

# NEWS RELEASE

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## 27 PER CENT INCREASE IN CHILDCARE COSTS IN FIVE YEARS

The cost of a typical full-time nursery place in England has increased by 27 per cent in five years, according to a survey published today (Wednesday 8 February) by national childcare charity Daycare Trust. The rise outstrips inflation by nearly 20 per cent.

A typical full-time nursery place for a child under two in Great Britain now costs £142 a week, over £7,300 a year. This compares with average earnings of £431 a week last year. Parents paying the highest costs revealed in the survey could be paying almost £21,000 a year for a full-time nursery place.

The highest childcare costs in the survey were found in London and southeast, with a nursery place for a child under two typically costing £197 a week in inner London. This is the only region of the country where there has been no increase in childcare costs in the last 12 months. The lowest nursery costs were in the Midlands and the northeast.

Daycare Trust's fifth annual survey shows that over recent years the costs of childcare have soared above inflation across the country. The largest increases this year were in Wales with a seven per cent rise and Scotland with an eight per cent rise, compared to two per cent in England.

£	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 cost
Inner London	197	178	338.75	160	163	350.00	26	217.50
Outer London	174	152	320.00	148	146	400.00	36	83.00
South east	165	153	400.00	165	160	500.00	41	160.00
South west	143	132	280.00	137	136	250.00	55	250.00
East of England	144	136	215.00	141	139	275.00	47	180.00
West Midlands	121	118	175.00	105	104	300.00	47	200.00
East Midlands	120	118	194.00	122	122	250.00	38	125.00
Yorkshire & Humberside	127	122	196.35	119	117	200.00	39	115.00
North west	130	123	187.50	110	103	300.00	38	100.00
North east	123	115	162.75	118	111	250.00	43	162.75
<b>England average</b>	<b>144</b>	<b>134</b>		<b>132</b>	<b>129</b>		<b>41</b>	
<b>Scotland</b>	<b>132</b>	<b>122</b>	<b>200.00</b>	<b>132</b>	<b>131</b>	<b>350.00</b>	<b>33</b>	<b>135.00</b>
<b>Wales</b>	<b>128</b>	<b>122</b>	<b>165.00</b>	<b>124</b>	<b>124</b>	<b>262.50</b>	<b>30</b>	<b>79.00</b>
<b>GB average</b>	<b>142</b>	<b>133</b>		<b>132</b>	<b>130</b>		<b>40</b>	

Compiled from a survey of 150 out of 200 Children's & Childcare Information Services in Great Britain, based on 50 hours a week in a nursery or with a childminder and 15 hours a week at an out of school club

More than two-thirds of the Children's Information Services surveyed responded that parents have reported a lack of affordable, quality childcare in their area during the last 12 months, a slightly higher proportion than last year. Particular gaps were in affordable provision for families on low-income and parents who wanted to train or study.

For the first time, the highest childcare costs in the survey were charged by childminders rather than nurseries, with a full-time place with some childminders in London and the southeast costing up to £500 a week. Generally, though, a full-time childminding place costs around £130 a week, and up to £163 a week in inner London.

Typically, 15 hours at an out of school club a week costs £40 across the UK, with the lowest typical costs being found in inner London.

Help with childcare costs is available through the tax credit system, and many parents can now also get tax relief through their employer, following a new scheme introduced by the Government in 2005. However many families still struggle to meet the costs of childcare provision. The average award for help with childcare costs is £53.30 a week. Parents in the UK pay around 75 per cent of the costs of childcare, compared with European parents who pay around 30 per cent of their childcare costs.

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

- Investing more on supply side funding and 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
- Introducing income-related subsidies for wrap-around care
- Ensuring that local authorities have adequate funding and resources to develop childcare services which meet the needs of all families who want them in their areas
- Conducting an independent review of the whole early education and childcare funding system for the 2007 Comprehensive Spending Review

Christine Walton, Chief Executive of Daycare Trust, said: "Study after study shows that high quality, appropriate childcare has a positive and lasting impact on children's development and well-being. Parents in the UK pay the bulk of the costs of childcare. But calls to our information line show that many parents struggle to find services that they can afford and many are missing out on the benefits for their children, as well as being unable to work or train.

"The Government has worked hard to make many more childcare places available for parents. But now we urgently need a review of the funding system for childcare to ensure that all children have access to good quality services, regardless of their family income. We need to invest more now for the future of our country."

Children in Scotland Chief Executive, Bronwen Cohen, commented: "These new figures support our view that parents in Scotland continue to struggle to access affordable, high quality childcare that meets their needs and the needs of their

children. In evidence given to the Education Committee Early Years Inquiry we have called for the Scottish Executive to increase the current entitlement of free, part time education for three and four year olds to free, whole day provision. We believe that consideration should be given to increasing this further to include two year olds in keeping with other parts of the UK, as in Wales. For a longer term vision the Scottish Executive should look to other parts of Europe, particularly the Nordic Countries, where children from age one through to secondary school age have an entitlement to free whole day education and care.”

Lynne Hill, Policy Director for Children in Wales, said: "Childcare is frequently cited as a barrier to work in Wales particularly among lone parents. Parents of disabled children face significant barriers because of the limited availability of appropriate and affordable childcare."

## NOTES TO EDITORS

This is the fifth annual Childcare Costs Survey of childcare costs in England. Childcare costs in Scotland and Wales were first compiled by Daycare Trust in 2005.

	Typical weekly nursery cost for child under 2 (England) £	Inflation (CPI) <sup>1</sup> %	Average weekly earnings <sup>1</sup> £
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

<sup>1</sup> Source: Office for National Statistics

<sup>2</sup> Nursery costs not differentiated between children under 2 and 2 and over

The Childcare Bill currently going through Parliament will place a new duty on local authorities to provide sufficient childcare for all working families in their areas from 2008. It does not address the affordability of childcare.

Daycare Trust is a 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 information line (020 7840 3350) for parents with access to Language Line interpreters for non-English speakers. Callers can get a tax credit calculator, to find out how much tax credit parents may be eligible for towards the costs of childcare. Parents can also visit [www.daycaretrust.org.uk](http://www.daycaretrust.org.uk) for information.

**For further information, please contact the press office at Daycare Trust on 020 7840 3350.**