

# NEWS RELEASE

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## CHILDCARE COSTS CONTINUE TO RISE BEYOND PARENTS' REACH – SAYS CHILDCARE CHARITY

Childcare costs for pre-school children in England continue to rise steadily, according to a survey published today (Tuesday 30 January) by Daycare Trust. A typical full-time nursery place for a child under two is £152 a week. This compares to average earnings of £447 a week last year. The costs have increased from £144 last year, a rise of almost six percent.

The highest childcare costs were found in London and the southeast, where typical costs were in the region of £180-£200 a week, and parents paying the highest reported costs could be paying £400 a week, almost £21,000 a year. The lowest nursery costs were in the Midlands and the lowest childminder costs in the northwest.

In contrast to the rising costs of nurseries and childminders, the cost of out of school clubs had dropped by seven percent on last year, with typical costs of £38 for 15 hours a week. The lowest costs for out of school clubs were found in inner London, reversing the trend of high costs usually found in the capital.

Daycare Trust's sixth annual childcare costs survey shows that costs continue to rise above the rate of inflation, and that the typical costs in England are higher than those in Wales (£131 a week). A separate survey for Scotland will be available shortly.

|                    | Nursery (Under 2) | Nursery (2 and over) | Highest Nursery Cost | Childminder (Under 2) | Childminder (2 and over) | Highest Childminder cost | Out of School Club | Highest Out of School Club |
|--------------------|-------------------|----------------------|----------------------|-----------------------|--------------------------|--------------------------|--------------------|----------------------------|
| Inner London       | 205               | 176                  | 330                  | 171                   | 162                      | 350                      | 29                 | 218                        |
| Outer London       | 182               | 158                  | 329                  | 177                   | 179                      | 400                      | 37                 | 90                         |
| South East         | 180               | 171                  | 375                  | 167                   | 165                      | 325                      | 45                 | 175                        |
| South West         | 154               | 141                  | 322                  | 149                   | 148                      | 250                      | 36                 | 85                         |
| East of England    | 152               | 132                  | 230                  | 151                   | 137                      | 240                      | 32                 | 105                        |
| West Midlands      | 127               | 126                  | 325                  | 116                   | 116                      | 250                      | 44                 | 180                        |
| East Midlands      | 127               | 124                  | 167                  | 122                   | 122                      | 250                      | 36                 | 115                        |
| Yorks & Humberside | 132               | 126                  | 200                  | 117                   | 117                      | 200                      | 37                 | 110                        |
| North West         | 131               | 123                  | 216                  | 111                   | 113                      | 250                      | 37                 | 90                         |
| North East         | 131               | 125                  | 260                  | 129                   | 129                      | 275                      | 43                 | 88                         |
| England Average    | 152               | 140                  | 375                  | 141                   | 139                      | 400                      | 38                 | 218                        |
| Wales              | 131               | 126                  | 222                  | 135                   | 137                      | 275                      | 34                 | 90                         |

Compiled from a survey of 122 out of 172 Children's Information Services in England and Wales, based on 50 hours a week in a nursery or with a childminder and 15 hours a week at an out of school club

Sixty–seven percent of Children’s Information Services (CIS) said that parents had reported a lack of affordable childcare in their area in the last 12 months. The survey also indicated that finding suitable childcare is even more difficult for parents of disabled children. Many CIS were unsure of additional costs for disabled children as these are established on a case-by-case basis according to need. Some CIS reported that there is additional funding to help meet any additional costs. However over 40 per cent of CIS said that there was not enough provision in their area for disabled children and over 30 percent were unsure whether there was enough provision.

Help with childcare costs is available through the tax credit system, and many parents can now also get tax relief through their employer, via childcare vouchers. Three and four year olds are entitled to 12.5 hours of free nursery education a week. In London there is a Childcare Affordability Programme, which subsidises the cost of childcare by up to £30 a week for eligible parents. However many families still struggle to meet the costs of childcare provision. Parents in the UK pay around 70 per cent of the cost of childcare, compared with European parents who pay around 30 per cent of their childcare costs.

Alison Garnham, Joint-Chief Executive of Daycare Trust, said, “With typical childcare costs rising to over a third of average earnings, parents cannot afford to bear the burden of increasing childcare costs alone. Despite significant government investment in early years and childcare, funding childcare needs to be further improved so that all children have access to high quality, affordable and accessible childcare.”

Daycare Trust is calling on the government to invest in high quality early education and childcare services by:

- Investing more in supply side funding and eventually phasing out the reliance on tax credits to pay for childcare costs;
- Increasing the free entitlement to early years education to 20 hours per week for 48 weeks a year for all two, three and four year olds;
- Ensuring that local authorities have adequate funding and resources to develop childcare services which meet the needs of all families, including an exploration of developing locally based funds to subsidise childcare places, eg for disabled children;
- Increasing the proportion of eligible childcare costs available within the current tax credit regime to 100 percent and enable maximum levels to take into account regional disparity and additional costs faced by disabled children.

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Ends.

## **NOTES TO EDITORS**

Alison Garnham and Emma Knights, Joint Chief Executives of Daycare Trust, are available for interview and comment.

This is the sixth annual childcare costs survey in England, and the third year the survey has been completed in Scotland and Wales.

The childcare costs survey for Wales is also released today. The survey results for Scotland will be available shortly.

|      | Typical weekly nursery cost for child under 2 (England) £ | Inflation (CPI) <sup>1</sup> % | Average weekly earnings <sup>1</sup> £ |
|------|---|--------------------------------|--|
| 2006 | 144   | 3.0                            | 447                                    |
| 2005 | 141   | 2.1                            | 431                                    |
| 2004 | 134   | 1.3                            | 419                                    |
| 2003 | 128   | 1.4                            | 404                                    |
| 2002 | 120   | 1.3                            | 391                                    |
| 2001 | 110 <sup>2</sup>  | 1.2                            | 376                                    |

1 Source: Office for National Statistics

2 Nursery costs not differentiated for under 2 and 2 and over

Daycare Trust is the national childcare charity, campaigning for quality affordable accessible childcare for all and raising the voices of children, parents and carers. We advise parents and carers, providers, employers, trade unions and policymakers on childcare issues. We recognise that everyone is unique and we value difference in our communities. We listen to all views and are committed to act without prejudice. We oppose all discrimination and promote equality in all we do.

Daycare Trust runs a childcare helpline (020 7840 3350) which is open on Monday, Wednesday and Friday from 10am –5 pm. Parents can also visit our website, [www.daycaretrust.org.uk](http://www.daycaretrust.org.uk) for information.

**For further information, contact press office at Daycare Trust on 020 7840 3350 (out of hours 0780-4508768).**