcare week 2009.

The week will run from Saturday 6 June to Friday 12 June, with events taking place in childcare settings up and down the country. There will also be a children's competition and details will be announced soon.

To register to receive further information, email nationalchildcareweek@daycaretrust.org.uk

Listening to Families

Daycare Trust was commissioned by the Department for Children, Schools and Families (DCSF) to conduct research within a fairly broad remit of 'Listening to Families' about childcare. We have now conducted the latest strand of this three year research project, 'Listening to young people'. Other reports in the series include; Listening to black and minority ethnic parents about childcare; Listening to parents of disabled children about childcare; and Listening to lone parents about childcare and an interim report entitled 'Listening to children about childcare'.

We have consulted with parents, children and young people across England to ask their views on childcare and on extended schools. Our intention was to evaluate how young people who attend extended schools view the provisions; the effects on their home life and their general well-being, and to ask them to offer possible ways to improve existing provisions. The report to be published shortly will incorporate the views of over 150 children.

The research will help the DCSF maintain its commitment to The Children's Plan, launched in 2007, which outlines a 10-year vision to improve schools and change the way parents and families are supported. One of the main principles underpinning the Plan is that 'services need to be shaped by and responsive

to children, young people and families, not designed around professional boundaries'. The government is now committed to creating a nation of young people who are healthy, safe and able to enjoy and achieve, make a positive contribution and achieve economic well being which the Every Child Matters: Change for Children Programme identified as five central outcomes for children. We hope that our research will deliver a firm assessment of how the government has fared in providing beyond adequate childcare and extended school provisions to give parents the choice to return to work if they wish to.

Engaging with children and families has proved to be an invaluable exercise for Daycare Trust – allowing us to further develop our culture of listening to families and of participation in services and policy development. Gathering evidence for this report involved a number of focus groups and face-to-face interviews with children and young people who never failed to surprise us with their insight, maturity and astute observations of childcare and extended schools provisions.

The Listening to Young People report is due to be published in March 2009 and will be available at www.daycaretrust.org.uk

The research project will continue in 2009 to consider the views and experiences of grandparents and their role in childcare.

Join our Parents' network

For your free subscription to *childwise*, please fill in the form below and join Daycare Trust's Parents' network. Return completed forms to: Daycare Trust, 21 St George's Road, London SE1 6ES, or fax it to 020 7840 3355.

I am a parent and would like to join Daycare Trust's Parents' network and receive my free copy of *childwise*.

Name _____

Address _____

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We may occasionally contact you about other publications and services we offer. If you do not wish to be contacted please tick this box.

NATIONAL CHILDCARE CAMPAIGN
daycare trust

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