

**Briefing from the Family and Childcare Trust  
Westminster Hall Debate on Childcare in London, Wednesday 19<sup>th</sup> March**

**About the Family and Childcare Trust**

The Family and Childcare Trust works to make the UK a better place for families. Our vision is of a society where government, business and communities do all they can to support every family to thrive. Through our research, campaigning and practical support we are creating a more family friendly UK.

**Introduction**

High quality affordable childcare supports children's social and educational development and enables parents to work. There is a chronic shortage of affordable childcare, particularly in disadvantaged areas, and public support is poorly targeted to help those who face the greatest affordability challenges. These gaps undermine efforts to reduce educational inequalities and are a significant constraint on parental employment and poverty reduction strategies.

There are a range of acute childcare problems in London. There are significant gaps in childcare provision across the city: for instance, there are insufficient places for 5-11 year olds and the city has a particular demand for – and shortage of - childcare outside of regular office hours. The government's programme to provide free early years education for the most disadvantaged children is grinding to a halt in the capital, where many of the children eligible for this scheme are located and where there simply are not enough spaces available.

**Childcare costs**

- In London, the average cost of a nursery place for a child under two is now £5.60 per hour. This is 28% more than the national average. This means that a London parent with a child under two pays on average £30.23 more every week for 25 hours nursery care than the average parent in Britain. Over one year this amounts to £1,570 extra cost.
- In Britain the average cost of a childminder looking after a child under two is £3.99 an hour. For London, the cost is £5.46 an hour.
- The average cost of an after-school club is now £48.19 per week in Britain and £49.04 in London. Within London there are greater differences in cost for after-school clubs than in any other region, with a cross-London difference of 264% within the capital.
- At present, working parents who receive help with their housing costs through housing benefit qualify for extra help with their childcare costs through a housing benefit disregard in the tax credit calculation. This will be abolished when Universal Credit comes online and around 100,000 families will see a drop in their childcare support from 96% of costs to 70%. London families will be disproportionately affected, due to their higher representation in rental accommodation than in other parts of the UK.

**Year-on-year changes**

- Childcare costs in London have increased significantly in the last five years at the same time as wages have stagnated: 25 hours of nursery care for a child under two now costs 29% more than it did in 2009 and the same number of nursery hours for a child over two is now 41% more expensive. Over the same period, childminder costs increased by 31% for children under two, by 35% for children over two, and after-school clubs increased in cost by 9%.

### **Childcare supply**

- Despite the obligations in the Childcare Act 2006 to provide enough childcare for working parents in England and Wales, only 54% of local authorities in England reported having sufficient childcare for children aged two and under. In London this figure was 51%.
- There are major gaps in provision for older children, disabled children and parents who have atypical work patterns. This is particularly significant in London because as many as 1.4 million jobs in the capital are in sectors where employment regularly falls outside normal office hours when nurseries are usually open<sup>1</sup>.
- Informal childcare - provided by relatives, friends and neighbours – can be a vital source of support for families, especially for those who work outside of normal office hours. London has the lowest level of informal childcare in the UK – its role as a hub for international and internal migration means that many parents in London lack strong local support networks that could provide informal childcare support. 18% of parents in London had used a grandparent for childcare in the previous six months, compared to 32 per cent across the UK.
- The Department for Education is extending free early education to disadvantaged two year olds, with the aim of covering 40% of the national cohort. Many of these children live in London, yet at present, there are simply not enough places in childminders and nurseries for all of the eligible children. While 74% of eligible children have been placed nationally, only 51% of eligible children in London had been placed by November 2013. This amounts to a crisis.

### ***Possible questions for the minister:***

- How might the government consider supporting the childcare needs of parents with atypical work patterns who have no access to a support network for informal childcare?
- To provide more support for parents and help to make the free offer more sustainable and in turn improve quality, will the minister look again at making the two year old childcare offer universal?

### ***Further Family and Childcare Trust publications:***

[2012 London Childcare Survey](#)

[Supporting London local government to deliver free education for disadvantaged two year-olds](#)

For more information, please contact Duncan Lugton, Policy and Research Assistant at the Family and Childcare Trust, on 020 7940 7510 [duncan@familyandchildcaretrust.org](mailto:duncan@familyandchildcaretrust.org).

---

<sup>1</sup> Business Register and Employment Survey, 2009