

Lords Select Committee: Affordable Childcare

Submission by Contact a Family, Every Disabled Child Matters, Family and Childcare Trust and Working Families

Summary

- Contact a Family, the Every Disabled Child Matters campaign, Family and Childcare Trust and Working Families welcome the opportunity to respond to this much needed Lords Select Committee into affordability childcare.
- There has been noticeable political focus on childcare, however the issue of childcare for disabled children has remained neglected. We hope the Committee will pay particular attention to the significant additional childcare challenges for families with disabled children and young people not experienced by other families.
- Research shows:
 - only a quarter of local authorities saying they have enough childcare for disabled children¹
 - 77%² say childcare for a disabled child is more expensive to arrange compared to childcare for a non disabled child.
 - 71%³ say they have cut back or given up work because of childcare problems
 - 32%⁴ don't use childcare because the workforce doesn't have the right experience.
- A childcare affordability trap⁵ means families with disabled children can pay 8 times more towards childcare costs compared to other families. When Universal Credit is introduced this could increase to 15 times more.
- In July 2014, a cross party Parliamentary Inquiry into childcare for disabled children⁶ found widespread failures for disabled children across the childcare system. This becomes more acute for disabled young people.
- 86% of parent with disabled children who responded to the Inquiry's survey reported paying above average childcare costs, with 38% paying £11-20 and 5% paying more than £20.
- Typical comments from parent carers to the Inquiry's call for evidence included:
 - *"The few childminders who offered to take my child on told me they can only do it if I pay 3-4 times the usual rate as looking after my child would mean they*

¹ Family and Childcare Trust 2014

² Contact a Family research (June 2014), based on 3900 responses from parents with disabled children across the UK.

³ Contact a Family research (June 2014), based on 3900 responses from parents with disabled children across the UK.

⁴ Contact a Family research (June 2014), based on 3900 responses from parents with disabled children across the UK.

⁵ http://www.cafamily.org.uk/media/773401/childcare_affordability_trap_research_june_2014.pdf

⁶ [Levelling the playing field for families with disabled children and young people](#)

lose money otherwise. However, £15 or £20 per hour for childcare is not anything we can afford.”

- *“Trying to return to work was one of the greatest challenges I faced. Very few nurseries would consider taking him. I felt that both my son and I were being excluded right at the start of his life. I had to fight hard to obtain funding from the council to give him one-to-one support at the private nursery that did offer him a place.”*
- The Department for Education told the Inquiry *“We know there is a general issue about the cost and affordability and choice of childcare for all parents and obviously that is exacerbated hugely when the child has got a disability.”* Olivia McLeod, Director of Early Years and Childcare, Department for Education⁷
- Extra costs include: higher staff to child ratios, 1:1 care, physical adjustments, additional training for staff, specialist equipment.
- Adequate funding is often not available to parent carers or providers to support the extra costs. As a result many parents of disabled children are forced to give up work because they could not afford to cover the extra childcare costs. Consequently families with disabled children are at greater risk of living in poverty and financial hardship.
- The extra costs of childcare for disabled children not only means many qualified and skilled parents are forced out of the workplace, it also means disabled children miss out on vital social and educational opportunities outside school.
- 10 years on from the first childcare strategy,⁸ successive governments have implemented a range of policies aimed at increasing access to affordable and quality childcare for all families. However, while measures aimed at raising quality, giving parents more choice⁹, and making childcare more affordable¹⁰ are welcome they have done little to tackle the extra costs and care needs for disabled children.

⁷ [Parliamentary Inquiry into childcare for disabled children oral evidence session](#)

⁸ [Choice for parents, the best start for children: a ten year strategy for childcare 2004](#)

⁹ [More great childcare 2013](#)

¹⁰ [More affordable childcare 2013](#)

- The Inquiry set out a number of steps the government could take immediately to begin to address these problems. The key recommendations on affordability include:
 - The government should undertake a cross-departmental review of funding to identify where support must be improved to meet the extra costs of childcare for disabled children and remove barriers to access.
 - The government should pilot the provision of more flexible financial support for parents with disabled children to help with the extra childcare costs. For example through increasing the upper limit of capped childcare costs under Universal Credit and the tax-free childcare scheme.
 - The Department for Work and Pensions should pilot how personal budgets could be enhanced to give parents and disabled young people better choice and control over the childcare market and the ability to cover extra childcare costs
- Contact a Family, Every Disabled Child Matters, Family and Childcare Trust and Working Families along with the thousands of parents with disabled children who responded to the Inquiry's call for evidence support these recommendations. We await the government's response to the Inquiry findings.
- Ahead of the next general election we are keen to see all parties commit to tackling the ongoing childcare problems for disabled children and young people with a cross – departmental action plan and funded programme.
- We urge the Lords Select Committee into affordable childcare to echo this call and set out ambitious recommendations aimed at transforming childcare for disabled children when it reports in March 2015.
- We would welcome the opportunity to give oral evidence and would be happy to arrange a session with parents of disabled children and disabled young people.

Further Evidence

Research with parents of disabled children shows:

- 39% did not use childcare because it was too expensive¹¹.
- 52% of parent carers cited cost as the main barrier to them accessing childcare¹².

Higher costs are particularly significant because families with disabled children typically have a greater need for childcare than other families. This is often because they struggle to access the same informal childcare arrangements that other parents can agree with each other.

“People forget you can't share pickups, play-dates after school or exchange childcare in the way you can with children who do not have special needs or disabilities”.

Costs increase further as disabled children get older because providing activities for disabled young people at secondary school to emulate their peers typically requires the presence of an adult for the duration, whilst non-disabled young people can spend their time taking part in unstructured or unsupervised activities with their friends. The Parliamentary Inquiry in childcare for disabled children identified access to childcare and activities for older children and young people are particularly poor. Many of these activities do not fit easily into the current framework of support with childcare costs, which is based on supporting parents to work.

¹¹ Contact a Family research (June 2014), based on 3900 responses from parents with disabled children across the UK.

¹² EDCM and Family Fund (2011), *Breaking down barriers*

Inadequate financial support

Childcare is expensive for all parents and financial support is available to help meet these costs through Working Tax Credits for lower income households. This provides 70% of costs up to a maximum of £175 per week for one child and £300 per week for two or more children (but is subject to a taper as earnings increase).

Despite this support, childcare is still beyond the means of many families with disabled children because the hourly cost of childcare means they quickly reaches the weekly cap on support. Based on a 35 hour working week and childcare costs of £13 per hour, a family would have to make up a shortfall of £332.50 per week. This shortfall is impossible to make up for most low income families and provides a huge disincentive to work. Alternatively, many families are forced to work only a small number of hours which restricts their earning potential and career progression.

The government plans to increase the support for childcare costs by raising the childcare element of Universal Credit to 85% from April 2016. The increased support under Universal Credit does not include a rise in the upper limit of support and results in families with disabled children facing childcare costs 15 times greater than other families, so families with disabled children stand to benefit relatively little from this policy.

This is illustrated by the following calculation:

Working Tax Credit (WTC)

The average cost of a childminder looking after a child under two is now £3.93 per hour across Britain¹³

Based on a 35 hour working week, childcare costs are £137.55 per week.

Under WTC a family receive help with 70% of these costs - £96.28 per week.

So this family has to make up shortfall of £41.27 per week

Mothers of disabled children can pay between £11-£20 per hour

Based on a 35 hour working week childcare costs are £455 (based on £13).

Maximum amount of help available under WTC rules for one child is £122.50 (70% of £175 cap on childcare costs).

So this family has to make up shortfall of £332.50 per week.

Therefore mothers with a disabled child pay 8 times more towards childcare costs.

Universal Credit (UC)

The average cost of a childminder looking after a child under two is now £3.93 per hour across Britain¹⁴

Based on a 35 hour working week, childcare costs are £137.55 per week.

Under UC a family would receive help with 85% of these costs - £116.92 per week

So this family has to make up shortfall of £20.63 per week.

Mothers of disabled children can pay between £11-£20 per hour

Based on a 35 hour working week childcare costs are £455 (based on £13).

Maximum amount of help available under UC rules for one child is £148.75 (85% of £175 cap on childcare costs)

So this family have to make up shortfall of £306.25 per week

Therefore families with a disabled child pay 15 times more towards childcare costs.

¹³ <http://www.familyandchildcaretrust.org/>

¹⁴ <http://www.familyandchildcaretrust.org/>

Families with disabled children are further disadvantaged because policies to help families meet childcare costs may not be available for the full range of childcare options they access. Whilst some providers, such as holiday residential schemes that cater for disabled children, can typically register with Ofsted through the voluntary childcare register, whether they do so is a matter of discretion. The current Working Tax Credits regulations do allow the childcare element of tax credits to be used to pay for domiciliary carers (and the government proposes that the tax-free childcare scheme will mimic these regulations) but unregistered assistants would otherwise also need to register with Ofsted.

Parents with disabled children who require a combination of personal care and childcare currently face a confused situation, and little consistency as to whether a provider that can provide suitable care for their child will be eligible for support with childcare costs.

“I tried to apply for Tax Credits (working and child tax credits) but was advised that I can only claim my costs for childcare when I’m working if my children attend an Ofsted registered facility. I explained that my daughter wasn’t able to access this type of facility and has to be cared for at home but the advisor was quite adamant that there was no other option to claim these costs” Parent carer¹⁵

The Childcare Payments Bill

The Bill includes a number of welcome measures that recognise families with disabled children. It says that:

The Government intends to make regulations providing that a qualifying child is one aged under 12 or, in the case of a disabled child, under 17¹⁶.

While the Government recognises that disabled children need help towards childcare costs for longer, the Bill does not take into account the substantial extra childcare costs per hour they face. Under the proposed scheme the government will contribute 20p for every 80p a parent spends on childcare. However, the government contribution will be capped at £2000 per child. This means a parent needs to spend £8000 on childcare for that child themselves in order to get the maximum amount of help.

Therefore, based on a working week of 35 hours at £13 per hour a family with one disabled child can pay £455 per week, which amounts to £23,660 per year. 20% of that figure would be £4732 per year. This means that a family with one disabled child will quickly reach the upper capped limit of support and will benefit less than other families from this policy.

We urge the Committee to support our call on the government to raise the maximum cap of £2,000 for a qualifying child for whom disability living allowance or personal independence payment is payable.

Early years Pupil Premium

The government proposes to introduce an Early Years Pupil Premium (EYPP) from April 2015, which will be incorporated into funding for the free early education offer for three- and four-

¹⁵ Parliamentary Inquiry into childcare for disabled children (July 2014)

¹⁶ <http://www.publications.parliament.uk/pa/bills/cbill/2014-2015/0007/en/15007en.htm>

year-olds, but does not plan to include disabled children or children with special educational needs (SEN) in the eligibility criteria for the EYPP.

From September this year, children who receive Disability Living Allowance (DLA) or have a statement of special educational needs (or an education, health and care plan) will be eligible for the free early education offer for two year olds, regardless of their family's income. The government's rationale was sound when it extended the free early education offer for two year-olds to disabled children: high quality early education supports inclusion and wellbeing and is particularly beneficial for these children as well as their families and peers. And their parents often face extra costs. However, the recent Parliamentary inquiry into childcare for disabled children highlighted that disabled children are being let down by a lack of appropriate funding, support and services to meet their needs.

In order to target disadvantage in the early years, the government should increase funding for the EYPP and align the eligibility criteria with the two year old offer to include children in receipt of Disability Living Allowance (DLA) and children with a statement of special educational needs (or an education, health and care plan). This step is affordable and would help to address the urgent need for better support for disabled children in the early years

Challenges for providers

Providing childcare to disabled children frequently incurs additional costs. These costs can include:

- higher staff to children ratios
- 1:1 care or higher for children with complex needs
- physical adjustments to the childcare setting,
- additional training for staff including time to attend training, and
- the costs of resources such as specialist equipment.

This is particularly significant for childminders who do not provide childcare in group settings and cannot spread costs as easily. Although parent carers regularly report these costs being passed on to them, many providers and local authorities to the recent Parliamentary Inquiry into childcare for disabled children insist that the additional costs are absorbed by the settings themselves. A number of local authorities stated that they advise childcare providers that charging more for places for disabled children would be discriminatory and that it is their duty to make anticipatory provision in their budgets to meet reasonable adjustments. Other local authorities subsidise places for disabled children. However, this picture is not typical or consistent around the country.

Availability of inclusion funding

Providers often rely on additional funding from local authorities to meet the extra childcare costs for disabled children. Typically for intensive support such as one to one care, this is expected to come out of the High Needs Funding block. However, the availability of additional funding is inconsistent and is not always adequate to enable a disabled child's participation in a setting. In some areas inclusion funding is not available at all and in others it is only available for a limited number of hours. Local authorities can also impose an in work requirement which means that parent carers may not be able to access inclusion support for their children.

15% of respondents to Contact a Family's research said that they had been refused one to one funding to allow them to access childcare.¹⁷ In these cases, settings are faced with a choice to cover the costs themselves, exclude the child from attending or require parents to pay the costs of this support themselves. Funding this level of support is usually impossible for families with disabled children, who are more likely to live in poverty and are already faced with the additional costs of their child's disability. For those who can pay for this level of support, it endangers their economic security.

"We found him an excellent pre school, but the local authority will only fund 6 hours of one to one care and only during the term time. They won't pro rate it across the year... We're lucky. We have family support, so I've been able to call on my mum to look after Lawrence while I work. If we hadn't have been able to do that our financial situation would have been incredibly difficult. We wouldn't be homeowners any more. We'd be in social housing." Katherine, parent carer¹⁸

Other issues with inclusion funding prevent disabled children accessing childcare. One local authority stated that inclusion funding for support workers was linked to set times during day nursery hours and did not meet many parents need for flexible childcare. In addition, funding for support workers during the school day could not be extended to allow children to attend wraparound care. A failure to assess children early was also cited as a barrier to accessing inclusion funding and in some cases drawn out assessment processes meant funding was not in place for the entire early years period. Some parents also report having to reapply for funding on a rolling basis but with little or no transparency about the process which takes place.

"Every eighth week I was faced with the possibility that his funding would be pulled, that I would have to leave work, and I have a three month notice period at work, and if I lose work I will lose our home. It's that simple...there have been hiatuses in his care where his one to one has stopped...The nursery did what they could, and when these hiatuses have come up again they've tried to cover things up hoping that the money will come back to them in the form of more inclusion grant and discretionary funding." Jennie, parent carer

There was general agreement that inclusion funding from local authorities is vital for providers to be financially capable of providing quality care to disabled children. Research by the City of York Council found that Early Years Inclusion Funding benefitted the child, setting and local authority. These benefits included allowing children to stay in their own locality instead of travelling to an enhanced resource base, supporting settings to be fully inclusive and reducing pressure on places at York's only enhanced resource base. Most significantly, the research shows that more children can be supported than through a Statement of SEN and more cost effectively¹⁹.

Key facts

- Disabled children are the most likely to experience poverty²⁰.
- It costs up to three times as much to raise a disabled child, as it does to raise a child without disabilities²¹.

¹⁷ Contact a Family research (June 2014), based on 3900 responses from parents with disabled children across the UK.

¹⁸ Parliamentary Inquiry into childcare for disabled children (2014), oral evidence session

¹⁹ City of York (2014)

²⁰ Department for Work and Pensions (2013) Households Below Average Income: an analysis of the income distribution 1994/95 -2011/12

- Families with disabled children are 2.5 times more likely to have no parent working for more than 16 hours per week.²²
- Only 16% of mothers with disabled children work compared to 61% of all mothers.²³

About us

Contact a Family

Contact a Family is the only UK charity that provides information, advice and support to families with disabled children whatever their condition or disability. Last year we helped 320,000 families to access life-changing help. Visit www.cafamily.org.uk or call our helpline on 0808 808 3555

Every Disabled Child Matters

Every Disabled Child Matters (EDCM) is the national campaign to get rights and justice for every disabled child. It is run by four leading organisations working with disabled children and their families: Contact a Family, Council for Disabled Children, Mencap and the Special Educational Consortium. Find out more at www.edcm.org.uk

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. For more information, go to www.familyandchildcaretrust.org.

Working Families

Working Families is the UK's leading work-life balance organisation. The charity helps working parents and carers and their employers find a better balance between responsibilities at home and work. www.workingfamilies.org.uk

For more information, please contact:

Una Summerson

020 7608 8742

una.summerson@cafamily.org.uk

²¹ Dobson, B and Middleton, S (1998), Paying to care: the costs of childhood disability

²² Emerson, E and Hatton, C. (2005)

²³ EDCM (2006), Between a rock and a hard place