Northern Ireland Childcare Cost Survey 2012

The third annual childcare cost survey to be carried out in Northern Ireland, analysing the experiences of using and paying for childcare services

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Employers For Childcare Charitable Group
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Employers For Childcare Charitable Group Foreword

As founder and Chief Executive Officer of Employers For Childcare Charitable Group I have spent the best part of 15 years lobbying on the need to support parents to be able to get into and stay in work. My experience has taught me that access to appropriate, flexible and affordable childcare is central to achieving this. In particular childcare affordability is a key consideration for parents.

Childcare is also critical to our economic recovery. We have a fragile childcare infrastructure that is not responsive to the demands of parents. Parents' decisions about work and family life are complex. Compromises are often made when the cost of childcare becomes prohibitive.

Indeed, the Childcare Cost Survey 2012 reinforces the significant role that childcare plays in helping parents balance their work and family responsibilities. It also illustrates the problems associated with sourcing accessible, appropriate and affordable childcare that meets their needs. Childcare costs relative to earnings reveal an imbalanced picture, whereby the financial benefits of working are often outweighed by the costs of childcare.

In recent years childcare policy has received more prominence and has emerged as an important policy issue. The current Programme for Government provides a commitment to develop a Childcare Strategy for the region. This is encouraging. We urge those currently looking at this important policy area to investigate the disparity between childcare costs relative to earnings and to ensure that parents have access to childcare that meets their needs.

At a time when Government policy is focused on getting people back into work it is only fair that the importance of addressing the issues of childcare affordability and parents' access to appropriate childcare are prioritised.

Marie Marin
Chief Executive Officer
Employers For Childcare Charitable Group

Daycare Trust Foreword

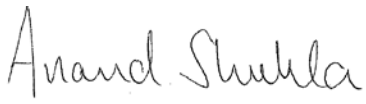
Once again, I am delighted to write the foreword to this extremely important report, and congratulate Employers For Childcare Charitable Group's third Northern Ireland Childcare Cost Survey.

Daycare Trust's experience from conducting annual costs surveys for more than a decade illustrates that such research is essential in highlighting the problems created for families by expensive, patchwork childcare. It is an issue affecting families across the UK, and indeed across the world. Our report 'The Scottish Childcare Lottery', published in February 2012, was the catalyst for a major debate on childcare policy in Scotland. In the days following the report launch, there was an extensive debate in the media and two debates in the Scottish Parliament. Two weeks following the report, the Scottish First Minister announced that from September 2014, there would be 600 hours provision of free childcare for three and four year olds - which is slightly more generous provision than for three and four year olds in England. In Wales too, there are debates about how best to support families and whether to extend the current entitlement to 12.5 hours of free early education.

Robust data on the cost of childcare and its effects on families matter - and that is why this report is so important. I also note the difficulties faced by parents in getting information on financial support available with childcare costs, and information on family benefits and entitlements. Our experience in administering the National Association of Family Information Services (NAFIS) demonstrates the importance of providing high-quality, up-to-date, accessible information to families.

Daycare Trust has worked for over 25 years to ensure that there is high-quality, affordable childcare available to all families. From our work with families, we know that finding appropriate childcare and paying for it remain significant barriers to work for many parents, particularly women. Childcare provision is also essential for the economy - if parents can stay in work because they have affordable childcare, then this brings benefits for businesses and for the Exchequer in terms of increased tax revenues, and lower benefits bills. These benefits are in addition to the jobs provided through a bigger childcare sector.

We welcome the emphasis given to childcare policy in recent years, in particular the commitment to develop a Childcare Strategy for Northern Ireland. However, as this report shows, the pressures on family life because of a lack of affordable childcare in Northern Ireland are real and pressing. Given the extension of free childcare provision in Scotland and to disadvantaged two year olds in England, provision in Northern Ireland is now lagging behind the rest of the UK. We continue to support Employers For Childcare Charitable Group in its sustained effort to remedy this position.



Anand Shukla
Chief Executive
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Glossary of terms

Atypical childcare: Atypical childcare provision is defined as childcare offered outside of Monday to Friday 7.30am – 6.00pm.

Childcare Voucher schemes: The Childcare Voucher scheme is a Government initiative which operates through employers. The scheme allows parents to pay for registered childcare from their pre-tax salary, thus making a significant saving in tax and National Insurance Contributions. The Childcare Voucher scheme is available to both parents, provided they can access it through their employer. This means there is the potential for a family to double their saving. Childcare Vouchers are accepted by all forms of registered childcare.

Community based / voluntary childcare: Community Childcare Providers offer community-based childcare services. Such provision is usually subsidised by Government funding to enable provision to be offered at a lower rate. Examples would be Sure Start and women's centres which offer childcare services.

Daycare Trust: The Daycare Trust is the national childcare charity in England, Scotland and Wales. Established in November 1986, its remit is to promote high quality affordable childcare for all through an information service, policy and research.

Formal childcare: The definition of registered formal childcare provision as stated in the Children (NI) Order 1995 is as follows:

> People running day care services, used by children aged under twelve and open for more than two hours a day. Day care services include facilities such as day nurseries, play groups, out of school clubs, holiday schemes and crèches. People who run these schemes are required to register whether or not they receive payment.
>
> Childminders who look after children aged under twelve for more than two hours a day in a private house for reward.

Informal childcare: Informal childcare is generally defined as care arranged by the child's parent either in the child's home or elsewhere, and is provided by

relatives, friends, neighbours or babysitters and is unregulated. It is referred to as informal care because the arrangements are not formalised with contracts or employment rights (OECD Family Database) and are not registered with the appropriate authority.

Private settings: Private childcare settings operate as a business, making a profit from providing their services. They are inspected by Health and Social Care Trusts in Northern Ireland to ensure they meet the standards set out in the Children (NI) Order 1995.

Working Tax Credit: Working Tax Credit is designed to help people on lower incomes who meet certain conditions and who are employed or self employed. The amount received depends on various factors, including hours worked and annual income. Working Tax Credit may also include support for eligible childcare. The childcare element currently enables parents to claim up to 70% of the cost of eligible childcare. The current maximum amounts of eligible childcare are £175 per week for one child and £300 per week for two or more children.

Wraparound childcare: Wraparound childcare is designed to provide childcare for school aged children around traditional school hours. This does NOT include extra-curricular activities such as sports clubs, music lessons or other activities. There are four types of wraparound childcare services, breakfast clubs, 2-3pm clubs, afterschool clubs and summer schemes. These services can be provided by private childcare providers or by primary schools. In some cases primary schools will work in partnership with a private provider to offer the service. For the purposes of this report, the definition of wraparound childcare includes only services which are offered consistently throughout the school week.

Executive Summary

This is the third annual Childcare Cost Survey for Northern Ireland. Year on year Employers For Childcare Charitable Group collects, records and analyses the change in childcare costs across the region. Childcare Cost Surveys have been conducted in the other regions of the UK for the past 11 years. The Northern Ireland survey allows us to compare and contrast childcare costs across the whole UK.

As well as detailing childcare costs by childcare type and county, the survey also explores the challenges parents face in using and paying for childcare. This two-fold perspective allows us to capture not only the cost of childcare but also the impact this has on families in Northern Ireland.

Methodology

- Two separate surveys were carried out in June 2012 to collect the data, one with childcare providers and the other with parents across Northern Ireland.
- 886 childcare providers completed the survey. This is a 3% increase on last year and a 7% increase on the first Childcare Cost Survey in 2010.
- 3,719 parents responded to the survey, a 50% increase on last year and a 255% increase on the 2010 survey.

Key findings

The key findings of both surveys are highlighted below.

Childcare costs

Average full time childcare costs

- The average full-time (50 hours) private childcare place averages at £156 per week. A £2 increase on last year's figure.
- Childminders are more expensive that a day nursery, a trend which was apparent in last year's results. The average childminding place costs £157 per week (regardless of the age of the child).

- A day nursery place averages at £155 per week for a child under two years of age and £154 for a child over two.
- The costs of each of the forms of childcare have risen slightly in price over the year.
- The highest costs are found in County Antrim. The lowest costs were recorded in Fermanagh.

Out of school clubs

- The average private breakfast club costs £31 per week.
- Private Afterschool clubs cost £85 per week.
- Private Holiday schemes cost on average £124 per week.
- Between 2011 and 2012 each of the out of school club costs increased. The largest increase in costs was for breakfast clubs, which increased by 10.7%.
- When average of out of school costs are considered by county, the highest costs are found in County Antrim (£86). The lowest are in County Tyrone (£53).

Additional Fees

- Full-time childcare settings, childminders and day nurseries, are more likely to charge a retainer fee to parents (74% and 73% respectively).

Community Childcare settings

- Community setting costs are less expensive than private settings.
- A community day nursery costs £97 per week for children under two and £112 for children over two.
- Breakfast clubs cost £15 per week, afterschool clubs charge £52 per week and holiday schemes cost £78 per week.
- The difference between private costs and community costs has narrowed year on year since this research series began. This narrowing of the pricing gap shows that the cost of community childcare settings is increasing at a faster rate than private settings.

Trends in Northern Ireland's childcare costs

- This year's results confirm the findings of the previous two years; there is a link between population density and childcare costs. The more populated, urban counties Antrim and Down report the highest costs. Correspondingly, the more rural counties Tyrone and Fermanagh contain the lowest costs in the region.
- Furthermore, the 2010 and 2011 surveys also illustrated that as the volume of childcare provision in an area increases, the cost of childcare increases too. This trend has continued in 2012.
- Although there is an overall lack of childcare in Northern Ireland, the low supply of childcare coupled with a high demand for places could cause prices to rise.

Comparison with the other UK regions

- Since 2010 childcare costs have increased by a higher percentage in Scotland than in any other region. Between 2011 and 2012 Scotland's costs increased by 6%. This is closely followed by England with a 5.8% increase.
- Costs increased by a lesser extent over the last year in Wales (1.8%) and Northern Ireland (1.3%). As with last year's results, the lowest percentage increase was found in Northern Ireland.
- In Northern Ireland childminding costs increased to a greater extent than day nursery costs between 2011 and 2012, a trend which continued from the previous year. In contrast, in the other three regions of the UK day nursery costs (for children over two) had the greatest increases.
- Of all the full-time costs, the highest is £192 per week for a day nursery (under 2) in England. The lowest cost is for a day nursery (over two) in Northern Ireland (£154).
- As with the previous two years' results, Northern Ireland has the lowest average childcare costs in the UK. England also continues to have the highest average costs.

- This pattern is also evident when each childcare type is considered, Northern Ireland has consistently lower costs, and England's costs are the highest.
- Across both England and Northern Ireland, out of school care costs have increased by the highest percentage compared to the other forms of childcare.

Impact of childcare costs

Impact of childcare costs on family finances

- 44% of the average net weekly salary for one parent in Northern Ireland is spent on childcare for one child.
- Given that the majority of respondents had two children, this cost doubles.
- 63% of families struggle to meet their childcare costs either throughout the year or at some point during it.
- In relation to the struggle in meeting childcare costs, two clear trends emerged in the qualitative responses. Firstly, childcare is viewed as a necessary cost which must be paid. Secondly, in order to meet the payment, childcare must be budgeted for as a priority and other 'less important' payments are sacrificed.
- Only 15% of one parent families, compared to 38% of two parent families, stated that they do not struggle with their childcare costs
- Indeed, 85% of one parent families struggle with their costs either throughout the year or at some point during it. This is in comparison to 62% of two parent families.
- A higher percentage of parents in Counties Fermanagh, Derry/Londonderry and Tyrone are more likely to struggle to meet their costs throughout the year or at certain periods during it (73%, 70% and 68% respectively).
- Almost half of respondents (49%) stated that their childcare costs increased during the year.
- The school holiday period is particularly expensive for parents, 86% stated that this is when their costs increased the most.

Impact of childcare costs on childcare usage

- 6.5% of parents who completed the survey do not pay for childcare. The qualitative data showed that many of these families relied on family members, in particular grandparents, to meet their childcare needs and incurred no cost.
- Furthermore, some parents changed their working hours so they could provide the childcare themselves.
- 67.7% of parents used a variety of additional childcare services. For many families this was to help manage the cost. The most common form used was family members (45.1%). This figure consists mainly of grandparents, with 35% of parents stating that this is their main form of additional childcare.
- It became clear from the qualitative responses that using grandparents to fill in additional hours of childcare helped to bring down the cost of childcare for many parents. Grandparents and family members also provide childcare for parents whenever their main form of childcare is not available.

Impact of childcare costs on employment patterns

- 46% of parents in the survey stated that the cost of childcare had influenced the number of hours that they work. For many parents this meant reducing from full-time to part-time hours.
- 40% of parents stated that they had to change their patterns of work, for many respondents this pattern consisted of working compressed hours, whereby the parent works the same number of hours in a week, but over less days.
- This enables parents to be available to care for the children themselves and therefore reduce childcare costs.

Accessing information and childcare services

- Last year's survey showed that 45% of parents found it 'difficult' or 'very difficult' to access information about the financial help available with

childcare costs. This year's results show that this figure has decreased to 39%.

- 50% of respondents also stated that they found it 'difficult' or 'very difficult' to access information on affordable childcare. Only 14% found it 'easy' or 'very easy' to find this type of information.
- 45% of respondents also had difficulty finding information on family benefits and entitlements.
- Over 54% of parents stated that they find it either 'difficult' or 'very difficult' to access flexible childcare.
- Childcare is perceived by parents to be most lacking in Counties Fermanagh (51%) and Tyrone (50%). On the contrary, a high percentage of parents in Counties Antrim and Down did not consider childcare to be lacking (50% and 47% respectively). These results correspond with the level of childcare provision situated across the region.

1. Introduction

This Childcare Cost Survey considers the costs and struggles that families face in 2012. Similar to the 2010 and 2011 reports, it paints a worrying picture for families. Unfortunately for those who do work, a job is still not a guaranteed route out of financial hardship.

The current economic climate has seen us return back into recession, unemployment rates have increased and many parents are in a situation of being in what has been termed as "pay-neutral" work. This means that parents' expenses, primarily childcare, consume their entire net earnings.

In particular families have paid witness to a collection of austerity measures that have increased their financial struggles. Freezing child benefit across the board until 2014 and removing it for the highest earners from January 2013, were two of the Chancellor George Osborne's high profile measures for tackling the deficit. Osborne also reneged on a promise to increase the child element of Working Tax Credit by £110 above inflation. The coalition's first welfare cuts were targeted at childcare support for working parents. Support for childcare was reduced by 10%. The average family experienced an average loss of £452.40 towards the cost of childcare (HMRC, 2012:40). In addition, Working Tax Credits have been frozen at their current rate.

A recent announcement from George Osborne confirmed that a further £10 billion of welfare cuts would be made through a 2015-16 deficit reduction programme. Although the details have not yet been provided, it does raise fresh concerns about where and whom they will target. Families cannot afford to lose further support.

Successive Governments have recognised that getting people into work is vital in order to tackle child poverty, reduce the number of children growing up in homes where no one works and to cut the cost of the benefits bill. However, the biggest barrier to work for parents, especially single parents, is access to affordable and appropriate childcare. The political rhetoric has done little to help families in 2012.

A more recent development in England is the establishment of a Childcare Commission in recognition of the need to address childcare for parents, in particular working parents. Meanwhile, in Northern Ireland we are pondering over the development of a Childcare Strategy, in order to start to address fundamental problems with our weak childcare infrastructure.

We have seen limited progress on the development of a much needed Childcare Strategy for the region. For the first time the development and production of a Childcare Strategy has been written into the Programme for Government which is a positive step. However, to date there has been no further movement. In the context of childcare policy, we remain depressingly behind the rest of the UK. Every other region has a Childcare Strategy, an identified lead Government department and statutory duties to ensure that childcare provision is available to parents.

Currently there are 41,003 registered childcare places in Northern Ireland[1] (DHSSPS, 2012). There are 305,376 children between the ages of 0 -12 (NISRA, 2012). Therefore for every one childcare place that exists there are 7.4 children. However, in addition there are 73,947 children aged between 13 and 15 years of age (NISRA, 2012). Sourcing suitable childcare for this particular age group is extremely difficult for families. Most registered childcare places are not for children above the age of 12.

Childcare affordability is key. There are two forms of financial assistance available to help parents reduce the cost of childcare, yet many parents are unaware of them and therefore do not claim the help they could be entitled to. They are:

1. The childcare element of the Working Tax Credit
2. Childcare Voucher scheme.

Both forms of help come directly from the Treasury and are not taken from the Northern Ireland block grant. Therefore, an increased uptake among parents

[1] This figure only takes into account registered day nursery, childminding and out of school club places.

would be good news for NI Plc as more parents would be better off in their pay packet, and will have more disposable income. Currently there are 15,600 parents accessing support through the childcare element of Working Tax Credit and approximately 10,000 parents utilising assistance through the Childcare Voucher scheme (HMRC, 2012).

The introduction of Universal Credit in 2013 will pay witness to the most fundamental reform of our benefits system for a generation. The structure is intended to be much simpler than that of the current system where separate benefits, which often overlap, are administered by different agencies, with different premiums and different ways of taking earnings into account. Universal Credit policy unites support for those in and out of work, and in so doing may make it difficult to distinguish different categories of claimant, especially between those unemployed and low income working families. We would hope that the present reassurances provided by Government that the help and support available with childcare costs through the new system will not see a further reduction in support are fulfilled.

The burden of the economic downturn, rises in the cost of living and the impact of the austerity measures have increased the financial hardships and pressures on working families. The Childcare Cost Survey depicts families' circumstances in 2012.

2. Methodology

This is the third Childcare Cost Survey to be conducted in Northern Ireland. As with previous years, we collected information from both parents and childcare providers to ascertain not only the average childcare costs across the region, but also to explore the challenges parents face in using and paying for childcare.

Two separate surveys were carried out to collect the data, one with childcare providers and one with parents across Northern Ireland. The childcare provider survey was sent to day nurseries, out of school clubs and childminders during June 2012. As with previous years, we do not record, or report on, the cost of playgroups because typically these settings only provide care for two and a half hours a day. Childminders and day nurseries allow parents to partake in the labour market as they provide full-time care. Out of school clubs wraparound the school day, enabling parents of school age children to work.

The childcare provider survey was conducted in June 2012. 3,392 childcare providers were contacted in order to complete the survey. 886 surveys were returned, resulting in a response rate of 26%. This is a 3% increase on last year and a 7% increase on the first Childcare Cost Survey in 2010.

As with the last two years, the childcare provider survey allows us to collect precise information on childcare costs across the region. In addition to this, the parent survey also asks parents to detail their childcare costs. The two datasets can therefore be compared and contrasted to ensure the reliability and validity of the childcare costs recorded.

The parent survey was also launched in June 2012. 3,719 parents responded to the survey, a 50% increase on last year and a 255% increase on the 2010 survey. We circulated the survey throughout various networks, organisations and forums across Northern Ireland in order to achieve a representative sample.

The parent survey explores not only how much parents pay for childcare, but also examines the impact these costs have for their families. The data is further enriched by the qualitative responses which highlight the personal experiences parents have in using and paying for childcare in the region.

2.1 Limitations

As with the previous two years' surveys, we had difficulty accessing lone parents. This could be explained by the higher percentage of lone parents not in employment and therefore not incurring childcare costs.

Despite targeting parents in the more rural counties of Fermanagh and Tyrone through various activities, including roadshows, issuing press releases to local media and circulating the survey link through local networks, we still achieved a relatively low response rate in these counties.

Upon analysing the data it became clear from the results that it would be interesting to ask parents about the number of hours of additional childcare they use to supplement their main childcare type. This question will be included from next year's survey.

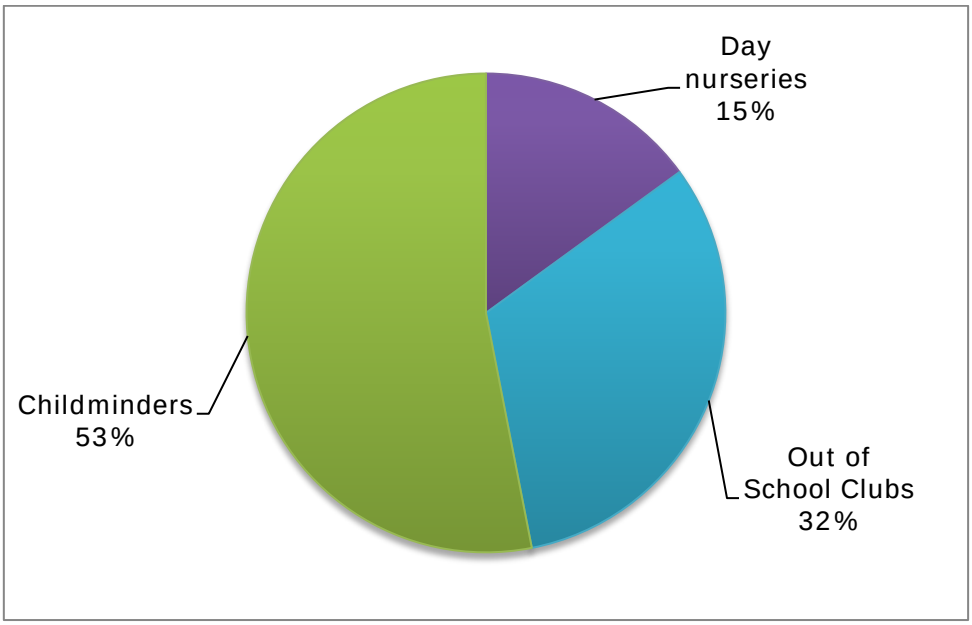
Employers For Childcare Charitable Group recently launched a new Approved Home Childcare Service for families in Northern Ireland. This service provides flexible childcare in the family's own home. The costs for this service are dependent on the family's circumstances and are charged per hour, therefore they cannot be compared with the other childcare costs collected in this report. For further information on the Approved Home Childcare service please see Appendix.

3. Childcare costs in Northern Ireland – childcare provider results

3.1 Information on respondents

886 childcare providers from across Northern Ireland responded to the survey. The majority of respondents were childminders (53%), followed by out of school clubs (comprising breakfast clubs, afterschool clubs and holiday schemes) and day nurseries (at 32% and 15% respectively). See Figure 1.

Figure 1: Childcare provider responses by facility type for 2012

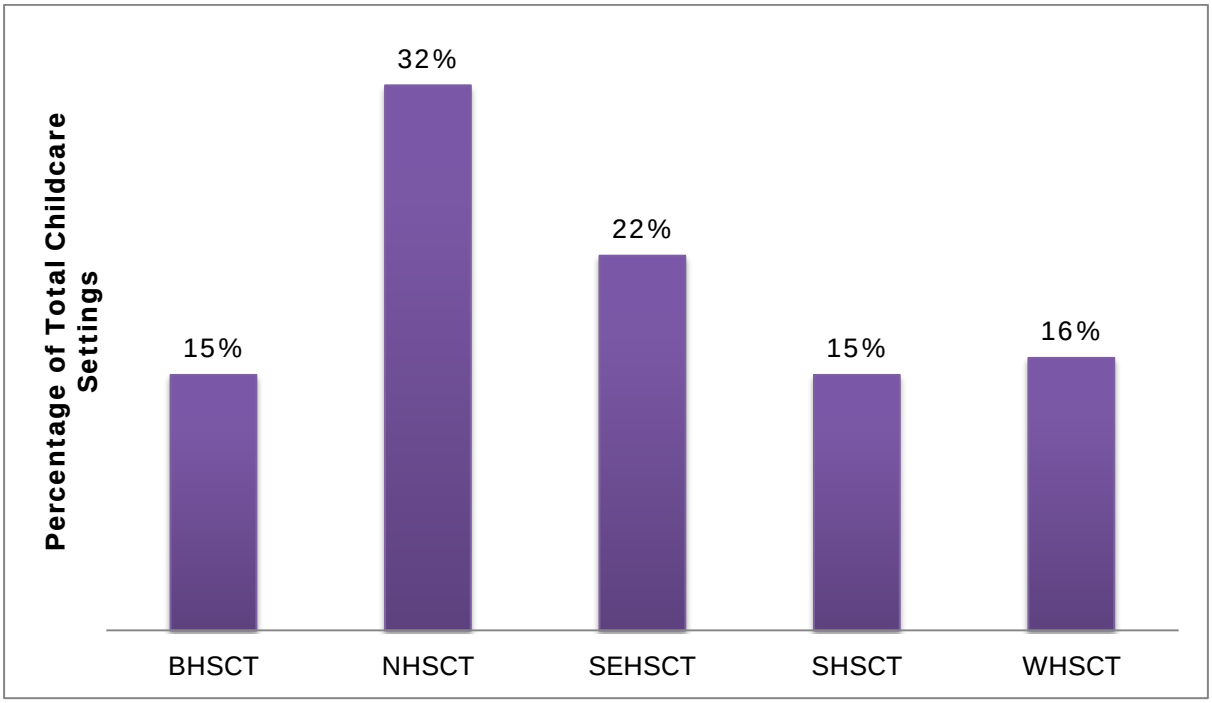


The latest childcare statistics for Northern Ireland show that there are a total of 4,655 childminders, day nurseries and out of school clubs in the region (DHSSPS, 2012:101[1]). This represents a 6% increase on the previous year. Childminders are the most common form of childcare in Northern Ireland. 52% of all childcare places in the region are in childminding settings. 33.2% are in day nurseries and the remaining 14.8% are in out of school clubs (DHSSPS, 2012).

[1] The figures used in this report are those as cited in the Children's Social Care Statistics for Northern Ireland 2011/12, published in October 2012.

Childcare settings are not distributed evenly across the region. Statistics on the volume of childcare settings are recorded by Health and Social Care Trust (HSCT) area. Figure 2 illustrates the percentage of childcare settings across the five HSCT areas in the region.

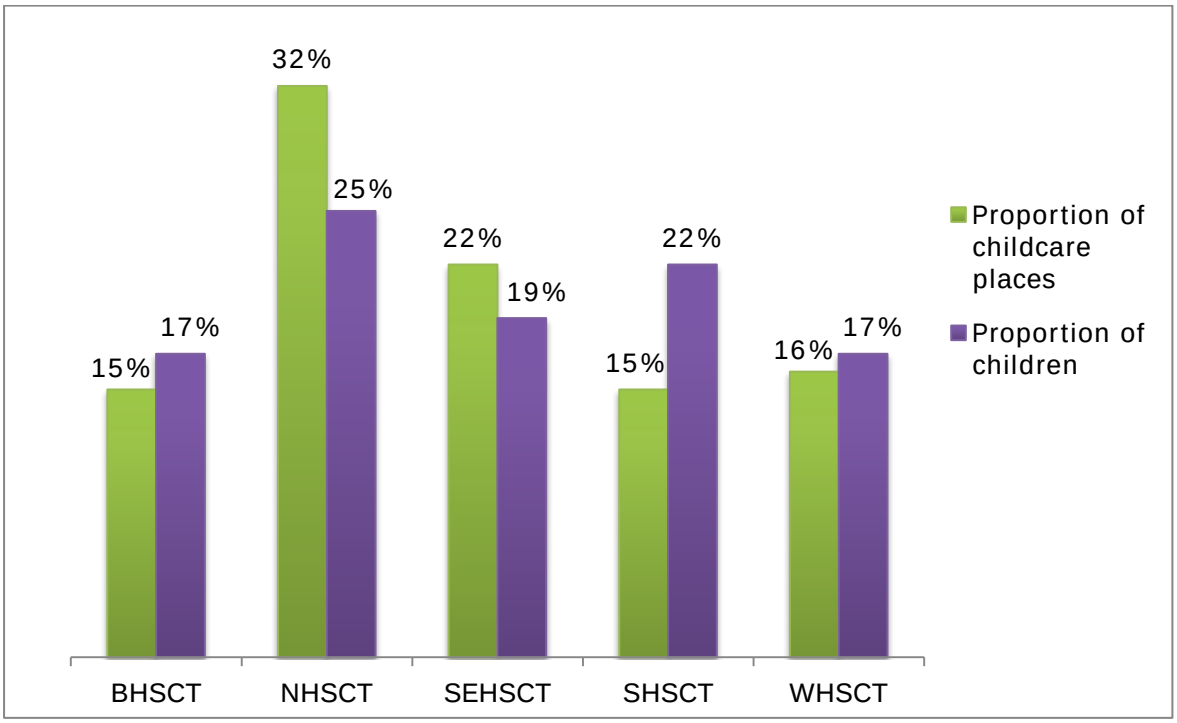
Figure 2: Percentage of total childcare settings in Health and Social Care Trust Areas in Northern Ireland[2]



Over a third of all childcare providers are situated within the Northern Health and Social Care Trust (NHSCT) (32%). This is followed by 22% in the South Eastern Health and Social Care Trust (SEHSCT) and 15% in the Belfast Health and Social Care Trust (BHSCT). Geographically, these three Trust areas cover Counties Antrim and Down, including Belfast and its outskirts. To place this in context, 69% of all childcare providers are situated in the east of the region. The remaining 31% of settings exist in the Southern and Western Health and Social Care Trust areas (15% and 16% of settings respectively), which cover the majority of Counties Armagh, Derry/Londonderry, Fermanagh and Tyrone (DHSSPS, 2012:101).

[2] Childminders, day nurseries and out of school clubs.

Figure 3: Proportion of children (0 -12) and childcare places by HSCT



Source: NISRA, 2012

When we compare the number of childcare places to the population distribution of children (0-12) across the HSCTs it reveals that within the NHSCT and SEHSCT areas, there are more childcare places than children under the age of 12. However in the SHSCT, WHSCT and BHSCT areas there are proportionally more children than childcare places. Overall for every 1 childcare place there are 7.4 children.

Our survey received responses from childcare settings across Northern Ireland. As with the volume of childcare settings in the region, the majority of our responses (64%) were from Counties Antrim and Down (41% and 23% respectively). The remaining 36% of responses came from the remaining counties (Derry/Londonderry, 14%, Armagh, 8%, Tyrone, 8% and Fermanagh, 6%).

The response rate for the cost survey therefore broadly mirrors the volume of childcare providers across the region, therefore a representative sample was obtained.

3.2 Childcare costs

As with the previous two reports in this series, childcare costs are reported for a full-time childcare place, 50 hours per week[3]. This presents an accurate picture of childcare costs across the region.

3.2.1 Private childcare costs

This is the third annual childcare cost survey to be conducted in Northern Ireland, as such we are now in a position to explore how costs have changed over the last three years.

3.2.1.1 *Full-time childcare*

The first childcare cost survey in 2010 showed that the average full-time childcare place was £155 per week. In 2011, the figure decreased slightly to £154 per week. This year's results show an increase on both of the previous years' results, with a full-time place averaging at £156 per week[4].

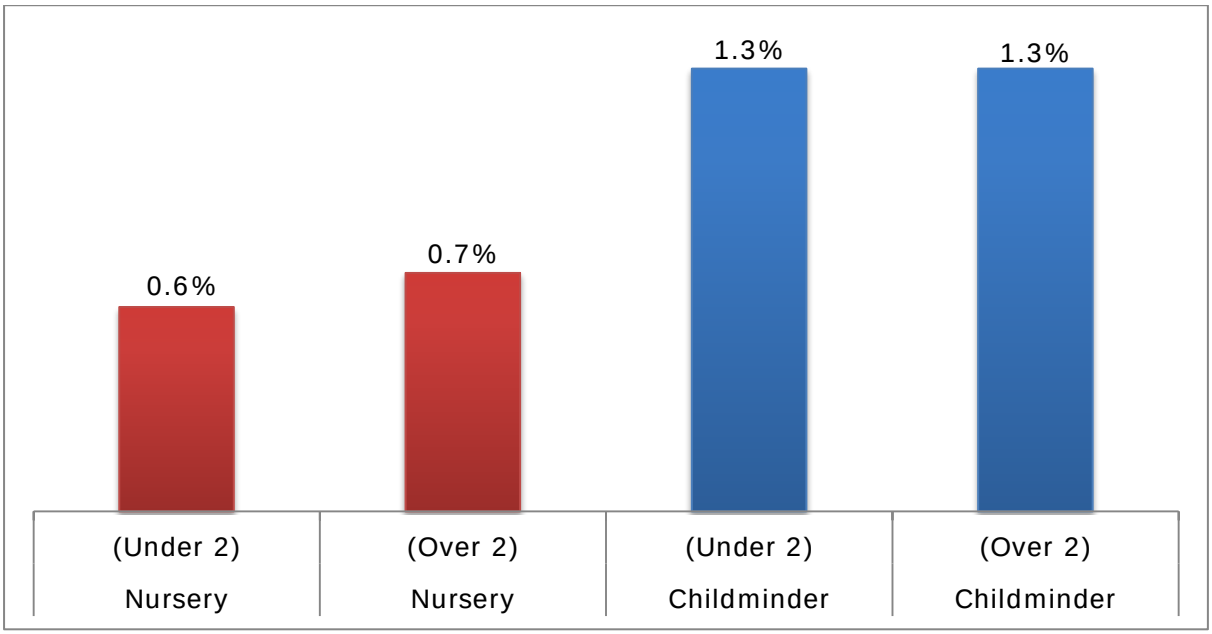
Table 1: Private childcare costs in Northern Ireland for 2012 (50 hours)

	Nursery		Childminder				
	Under 2 (£)	Over 2 (£)	Under 2 (£)	Over 2 (£)	**Breakfast club (£)**	**Afterschool Club (£)**	**Holiday scheme (£)**
Antrim	**163**	**161**	**163**	**163**	**34**	**95**	130
Armagh	140	140	151	151	31	87	128
Down	153	154	160	160	27	92	**131**
Fermanagh	132	131	142	142	20	80	113
Derry/Londonderry	141	139	150	151	23	70	115
Tyrone	134	134	145	145	16	74	68
Total Average[5]	**155**	**154**	**157**	**157**	**31**	**85**	**124**

[3] This is a full-time childcare place in a day nursery or childminding setting which enables parents to access work.
[4] Calculated by taking an average of the four full-time costs (day nursery under 2, day nursery over 2, childminder under 2 and childminder over 2).
[5] Total averages based on the average of each detailed cost per facility type, rather than an average of averages.

The costs of each of the forms of childcare have risen slightly in price over the year. The chart below shows the percentage increase in full-time childcare costs since 2011. As with last year's results, childminding costs have risen to a greater extent than day nursery costs. Indeed, the average childminding cost for a child under two years of age increased by the same percentage between 2011 and 2012 as it did between 2010 and 2011. Costs for children over two years of age did not increase to the same degree as last year. Between 2010 and 2011 childminding costs of over twos increased by 1.9%, this year's results show that they increased to a lesser extent, 1.3%, mirroring the change in costs for under twos.

Figure 4: Percentage increase in full-time childcare costs between 2011 and 2012



Last year's results showed that between 2010 and 2011 day nursery costs decreased by 2% for children under two and 2.5% for children over two years of age. This trend did not continue between 2011 and 2012, rather day nursery costs increased by 0.6% for children under two and 0.7% for children over two.

Childminding continues to cost more per week than a day nursery. This was a trend which first appeared in last year's survey. The 2011 results showed that there was a £1-£2 difference between a childminding place and a day nursery place per week. This year's results show a slight increase between the two costs,

with a £2 per week difference between a childminding place and a day nursery place for children under two and a £3 difference for children over two.

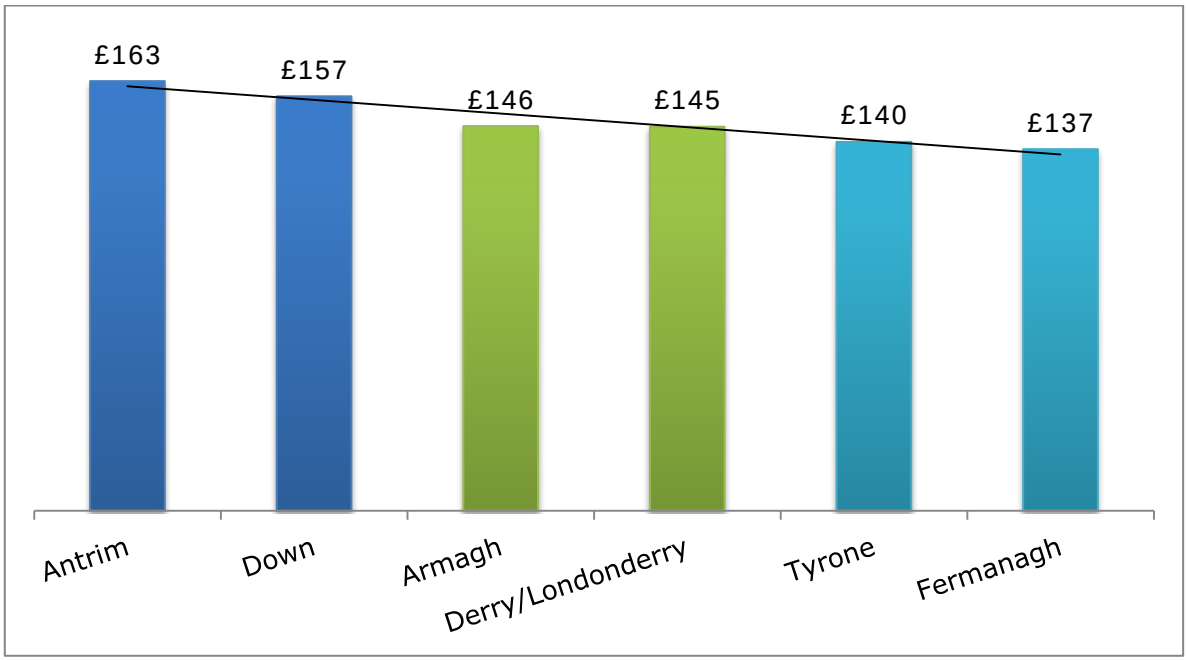
3.2.1.2 Full-time costs by county

When an overall average of full-time costs is considered, the pattern of costs by County has not changed. As with last year's results, the highest costs are found in both County Antrim and County Down. The lowest costs were recorded in Fermanagh (see figure 5).

The previous two year's results showed that day nursery costs were highest in County Antrim. This trend continues in the 2012 results, with an average day nursery place costing £163 for a child under two and £161 for a child over two per week. These costs are slightly lower than those recorded last year (£165 for a child under two and £164 for over twos).

Last year's results also revealed that Fermanagh had the lowest day nursery costs for both children under and over two years of age (£131 per week). The 2012 results show that Fermanagh still has the lowest day nursery costs at £132 per week for children under two and £131 per week for children over two.

Figure 5: Average full-time private childcare costs per week by county (day nursery and childminder)



As with day nursery costs, childminding costs are highest in County Antrim (£163 per week). This is in contrast to last year's survey, which showed that County Down had the highest childminding costs.

The 2012 figures show that full-time childcare is most expensive in County Antrim when both childminding and day nursery costs are considered, and also when an average of all costs is taken into account. The same applies to the lowest costs, which are found in County Fermanagh.

The Childcare Cost Surveys over the last two years have shown the link between population density and childcare costs. This year's results confirm the findings of the previous two years; the more populated, urban counties Antrim and Down report the highest costs. Correspondingly, the more rural counties Tyrone and Fermanagh contain the lowest costs in the region.

Furthermore, the 2010 and 2011 surveys also illustrated that as the volume of childcare provision in an area increases, the cost of childcare increases too. This trend has continued in 2012. County Antrim, which geographically covers the NHSCT area, and contains the highest percentage of childcare places in Northern Ireland, also contains the highest childcare costs, with an average of £163 per week for a full-time place. The WHSCT area, which spans across the geographical areas of Counties Fermanagh, Tyrone and Derry/Londonderry, contains the lowest level of childcare provision in the region. These counties also contain the lowest childcare costs. In particular, a full-time childcare place in County Fermanagh averages at £137 per week, £26 per week less than in County Antrim.

Over half of all childcare places in Northern Ireland are in childminding settings (52%) (DHSSPS, 2012, 101). Furthermore, the NHSCT and the SEHSCT contain a higher percentage of childminding places than any of the other Trust areas, this could explain why the childminding costs in these areas are much higher than in other areas.

There is an overall lack of childcare in Northern Ireland, the low supply of childcare coupled with a high demand for places could cause prices to rise. Furthermore, the more populated counties in the east of the region will have a

higher demand, this could go some way to explaining why costs are higher in the easterly counties.

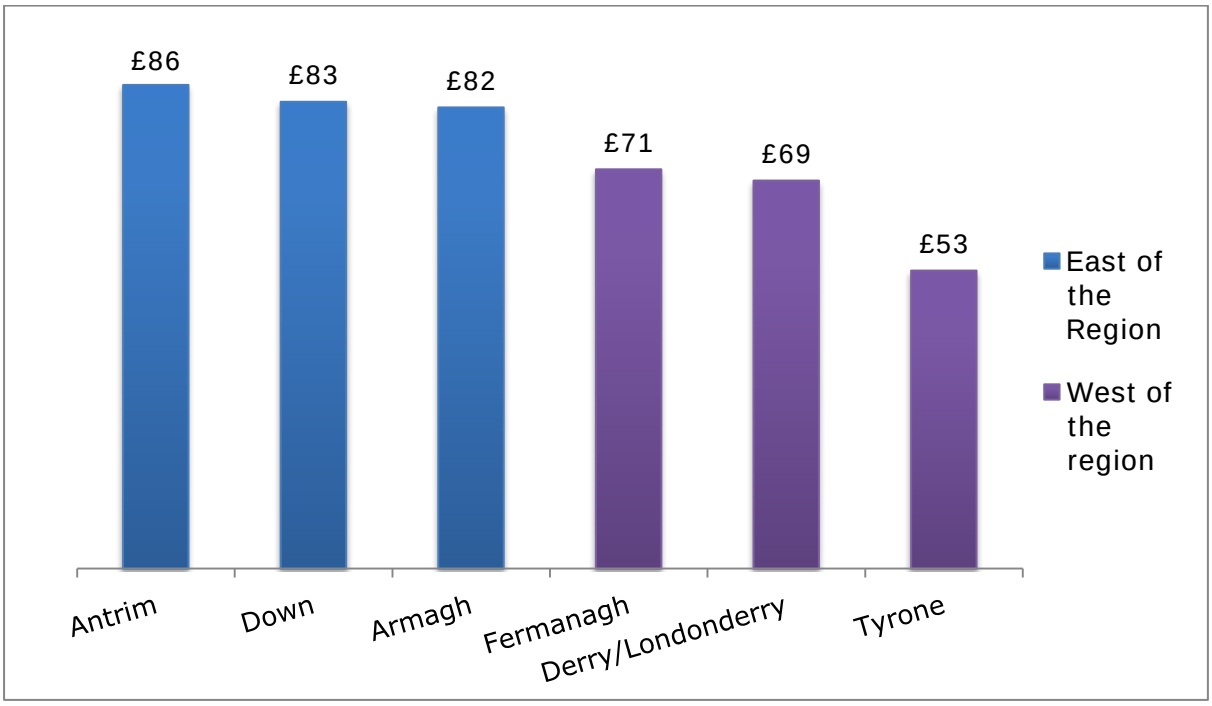
3.2.1.3 Out of School Clubs

Out of School clubs include breakfast clubs, afterschool clubs and holiday schemes. There are a total of 267 out of school clubs in Northern Ireland (DHSSPS, 2012, 101) an increase of 8% since last year. Out of school clubs currently make up 6% of all childcare settings in the region.

Between 2010 and 2011 the average cost of a private breakfast club decreased by 36% (from £44 to £28 per week), while the costs for afterschool clubs and holiday schemes increased (by 1.3% and 2.6% respectively). Between 2011 and 2012 each of the out of school club costs increased. The largest increase in costs was for breakfast clubs, which increased by 10.7% (to £31 per week). Afterschool club costs and holiday scheme costs also increased over the last year, the highest increase being for afterschool clubs. The average cost of an afterschool club increased by 7.6% to £85 per week (from £79 in 2011), meaning that between 2011 and 2012 the costs increased six times more than they did between 2010 and 2011. Holiday scheme costs have increased at the same rate since 2010 and now cost £124 per week.

When average of out of school costs are considered by county, the highest costs are found in County Antrim (£86). This is in contrast to last year's survey which showed County Armagh to have the highest costs (£83). Although the pattern may have changed slightly, the highest costs are still found in Counties Antrim, Down and Armagh, all of which are situated in the east of the region. The lowest costs are found in Counties Derry/Londonderry, Tyrone and Fermanagh, all of which are located in the west of the region (see Figure 6). As with the trends in full-time childcare costs, the difference in out of school club costs could also be associated with the volume of childcare places available in a county. The BHSCT, NHSCT and the SEHSCT areas broadly cover the east of the region, these Trust areas contain 71% of all out of school club places. The remaining 29% of places are found in the WHSCT and SHSCT areas.

Figure 6: Average costs of out of school clubs by geographical location

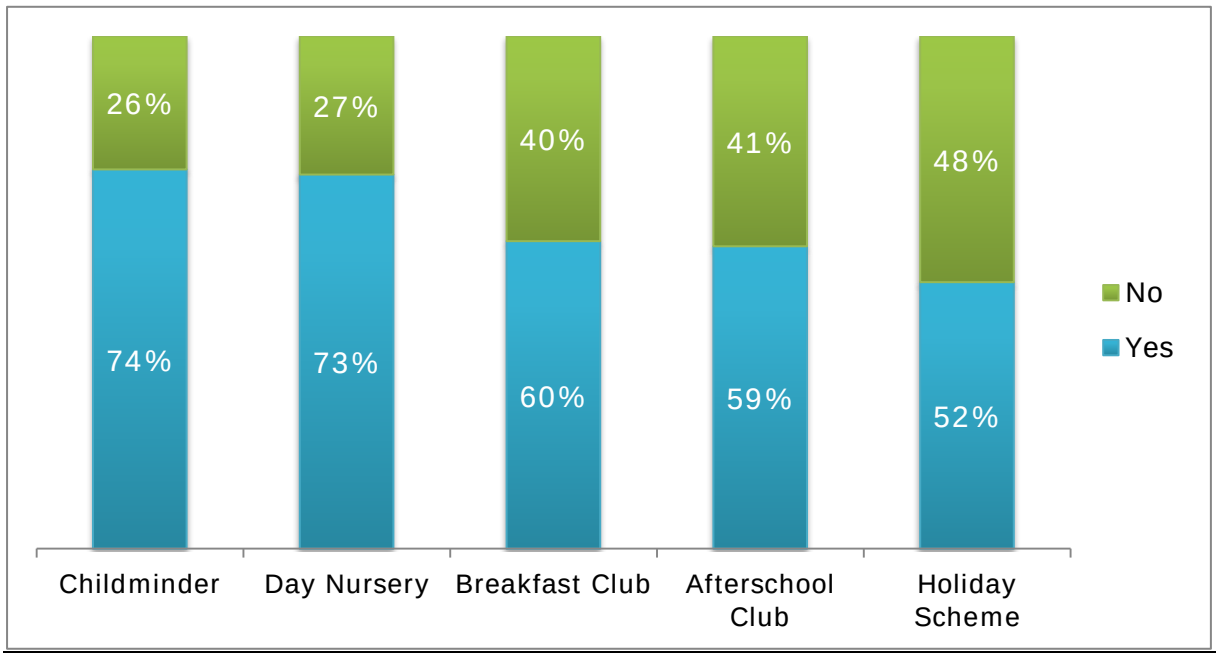


It is interesting to note that although the out of school costs in the west of the region continue to be lower than those recorded in the east, the pattern of costs in the western counties has changed significantly. Last year's survey showed that Fermanagh had the lowest costs at £55 per week. This year's results show that within the western counties, Fermanagh now has the highest costs (£71). This is an increase of £16 per week (or 29%). Only in County Tyrone have costs have decreased since last year, from £58 per week to £53.

3.2.1.4 Additional Fees

Figure 7 provides a breakdown of childcare providers, by type, which charge a retainer fee to parents. Full-time childcare settings, childminders and day nurseries, are more likely to charge a retainer fee to parents (74% and 73% respectively). The fee will hold a childcare place for parents during periods of time when they are not using the childcare facility, for example before the child starts attending the setting or during holiday periods. As part of the parent survey, we asked parents about additional costs, this will be discussed in section two.

Figure 7: Additional fees by childcare type

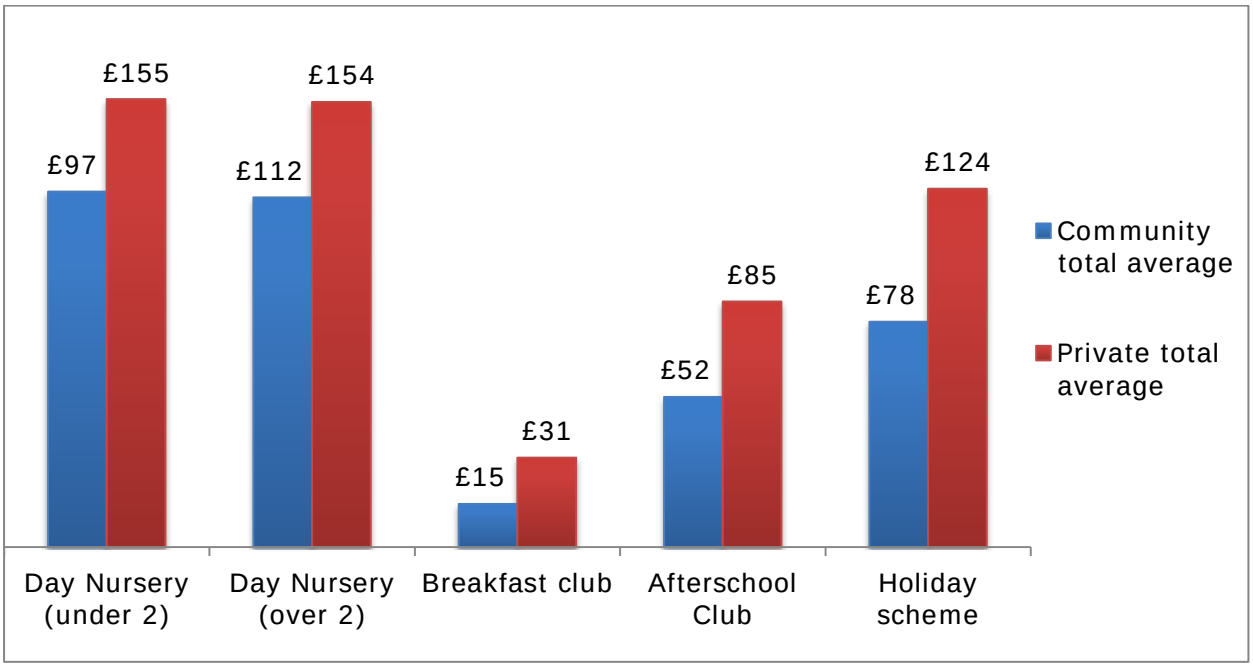


3.2.2 Community Childcare settings

Community settings, which are managed and run by community and voluntary groups, can offer childcare places to families. These settings are not for profit and are usually subsidised by Government funding which enables them to offer places to parents at a lower cost. Figure 8 shows the difference between community and private childcare costs in 2012.

As with previous years, community setting costs are less expensive than private settings. Although community costs continue to be less expensive, the difference between private costs and community costs has narrowed year on year since this research series began. To use the example taken in last year's survey, community day nursery costs are on average £33 less expensive (for a child over two) than private day nurseries. In 2011 the difference was £39 a week, a decrease on the year before when there was a difference of £58 (2010).

Figure 8: Average costs of community and private childcare settings per week 2012



This narrowing of the pricing gap shows that the cost of community childcare settings is increasing at a faster rate than private settings. Over the last number of years the funding which is available to community settings has decreased due to public cut backs. This increase in costs could be as a result of the decrease in funding. If community settings lose funding they may be less likely to wholly or partly subsidise places, therefore increasing the costs parents must pay for the childcare.

3.2.3 Conclusions

Overall, this year's survey has shown an increase in childcare costs from last year. The trends in childcare costs evident in the 2011 survey are apparent in this year's survey. For example childcare is most expensive in County Antrim and least expensive in County Fermanagh. Indeed overall, childcare costs in the east of the region exceed those found in the western counties. Furthermore, as with last year's results, childminding costs exceed day nursery costs and have increased by a higher percentage.

An interesting finding is the narrowing of the cost gap between private and community childcare settings. Year on year the cost difference between the two types of settings has decreased. Furthermore, community childcare costs are

increasing at a faster rate than private settings. Although the childcare market is predominantly made up of private childcare, where community childcare is available it is more affordable for families. If costs continue to increase this means that overall childcare in Northern Ireland is becoming less affordable.

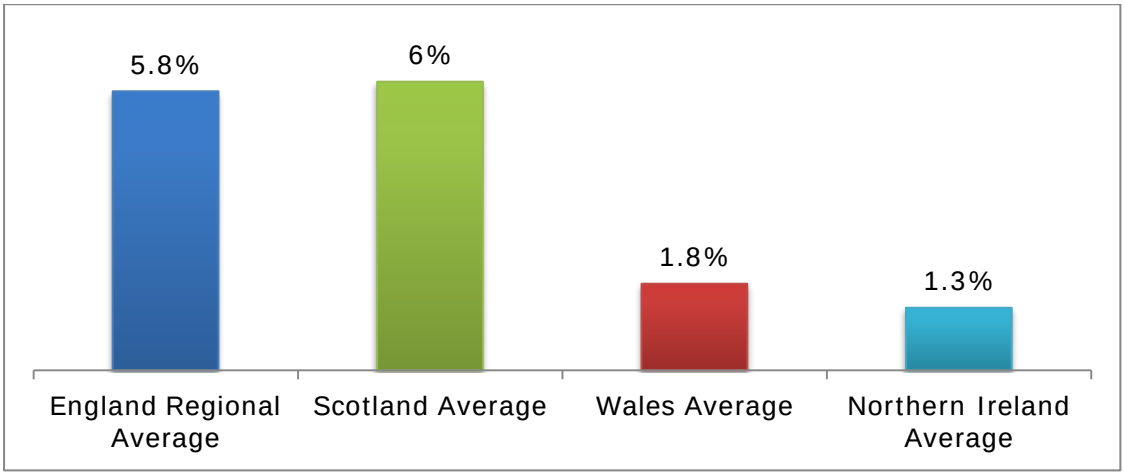
3.3 Childcare in Northern Ireland within the context of the UK

The Daycare Trust has recently completed its eleventh annual Childcare Costs Survey for England, Scotland and Wales. This section of the report compares and contrasts Northern Ireland's childcare costs with those found in the other regions of the UK.

3.3.1 Changes in childcare costs

Since 2010 childcare costs have increased by a higher percentage in Scotland than in any other region. Between 2011 and 2012 Scotland's costs increased by 6% (see Figure 9). This is closely followed by England with a 5.8% increase, nearly double the 2010-2011 increase in the same region. Costs increased by a lesser extent over the last year in Wales and Northern Ireland. As with last year's results, the lowest percentage increase was found in Northern Ireland (1.3%).

Figure 9: Changes in full-time childcare costs across the UK, 2011-12 (50 hours per week[6])



In Northern Ireland childminding costs increased to a greater extent than day nursery costs between 2011 and 2012, a trend which continued from the previous year. In contrast, in the other three regions of the UK day nursery costs (for children over two) had the greatest increases.

Table 2: Changes in full-time childcare costs by region

	Nursery (under 2)	Nursery (over 2)	Childminder (under 2)	Childminder (over 2)
England Average	6.7%	**7.6%**	4.7%	4.1%
Scotland Average	7.7%	**8.1%**	4.1%	4.7%
Wales Average	0.6%	**3.2%**	2.9%	1.8%
Northern Ireland Average	0.6%	0.7%	**1.3%**	**1.3%**

When a breakdown of costs by childcare type is considered, Northern Ireland's costs have increased by the lowest amount, followed closely by Wales. The highest percentage change in full-time costs was the price of a nursery (over 2) in Scotland.

[6] Percentage change calculations are made using figures for 50 hours of childcare. These figures were given to Employers For Childcare Charitable Group directly by Daycare Trust. They are not based upon the figures for 25 hours which the Daycare Trust's "Childcare Costs Survey 2012" details.

3.3.2 Average childcare costs across the UK

Table 3 draws a comparison between full-time childcare costs in the four regions of the UK.

As with the previous two years' results, Northern Ireland has the lowest average childcare costs in the UK. England also continues to have the highest average costs. This pattern is also evident when each childcare type is considered, Northern Ireland has consistently lower costs, and England's costs are the highest. Indeed, there is a cost difference of £27 per week between England's and Northern Ireland's average full-time cost. This equates to almost one day's childcare in Northern Ireland.

Of all the full-time costs, the highest is £192 per week for a day nursery (under 2) in England. The lowest cost is for a day nursery (over two) in Northern Ireland (£154).

Table 3: Private childcare costs in the UK, 2012 (50 hours per week)

	Nursery (under2) (£)	Nursery (over 2) (£)	Childminder (under 2) (£)	Childminder (over 2) (£)	Full-time Average (£)
England Average	**192**	184	178	176	183
Scotland Average	**182**	174	177	178	178
Wales Average	160	161	**176**	172	167
Northern Ireland Average	155	154	**157**	**157**	156

It is clear that childcare costs vary greatly across the UK. When day nursery costs across the regions are considered, the cost differences are high. Childminding costs do not vary as much, except when Northern Ireland is concerned. However, the overall full-time average costs clearly illustrate the cost differences in each region.

3.3.3 Northern Irish counties and English regions

In the previous two year's surveys we have been able to carry out a comparison of Northern Ireland county costs with English regional costs. This year the Daycare Trust published the percentage changes in costs across the regions for

25 hours of childcare. Our survey calculates costs on a full-time basis, however as a broad comparison it is interesting to compare the changes in costs both here and in England. Table 4 shows the percentage increases and decreases in childcare costs across Northern Ireland. Table 5 contains information on England.

Table 4: Percentage change in costs by Northern Irish county 2011-12

County	Nursery (Under 2)	Nursery (Over 2)	Childminder (Under 2)	Childminder (Over 2)	Breakfast club	Afterschool Club	Holiday scheme
Antrim	-1.8%	-1.8%	1.2%	1.2%	-5.6%	7.4%	7.4%
Armagh	-2.1%	-2.1%	2%	2%	24%	6.1%	-4.5%
Down	0%	0.7%	**-1.2%**	**-1.2%**	-10%	13.6%	-4.4%
Fermanagh	0.8%	0%	3.6%	2.9%	**33.3%**	0%	13%
Derry/Londonderry	0%	-0.7%	0%	0.7%	0%	14.8%	**26.4%**
Tyrone	-0.7%	0%	4.3%	2.8%	0%	1.4%	-9.3%
Total average	0.6%	0.7%	1.3%	1.3%	10.7%	7.6%	3.3%

Table 5: Percentage change in costs by English region 2011-12

Region	Nursery (under 2)	Nursery (over 2)	Childminder (under 2)	Childminder (over 2)	Out-of-School Club
East Midlands	9.0%	11.2%	**-5.0%**	**-4.2%**	-18.7%
East of England	15.4%	9.1%	0.0%	-1.1%	4.9%
London	7.0%	-0.6%	9.1%	11.1%	9.8%
North East	5.5%	7.5%	6.1%	4.8%	**26.1%**
North West	11.1%	14.4%	5.5%	10.0%	1.2%
South East	2.9%	-2.8%	7.5%	6.1%	13.8%
South West	11.2%	9.7%	1.9%	2.5%	-4.1%
West Midlands	-6.9%	-7.7%	-0.9%	1.6%	-12.5%
Yorks & Humber	7.6%	10.6%	1.2%	2.6%	-1.4%

Source: Daycare Trust, 2012

Although the Daycare Trust combines all forms of out of school club into one category, it is clear that across both England and Northern Ireland, out of school care costs have increased by the highest percentage compared to the other forms of childcare. In the North East of England, out of school club costs increased by 26.1% over the last year, the highest increase in childcare costs across England. In Northern Ireland the highest percentage change in childcare costs was for a breakfast club in County Fermanagh, followed by holiday schemes in Derry/Londonderry (26.4%).

Interestingly, the North East region has the lowest level of childcare provision in England. Similarly Counties Fermanagh and Derry/Londonderry, as part of the WHSCT area, have the lowest levels of childcare places in Northern Ireland. It is interesting that these areas also have the highest increases in childcare costs, and in particular out of school club costs.

When childminding costs are considered, the only county in which they decreased in Northern Ireland, for both age groups, was County Down. Similarly, in England childminding costs only decreased, for both age ranges, in one region, the East Midlands. In every other region and county, childminding costs increased to some extent.

Trends have emerged within the two datasets which show consistencies amongst childcare costs in the UK. However, it is clear that Northern Ireland's costs have grown more slowly than the costs recorded in the English regions over the last year.

3.3.4 Conclusions

It is interesting to compare Northern Ireland's childcare costs with those found in the rest of the UK. It is positive that childcare in this region has not increased by the same percentage as in the rest of the UK. However, that said parents here face difficulty in accessing suitable childcare in the first instance. The report now turns to the parent survey results which will highlight families' experiences of using and paying for childcare in Northern Ireland and the impact this has on their family lives and working patterns.

4. Listening to parents in Northern Ireland about childcare

Stagnant salaries and Government cuts to tax credits and benefits, have led to an increasing number of people being thrown into so called "pay-neutral" work. This means that family's expenses, primarily childcare, affects their take home pay packet. The challenges that parents face with childcare costs is important in this context. However, as well as scrutinising the types and costs of childcare this section also depicts an insight to the family's circumstances.

The 3,719 parents that completed the survey will now be examined considering their characteristics including marital status, family size, employment status, work patterns, household income and gender.

4.1 Profile of respondents

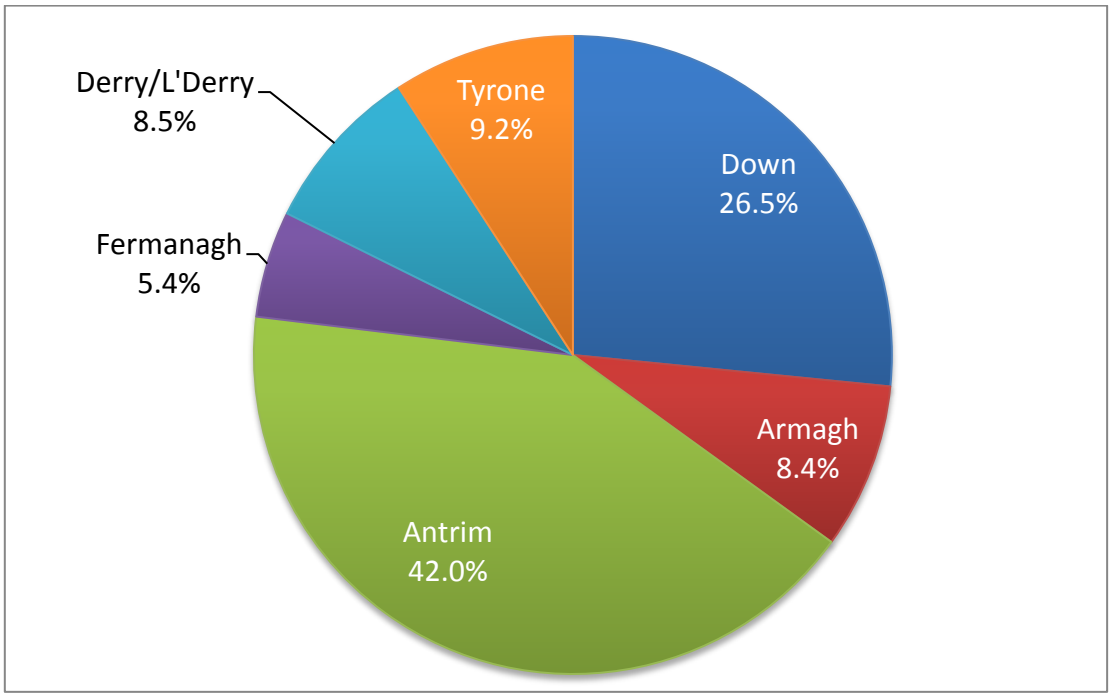
4.1.1 Gender

Females represented 66% of the total number of survey participants, whilst males represented 34% of participants. The number of men that completed the survey this year increased by 7% from last year's survey.

4.1.2 Location

The majority of participants live in County Antrim (42%) and County Down (26.5%). County Fermanagh had the least number of survey participants (5.4%).

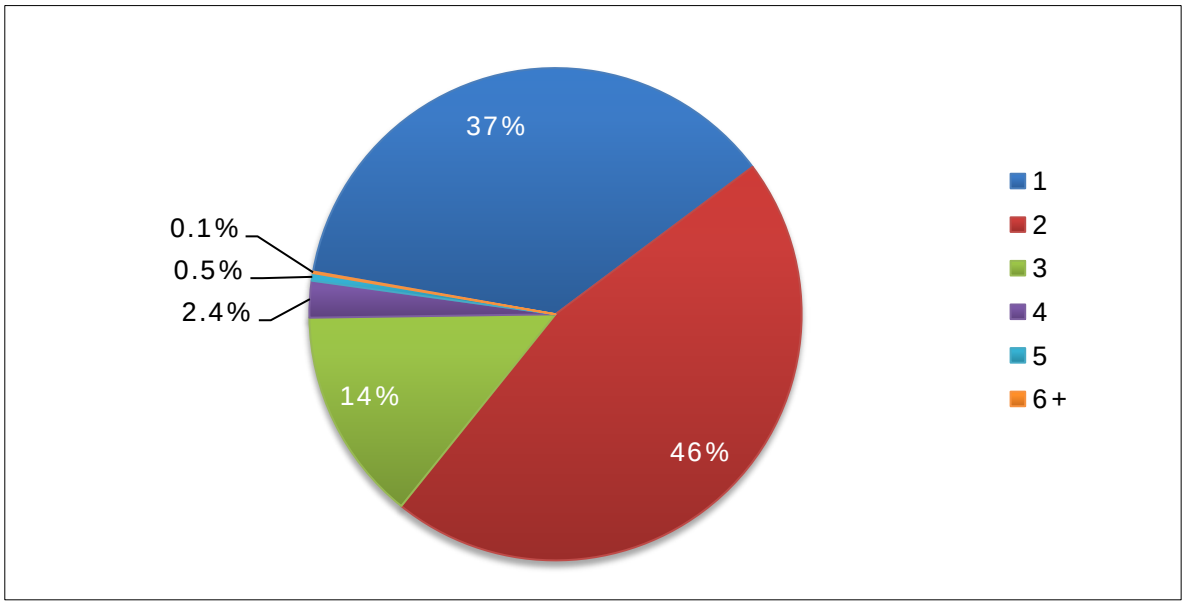
Figure 10: Location of parents



4.1.3 Marital Status and family size

The majority of participants belonged to two parent families (93%). Since last year, there has been a 2% increase in the number of single parents that completed the survey. One parent households now represent a total of 7% of the survey participants. The majority of respondents had two children (46%). 3% of participants had 4 or more children (see figure 11).

Figure 11: Number of Children per household



The majority of respondents had children that were of pre-school age, with the majority of children aged between 0-2 years (60.4%) (see table 6). 4% of respondents had a child with a disability and/or special needs.

Table 6: Number of children in each age group

Age range	**Percentage of children**
0-2	60.4%
3-4	42.7%
5-7	35.6%
8-11	22.6%
12-13	8.3%

4.1.4 Employment Status and working patterns

The majority of respondents were in full-time employment (76%). 21% were working part-time, 1.6% were self employed and the remainder were either studying (0.3%), unemployed (1%) or undertaking voluntary work (0.1%).

4.1.5 Employment Status according to family type

The number of single parent households in full-time employment was 68%, 9% lower than parents from two parent households (77%). 22% of lone parents worked part-time, 20% of respondents from two parent households worked part-time.

4.1.6 Employment Status and gender

When the results are broken down by gender, 66% of females stated that they worked full-time, compared to 96% of men. 30% of women worked part-time hours, whilst only 2% of men worked on a part time basis.

4.1.7 Parents working atypical hours

The majority of households worked within the conventional hours of work (76%), with 24% working atypical hours, a 5% increase from last years findings. 24% of lone parents worked atypical hours, a 4% increase from last year.

Childcare settings tend to operate within the confines of Monday – Friday, 7.30 – 6.00pm. However, for parents that do work outside of these hours it often proves difficult to source suitable childcare.

When asked about their experiences of accessing flexible childcare the majority of participants found it either ‘difficult’ (37%) or ‘very difficult’ (17%). With only 2% stating that it was ‘very easy’ to access and 10% stating ‘easy’ (see Figure 12).

Figure 12: Flexible childcare

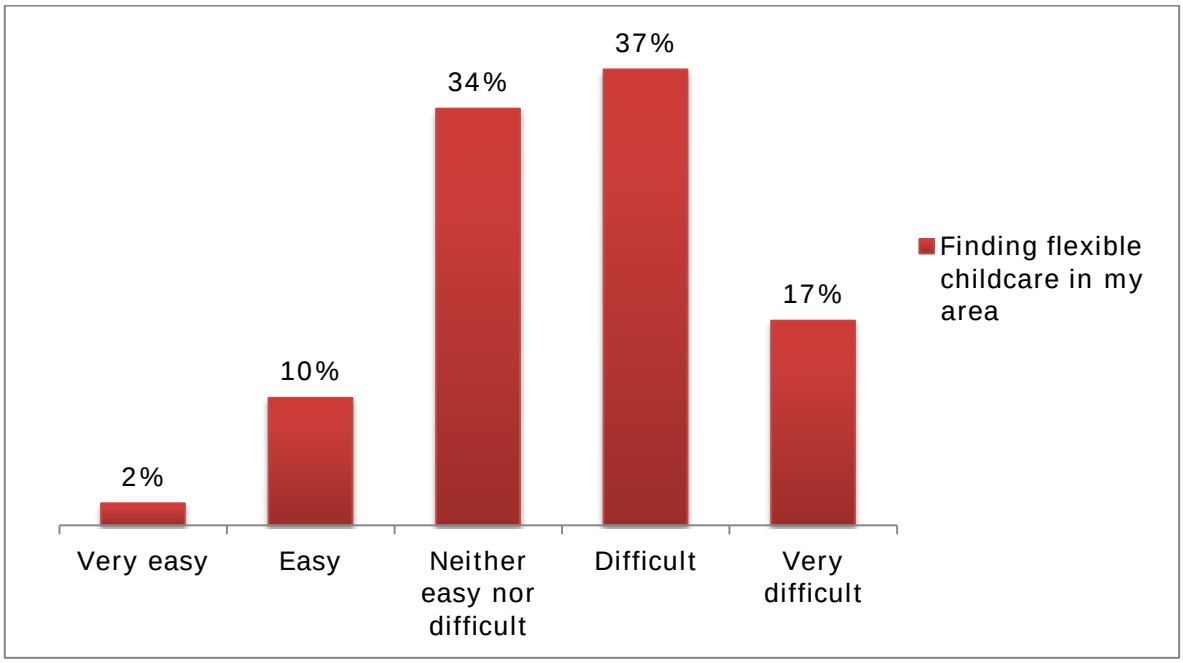
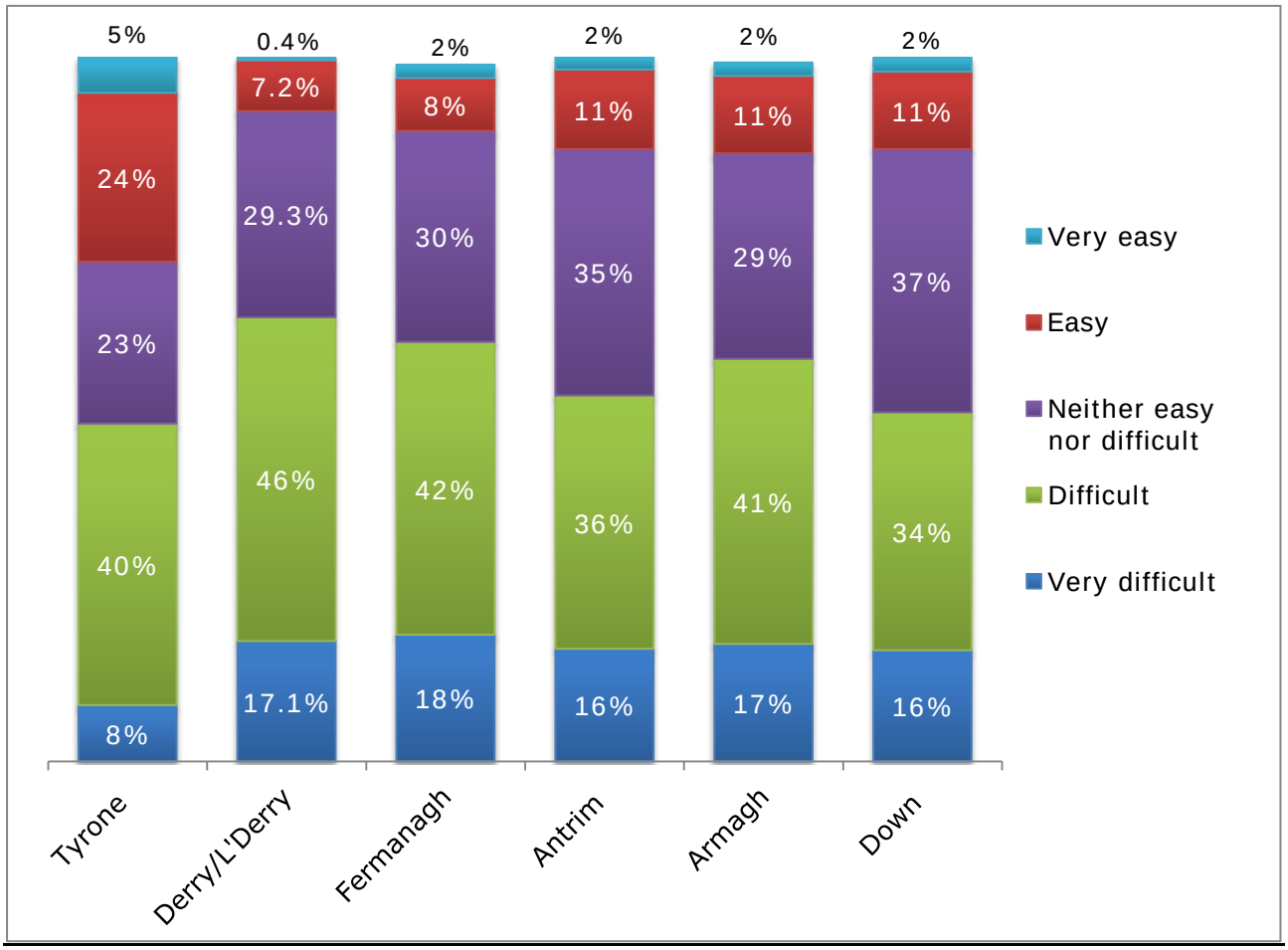


Figure 13: Childcare providers that offer flexible childcare (outside of traditional hours)

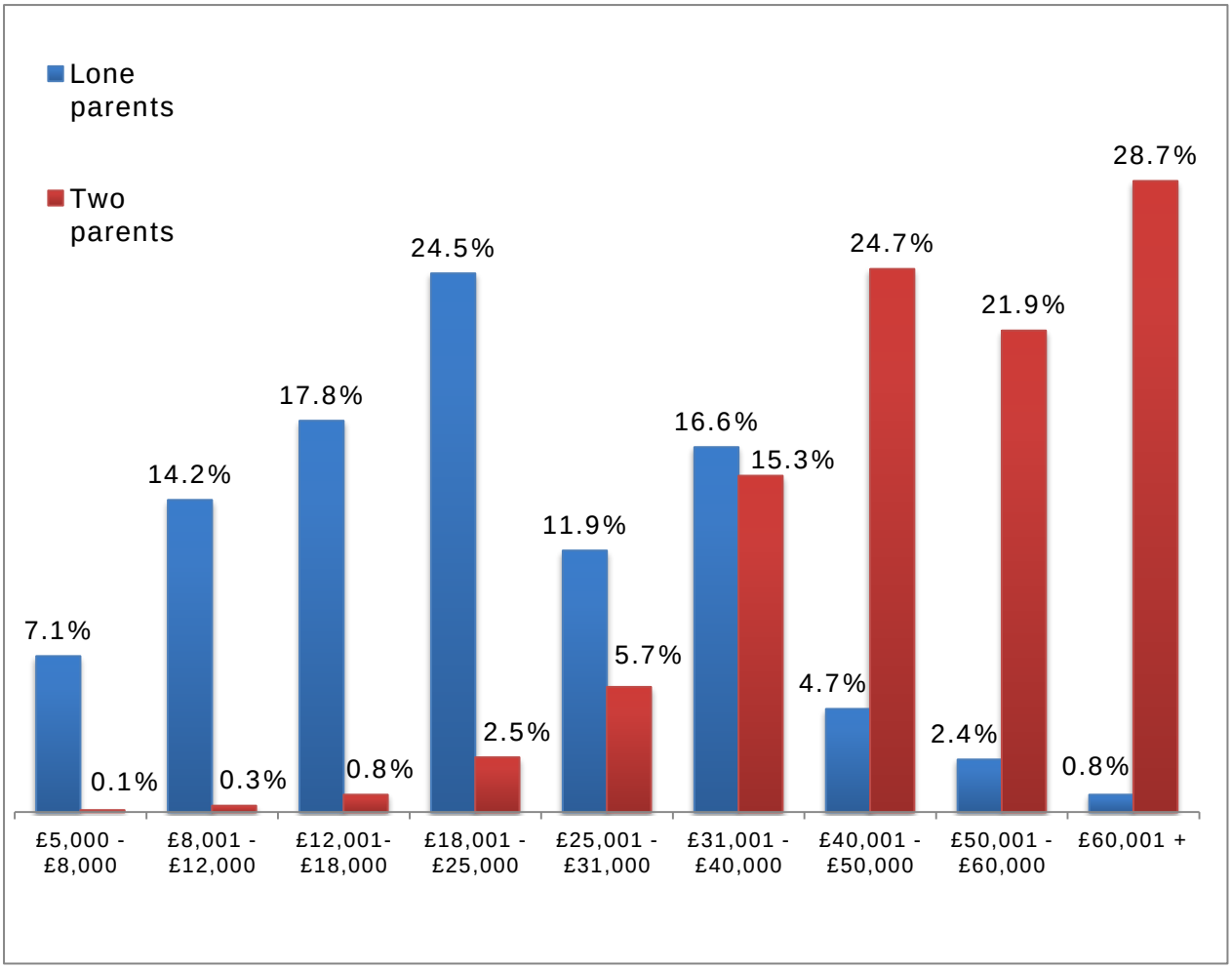


It is evident that families across the six counties struggle to source flexible childcare, however parents expressed a higher level of difficulty in Counties Armagh, Derry/Londonderry and Fermanagh (see figure 13).

4.1.8 Household income

The majority of households had an income of £40,000+ (75%). However, when broken down by household type the majority of two parent households had an income of £40,000+ (75%), compared to only 8% of single parent households. The majority of single parents had an income of up to £31,000 per year, with most earning between £18,001 - £25,000 (24.5%).

Figure 14: Household income according to household type



4.2 Childcare usage

4.2.1 Main type of childcare

Although registered childminding makes up the majority of childcare provision within the region, the main form of childcare accessed by parents in the survey was a day nursery, accounting for 46.4% of usage. This was followed by registered childminding (26.5%) and then informal childcare, mainly made up of grandparents, which provide 7.2% of the 14% of informal care accessed. Out of school care consists of breakfast clubs, afterschool clubs and holiday schemes. The majority of parents were using an out of school cub as their main form of childcare (10.2%), of this 9.2% used an afterschool club.

Figure 15: Main type of childcare used by respondents

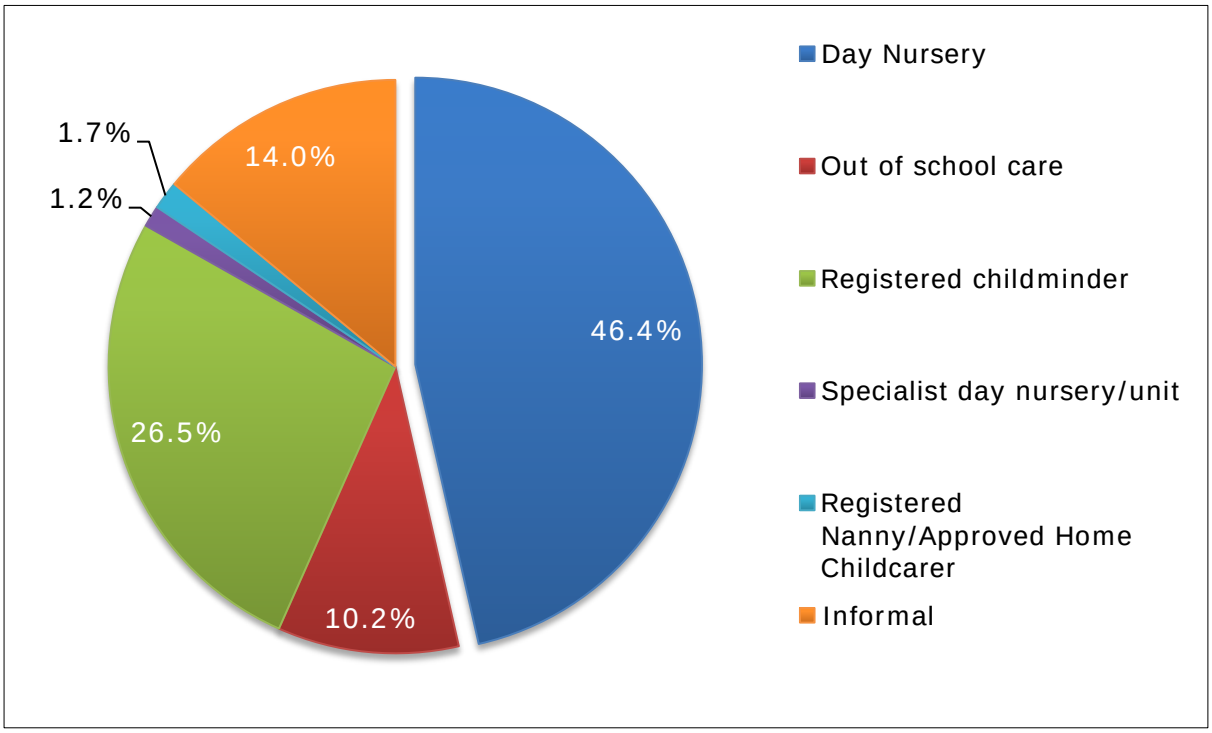
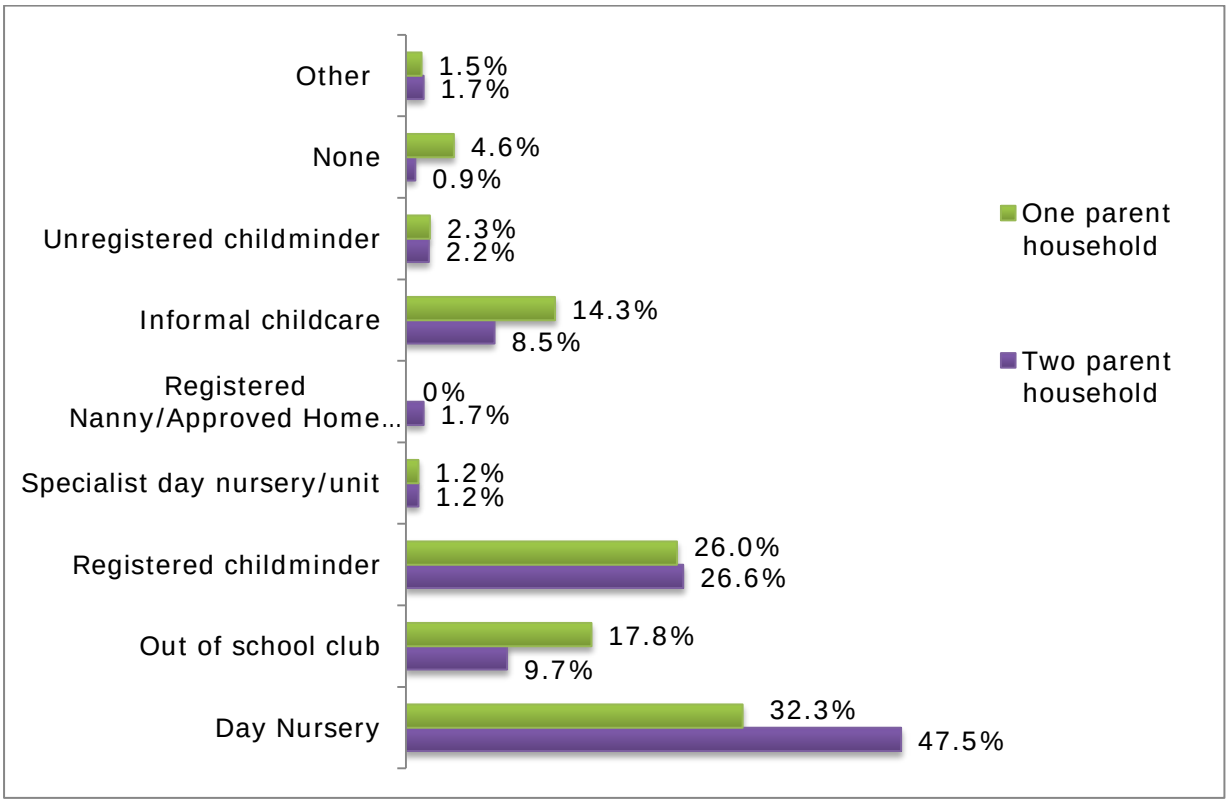


Figure 16: Main childcare type by household type



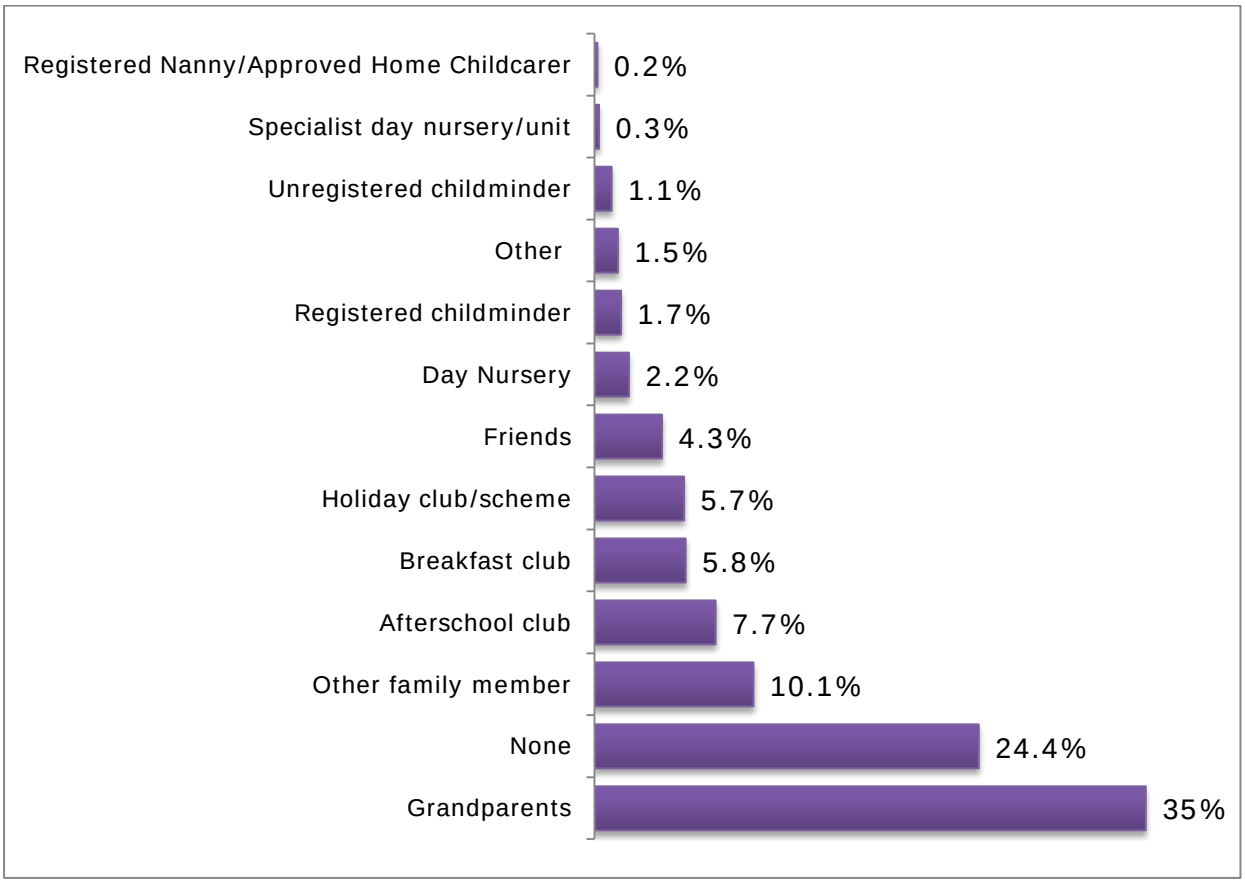
When we examine the findings by household type, day nurseries account for the main form of childcare accessed by both two parent households (47.5%) and single parent families (32.3%).

Registered childminders were the second most popular form of childcare for both household types. Out of school clubs were the third most popular. Afterschool clubs were the main form of out of school care used. 8.7% of two parent household and 16.2% of one parent households used an afterschool club. Informal care (in particular grandparents) was the fourth main type of childcare, with 9.6% of lone parents and 7% of two parent households using informal provision as their main childcare type. 4.6% of lone parents stated that they did not have a main form of childcare.

4.2.2 Additional childcare usage

We asked parents if they used another form of childcare in addition to their main childcare type. Figure 17 shows the additional childcare used by respondents.

Figure 17: Additional childcare usage



The 2010 and 2011 Childcare Cost Surveys revealed that parents used a mixture of childcare services to meet their family's needs. This trend is also paramount in 2012 with 67.7% of parents stating that they used a variety of additional childcare services. Analysis of the additional childcare arrangements found that the most common form used was family members (45.1%). This consists mainly of grandparents, with 35% of parents stated that this is their main form of additional childcare. Informal provision accounted for 51% of additional childcare accessed. Informal provision is made up of unregistered childminders, family members and friends.

When broken down by household type, within single parent households 81.5% of additional childcare accessed was through support from grandparents. Two parent households also have a strong reliance on informal provision, with 68% accessing additional childcare through informal means.

The number of children in the household strongly influenced the need for additional childcare. 60% of households with one child used additional childcare. In households with 2 or more children 70% accessed additional childcare services. In households were there are 5 or more children, 79% stated that they used an additional form of childcare.

Many of the qualitative responses from parents commented on their reliance on additional childcare. It became clear that grandparents play a pivotal role in providing childcare for families. The views expressed by parents emphasise this strong reliance, in particular, to help bring down the cost of childcare.

"Youngest child minded full-time by grandparent. Couldn't afford three in full-time childcare"

"We use family one day a week to save on costs"

"We use grandparents to save money on childcare"

"We use both sets of grandparents and then a registered childminder. grandparents help cut down the cost on childcare"

There were hundreds of quotes from parents that simply stated that it helps to bring down the cost. Grandparents and family members also provide childcare for parents whenever their main form of childcare is not available. This was expressed by a high number of parents.

"Whenever registered childminder takes holidays (paid holidays) I get a relative or friend to cover if I can't get time off work - effectively end up paying twice"!

"When the childminder is off on leave I have to find alternative childcare therefore grandparents & family care for our daughter throughout this time"

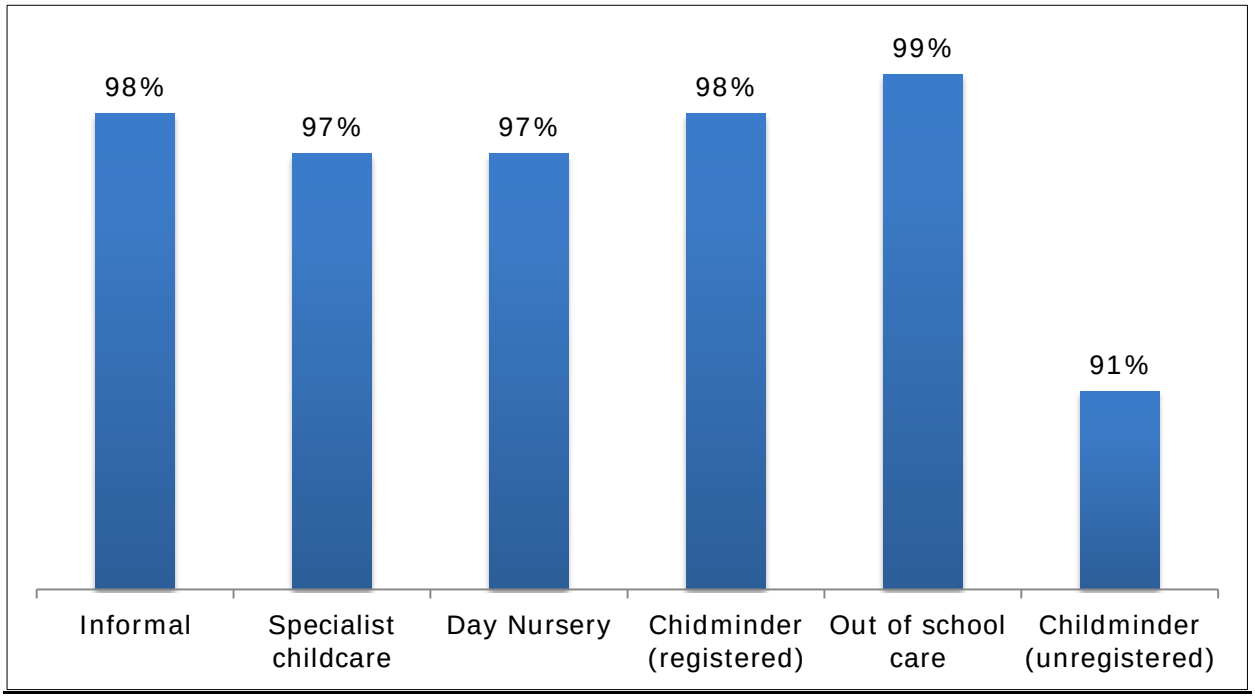
Family members, mainly grandparents, help to 'fill in the gaps' around other care arrangements. Grandparent care typically offers more flexibility than formal care, with grandparents picking children up from childcare, preschool or school and caring for them until parents return from work, providing care during school holidays and stepping in when care is needed in an emergency or when other care arrangements break down.

4.2.3 Views on quality provision

Parents were asked if they were happy with the quality of their childcare service. 97% of parents stated that they were, with 3% stating that they were not.

Comparison of the quality of care offered in the six different types of childcare showed few differences in the observed quality of care. 99% of parents that used out of school care, which comprises breakfast clubs, afterschool clubs and holiday clubs, stated that they were 'happy with the quality of provision offered'.

Figure 18: Quality rating according to childcare type



The qualitative data revealed that often parents associate a quality service with paying high costs:

"Childcare can be expensive but we are trusting people to care for our most treasured possessions and expect a high quality of care, we have to be prepared to pay for a quality service. Staff retention seems to be an issue in day nursery, I expect pay and career progression are factors in that"

"Good quality and affordable childcare does not exist"

"Like everyone else of course one would like it to be cheaper however, quality childcare is not cheap"

"Good quality childcare is so expensive but what choice do parents have? We have a sizeable mortgage and almost no social life, we haven't gone on holidays for a couple of years, but even though we are above average earners, we have a very modest life and can't afford for me not to work"

4.3 Childcare Costs

In this section we explore the childcare costs detailed by families in the survey. This allows us to examine the different trends in childcare costs by family type and across the counties. We are also in a position to compare the costs detailed by parents with those supplied by childcare providers. Furthermore, we can explore why some families do not pay for childcare. It is to this issue that the report now turns.

4.3.1 No childcare costs

Of all respondents, only 6.5% of parents who completed the survey do not pay for childcare. This is a slight an increase on last year's survey, when the figure sat at 5%. We asked respondents to explain why they do not pay for childcare, two prominent trends in the qualitative data from parents emerged. Firstly, many relied on family members, in particular grandparents, to meet their childcare needs and incurred no cost:

> *"Grandparents won't accept payment as they are helping out to reduce family costs"*
>
> *"My parents mind my children for free. If they didn't I simply couldn't afford to work! We can't afford childcare"*

Secondly, some parents changed their working hours so they could provide the childcare themselves:

> *"I work nights as we can not afford childcare. Therefore my husband works during the day and I am there for the kids and I work at night and he is there for the kids"*
>
> *"I changed my working hours to suit collecting the children from school as childcare was proving to be too expensive"*

In addition to changing their working hours, some parents also used family members to fill any outstanding hours of childcare needed:

> *"We are on a low income so can't afford to [pay for childcare] - it is a constant juggle between using flexi-time at my work, my self-employed husband arranging his work around childcare and relying on Grandpa to help out too."*

> *"My wife works part time evenings and weekends-if she has any shifts during the day we get grandparents or myself to mind the children."*

The cost of registered childcare is so expensive that many parents must rely on family members or change their own working patterns to cover the hours of childcare needed. For many families a mixture of both these options is necessary to help them manage.

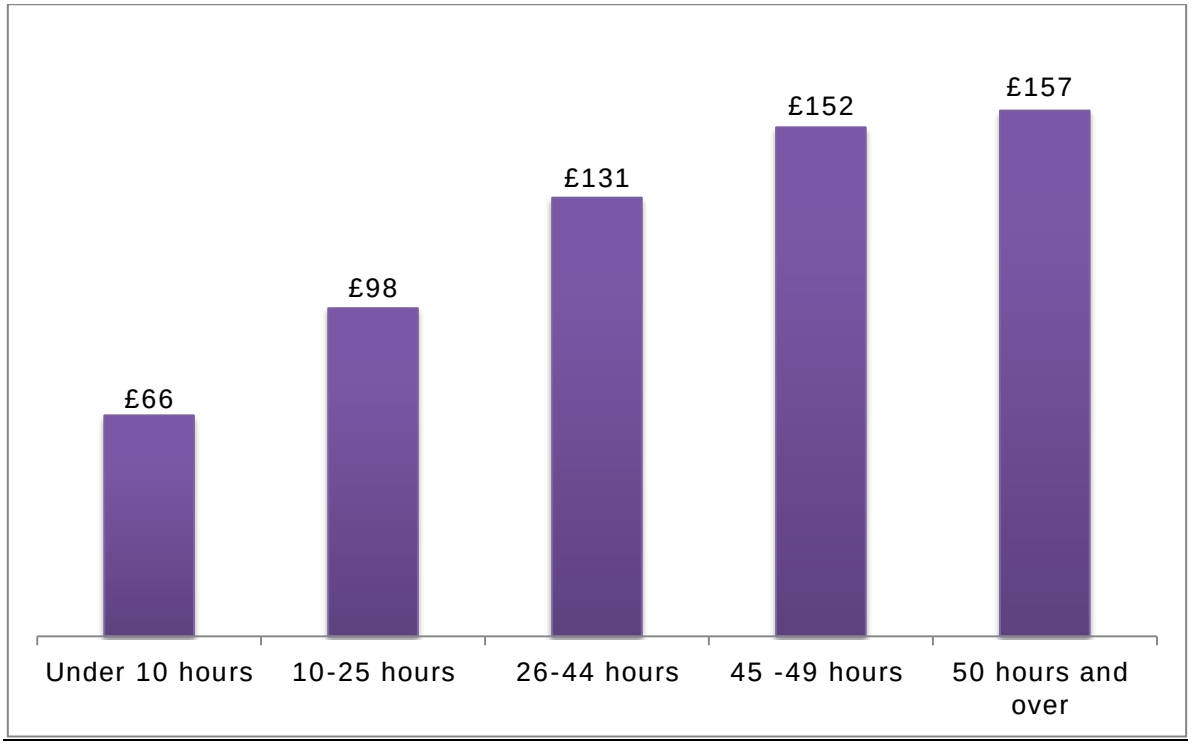
As with last year's survey a higher proportion of one parent families do not pay for childcare (17%). Only 6% of two parent families stated that they do not incur any childcare costs. One parent families rely more heavily on family members both as their main form of childcare (14.3%, compared to 8.5% of two parent families) and as an additional form of childcare (78.4%, compared to 64.6%). The qualitative data confirms that the majority of family members do not charge for childcare. This could explain why they are more likely to have no childcare costs.

4.3.2 Total average childcare costs

The Childcare Cost Survey asks parents to detail how much they pay for childcare for each child and the number of hours used. Figure 19 shows the cost of childcare for families in relation to the number of hours used. Parents using a full-time place (50 hours and over) paid an average of £157 per week.

There is a difference of £1 between this cost and the average cost of a full-time place detailed by the childcare provider survey results (£156). Therefore the parent costs correspond with the findings of the childcare provider survey, with only a small difference between them.

Figure 19: Respondents' average childcare costs each week for one child per number of hours



4.3.3 Childcare costs by family type

We asked parents to detail their total childcare cost per week, this figure was to include the costs of all childcare used for each child, including additional childcare costs. This figure allows us to compare how much each family type pays per week for childcare regardless of the type of childcare used, the number of hours or the number of children in childcare.

Last year's survey showed that one parent families paid less each week for childcare compared to two parent families when a calculation of total costs was completed. This trend is also evident in the 2012 results, see Table 7.

Table 7: Childcare costs by family type per week

How much in total do you pay for childcare in an average week?	
Two parent families	£146
One parent families	£127
All respondents	£145

One parent families are more likely to use a mix of formal and informal childcare in order to meet their childcare needs and to manage the cost than two parent families. Furthermore, two parent families are more likely to pay for childcare for two or more children. These characteristics could explain the trends in the data.

When the average weekly costs are broken down further, the results show that almost half (47%) of one parent families pay up to £100 per week for childcare, compared to 36% of two parent families (see Figure 20). This again corresponds with last year's survey. Furthermore, as in 2011, two parent families are more likely to pay over £200 per week for childcare than one parent families (17% compared to 12%).

The number of one parent families paying for childcare in the higher price brackets has increased over the last three years. In 2010 only 3% of one parent families paid over £200 a week for childcare, in 2011 this increased to 7%. In this year's survey 12% of one parent families fell into this bracket.

Figure 20: Weekly average childcare costs by family type in 2012

4.3.4 Breakdown of childcare costs by county and facility type

By asking parents to detail their weekly childcare costs by facility type we can compare the results of the parent survey with the childcare provider survey. Last year's survey showed that the parent results broadly corresponded with the childcare provider results. The same trends in the two datasets were evident. This year's results are no different.

Table 8 shows the weekly childcare cost results by county and facility type recorded by both parents and childcare providers. The highest costs across each of the childcare types are found in County Antrim, which is consistent across both sets of data. There are differences however in the lowest full-time costs. In the childcare provider survey County Fermanagh had the lowest recorded costs. The parent results however show County Tyrone to have the lowest nursery costs and County Derry/Londonderry to share the lowest childminding costs with Fermanagh.

Although the full-time costs recorded by childcare providers and parents are broadly similar, with only a couple of pounds difference in the majority of cases,

the costs recorded by parents are marginally more expensive than the childcare provider costs. This is with the exception of childminding costs in County Derry/Londonderry.

Afterschool club costs are typically lower in the parent results when compared to the childcare provider results, with the exception of County Antrim, where parent costs are one pound more expensive.

In the childcare provider results childminding costs are consistently higher than day nursery costs. This is only the case for four of the six counties in the parent survey. Counties Antrim and Derry/Londonderry in the parent results report higher day nursery than childminding costs.

Table 8: Childcare provider and parent costs by county and facility type per week (50 hours)[1]

County	Nursery		Childminder		Afterschool club	
	Parent (£)	Childcare Provider (£)	Parent (£)	Childcare Provider (£)	Parent (£)	Childcare Provider (£)
Antrim	**164**	**162**	**162**	**163**	**96**	**95**
Armagh	143	140	156	151	80	87
Down	154	154	158	160	79	92
Fermanagh	134	**132**	**145**	**142**	65	80
Derry/Londonderry	151	140	**145**	151	**63**	70
Tyrone	**131**	134	146	145	72	**74**

Being able to compare the two datasets provide reliability and validity. Namely, childcare is more expensive in the eastern counties compared to the western counties and childminding costs are generally more expensive than day nursery costs. Furthermore, the average childcare costs between the two datasets are broadly similar, therefore representing a true picture of the cost of childcare in Northern Ireland.

[1] As with the 2011 results, the sample of parents using a breakfast club or holiday scheme as their main form of childcare was too small to be representative and therefore cannot be compared.

If we use the costs detailed above in relation to our survey respondents we can estimate how much they are likely to pay for childcare in an average week. For example, the majority of respondents live in County Antrim (42%), a day nursery was the most popular main form of childcare used by parents (46%) and 46% of families in the survey had two children. According to the findings in Table 8, this means that for the majority of our respondents childcare can cost in the region of £324-£328 per week. This is the equivalent of up to £1,421 per month or up to £17,055 per year.

4.3.4.1 Additional fees

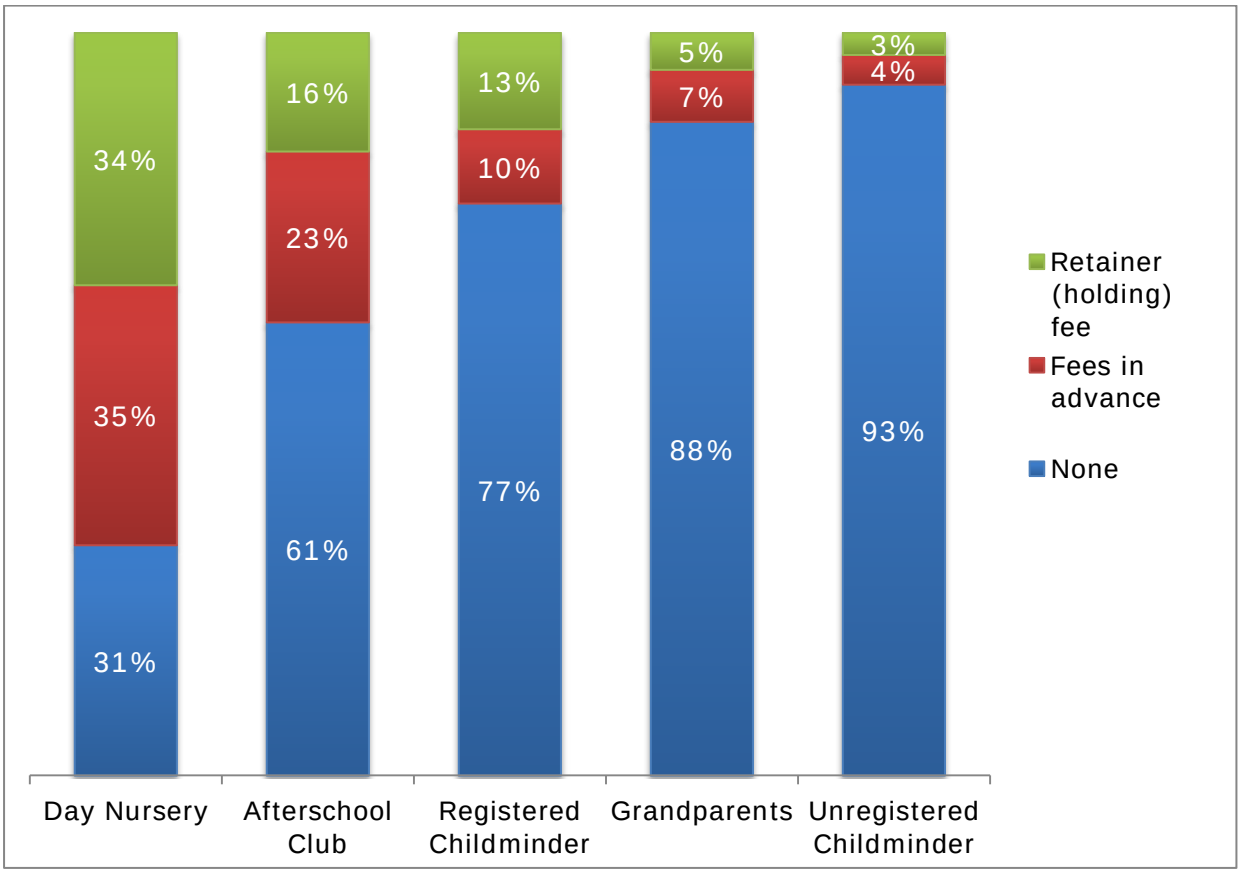
In addition to asking parents about their main childcare costs, we also wanted to establish if childcare providers charged additional fees to families, including retainer fees to hold a place and fees in advance of starting to use the childcare setting.

Overall, 54% of respondents were not charged any additional fees by their childcare provider. 26% were required to pay fees in advance and 25% were charged a retainer fee.

Figure 21 provides a breakdown of additional fees for the five most popular forms of childcare used by our respondents.

Parents availing of a day nursery are more likely to pay both a retainer fee (34%) and fees in advance (35%) than parents using the other forms of childcare. Only 31% of parents whose main form of childcare is a day nursery had no additional fees to pay. Predictably a high percentage of both grandparents (88%) and unregistered childminders (93%) charged no additional costs. However, it is interesting that the proportion is higher for unregistered childminders than for grandparents. The same trend was apparent in last year's survey.

Figure 21: Additional fees according to childcare type



Although it is positive that a high percentage of parents had no additional fees to pay to their childcare provider, those that did felt it was unfair to charge extra for periods of time when the childcare was not being used:

> *"Having to pay such a large amount as a retainer fee was frustrating and also having to pay for holidays. As a working mum, I either have to find alternative childcare or else take time off work myself on top of paying holiday pay."*

> *"I don't think we should have to pay full rates for school holidays when a child is using an after school club. We pay full price when she is not attending childcare at Easter, Halloween, Christmas and mid-term. We also pay half price (£45 per) week in the summer as a retainer even though she is not there over the 8 weeks of the summer holidays. It is too expensive".*

"I'm a teacher and I have to pay half pay for the school holidays even though the children are not being looked after by the childminder".

As with last year's results, although day nurseries are more likely than other forms of childcare to charge parents additional fees, over half of parents stated that the day nursery they used offered multi child discount to families (54%). Only 34% of afterschool clubs and 32% of childminders offered multi child discount.

4.3.4.2 Fluctuation in childcare costs

In the first Childcare Cost Survey of this series, in 2010, 29% of respondents stated that their childcare costs fluctuated at some point during the year. In 2011 this figure increased by 15% (to 44% of respondents). This year's results show yet another increase with almost half of parents (49%) stating that their childcare costs increased during the year. As with the last two years' results the school holiday period is particularly expensive for parents, 86% stated that this is when their costs increased the most:

"During the summer months, my pay goes entirely on childcare for the children".

"Cost increases dramatically during school holidays".

"Childcare during the summer is particularly difficult and expensive".

The qualitative data reveals that in many cases parents were forced to change their working hours for the summer months or use annual leave to manage the high costs:

"The summer holidays are always a struggle, my childcare costs go up…I have to try and keep annual leave for July and August in order to try and bring the price of childcare down".

"For the summer I have been forced to reduce the number of hours I work, because I cannot afford the increase in childcare cost".

> *"If my child is using full-time childcare, it will be about £300 a month during school terms, and £550 during summer holiday. I have to cut down hours so that I can pay less childcare cost".*

The high cost of childcare is a challenge for parents throughout the year; however during periods when costs increase further, it places even more pressure on parents. Section 4.5 explores the struggles families face in meeting their childcare costs.

4.4 Proportion of salaries on childcare costs

Over the last two years the proportion of a parent's net weekly earnings allocated to childcare costs has remained the same (45%). Indeed in 2011 the proportions were consistent across England, Scotland and Northern Ireland, with parents in Wales allocating a higher amount for childcare (47%).

In this year's survey the proportions across the UK have changed. In 2012 parents in England, Scotland and Wales now allocate 47% of their net weekly earnings to childcare. In Northern Ireland the figure has decreased to 44% this year.

Our calculations are based on DETI's Annual Survey of Hours and Earnings, which this year showed that Northern Ireland's net weekly earnings increased by a higher percentage than the other regions of the UK (2.8%, compared to 1.1% in England, 1.5% in Wales and 0.8% in Scotland) (DETI, 2011). Childcare costs in this region have also increased by the lowest percentage compared to the other regions since last year. This could explain the differences in the proportions for the 2012 results.

Table 9: Proportion of net weekly earnings spent on childcare within the UK by childcare type

Region	Median Net Weekly Earnings	Nursery (under 2)	Proportion of salary on childcare costs	Nursery (2 and over)	Proportion of salary on childcare costs	Childminder (under 2)	Proportion of salary on childcare costs	Childminder (2 and over)	Proportion of salary on childcare costs	Overall average	Total Proportion
England	£390.90	£192	**49%**	£184	**47%**	£178	46%	£176	45%	£183	**47%**
Wales	£354.99	£160	45%	£161	45%	£176	**50%**	£172	**48%**	£167	**47%**
Scotland	£378.38	£182	48%	£174	46%	£177	47%	£178	47%	£178	**47%**
Northern Ireland	£352.41	£155	44%	£154	44%	£157	45%	£157	45%	£156	**44%**

*Net weekly earnings are calculated using gross weekly earnings DETI 2011 minus basic rate tax and NIC (Tax code 747L, 32% tax and NIC)

Although the proportion has decreased slightly since last year, 44% of one parent's net salary allocated to childcare is a substantial amount to take from the family budget. Considering that the majority of parents in the survey had two children, the cost therefore doubles. The next section explores the struggles families face in paying for childcare in more detail.

4.4.1 The Struggles in meeting childcare costs

Given the high proportion of a parent's salary spent on childcare, meeting the cost can be a real struggle for families. Similarly to last year's survey, the qualitative responses collected from parents illustrated the strain between working to earn a wage and working to cover the cost of childcare:

> *"Childcare costs take up nearly all of one salary. This only leaves the other salary for a large mortgage, food petrol, bills. It is almost impossible to manage without credit cards and Bank overdrafts."*

> *"I work to pay for childcare…seems crazy!"*

> *"We pay more for childcare than for our mortgage. Childcare costs mean that my wife is essentially working for nothing."*

> *"My net income is less than my childcare costs currently but I hope that by remaining in the workforce, long term we will be better off financially when the children are all at school."*

We asked parents if they struggle to meet their childcare costs. 39% of respondents said they 'sometimes' struggle with their costs, 37% said 'no' and the remaining 24% said 'yes'.

These results show that 63% of families struggle to meet their childcare costs either throughout the year or at some point during it. The qualitative responses show two clear trends. Firstly, childcare is viewed as a necessary cost which must be paid. Secondly, in order to meet the payment, childcare must be budgeted for as a priority and other 'less important' payments are sacrificed:

> *"I find it very expensive, but consider it like another mortgage - it has to be budgeted for and paid regardless."*

"Childcare comes first over any other items as it enables me to continue with my chosen career, it's surprising what you can do without to pay for childcare."

"It's more accurate to say childcare costs cause me to struggle with other outgoings as it is a must."

"We don't struggle but only because we have completely curtailed spending on everything else to make sure we can pay."

"They [childcare costs] are a necessary primary cost; other things will be cut first."

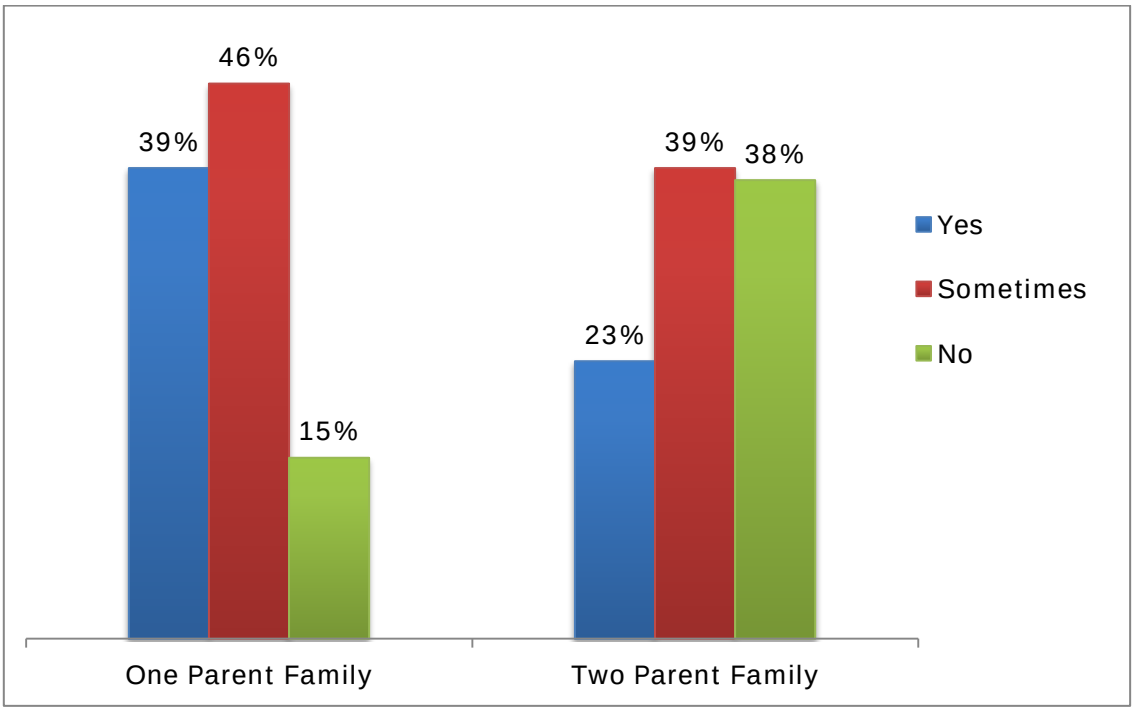
"[Childcare] is a priority for me and therefore must be paid. My family has to make sacrifices regarding other things - etc holidays, money for entertainment, clothes, toys etc."

The quotes depict that parents view childcare as a major expense, often more expensive than a family's monthly mortgage payment, which must be considered as a priority when the family budget is calculated. As many of the parents' quotes illustrate, families are on such a tight budget that whilst they are able to meet the cost, the consequence of paying the high cost of childcare causes them to struggle to meet other payments.

4.4.1.1 Family type

Given that one parent families are reliant on one salary, it is unsurprising that when the results are broken down by family type they are more likely to struggle with childcare costs. Figure 22 shows that only 15% of one parent families, compared to 38% of two parent families, stated that they do not struggle with their childcare costs.

Figure 22: The struggle in meeting childcare costs by family type



Indeed, 85% of one parent families struggle with their costs either throughout the year or at some point during it. This is in comparison to 62% of two parent families.

In comparison to last year's results, a lower percentage of one parent families in this year's survey struggle with their costs throughout the year (50% in 2011, compared to 39% in 2012). The results for two parent families, however, have changed a relatively small amount since last year[2].

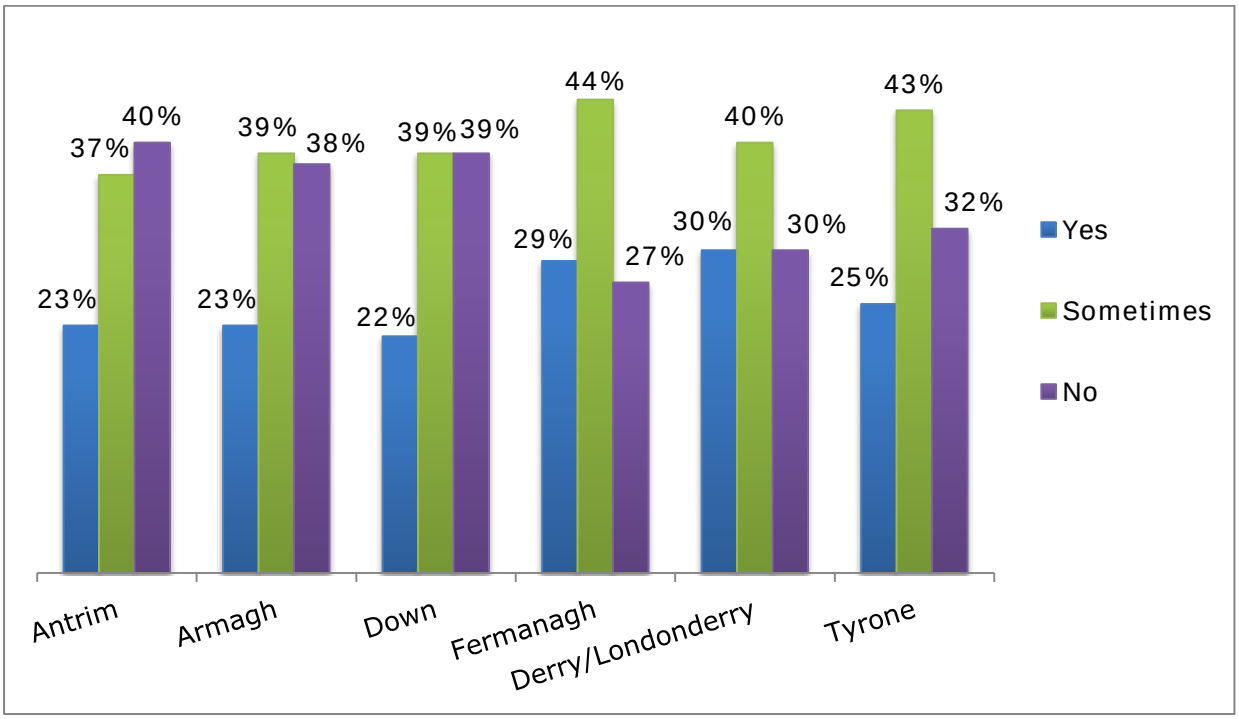
4.4.1.2 County

It is also interesting to break down the results of this question by location. Figure 23 shows that parents living in Counties Antrim, Armagh and Down are more likely to say that they do not struggle to meet their childcare costs (40%, 38% and 39% respectively); whereas a higher percentage of parents in Counties Fermanagh, Derry/Londonderry and Tyrone are more likely to struggle to meet their costs throughout the year or at certain periods during it (73%, 70% and 68% respectively).

[2] The 2011 results showed that for two parent families 22% said they did struggle with their costs, 40% said 'sometimes' and the remaining 38% said 'no'.

It is clear from the results that parents living in the counties in the west of the region struggle at certain points throughout the year, more so than parents living in the east.

Figure 23: The struggles in meeting childcare costs by county



4.5 Childcare and employment patterns

The intricate relationship between parents' employment and their childcare arrangements illustrates the degree to which parents manage to maintain a balance between different life spheres: family life and employment. This balance is achieved by a complex process of co-ordination, negotiation and often compromise. 46% of parents in the survey stated that the cost of childcare had influenced the number of hours that they work. For many parents this meant reducing from full-time to part time hours:

"The cost of childcare has meant that I have had to give up full-time work and work part time to fit around my childcare which isn't very good for my career and is demoralising when most of your pay goes on childcare."

40% of parents stated that they had to change their patterns of work, for many respondents this pattern consisted of working compressed hours, whereby the

parent works the same number of hours in a week, but over less days. This enables parents to be available to care for the children themselves and therefore reduce childcare costs:

"I work a compressed hours pattern - 4 days 8-6 so as to have one less day to pay".

"Had to change from 35hrs over 5 days to 30hrs over 4 days".

"I had to ask the company to be more flexible with my working hours to accommodate childcare".

"My wife has had to apply for flexible working to work around our childcare needs".

The economic structure of society has significantly influenced how families care for their children. As women are usually the primary caregivers, the nature of their work roles has an important effect on childcare. When broken down by gender, 35% of men stated that childcare influenced the number of hours, whilst 61% of women had to compromise their working hours.

4.6 Information Services for parents

Over the last two years our Childcare Cost Surveys have illustrated the difficulties parents face in accessing information services in relation to childcare in their local area. The lack of a Government funded Family Information Service in the region, similar to that which exists in the other regions of the UK, can make sourcing information very difficult for families.

Employers For Childcare Charitable Group has itself been operating an information service for parents since 2002. We do not receive Government Funding, therefore as we are self financing we must generate enough income to provide the service. This can limit the reach of the service provided. The Health and Social Care Board for Northern Ireland recently launched Family Support NI, a website designed to help parents find organizations which provide support. This is Government funded. The Family Support NI website has had over 250,000 hits since it was launched in June last year.

Together, these two information services increase the access to information parents have. However this is limited compared to what is available in the other regions of the UK.

As with the last two years, we asked parents to rate their experiences of accessing information services in the region.

Table 10: Assessing information services within the region

Please rate how easy it is to access information relating to childcare services and support in your local area...					
	Very easy	Easy	Neither easy nor difficult	Difficult	Very difficult
Financial help with childcare costs	3%	16%	**42%**	30%	9%
Accessing affordable childcare in my area	2%	12%	36%	**38%**	12%
Information relating to family benefits/ entitlements	2%	14%	**39%**	36%	9%

Last year's survey showed that 45% of parents found it 'difficult' or 'very difficult' to access information about the financial help available with childcare costs. This year's results show that this figure has decreased to 39%.

50% of respondents also stated that they found it 'difficult' or 'very difficult' to access information on affordable childcare. Only 14% found it 'easy' or 'very easy' to find this type of information. 45% of respondents also had difficulty finding information on family benefits and entitlements.

Overall, it is clear that parents in Northern Ireland have trouble accessing information relating to childcare services and support. This trend was also clear in the qualitative data:

> *"We find it very difficult to find concise and concrete information on what help is available towards childcare costs and what we are entitled to. We*

rely on the internet, which takes a long time to find relevant info. We simply don't know where to access the info."

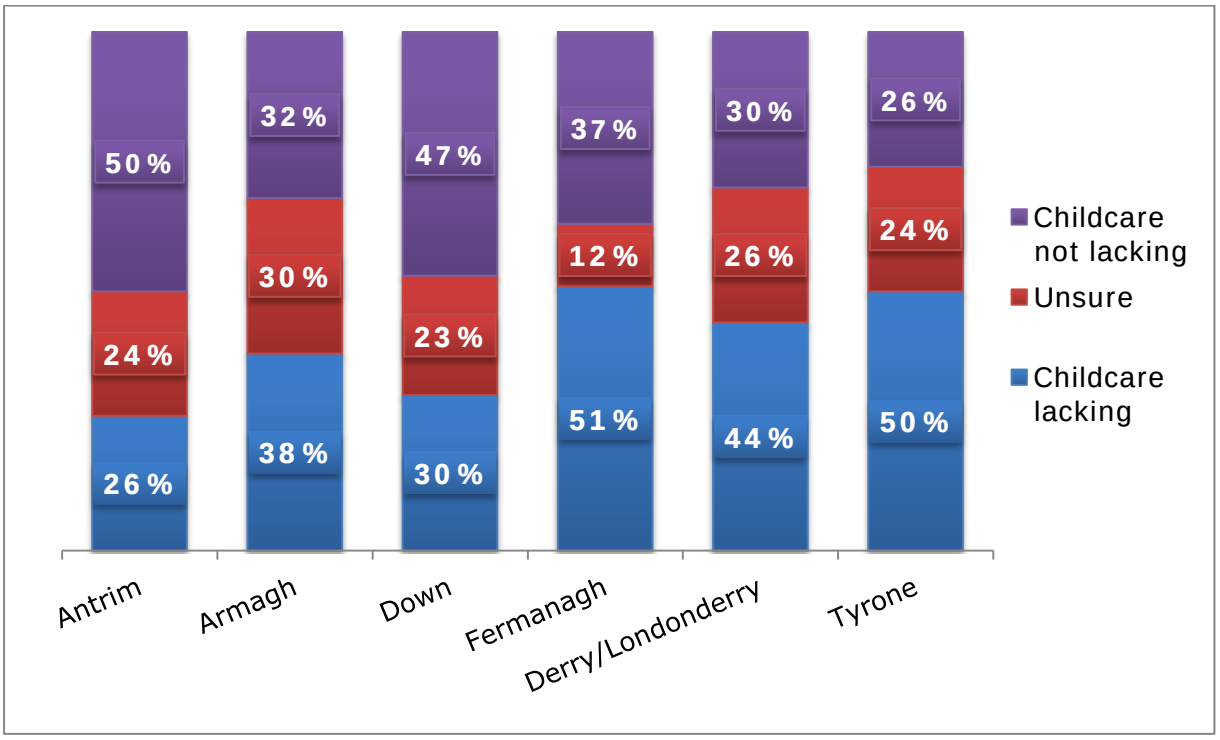
"The only information on paying for childcare and tax credits we received came from Employers For Childcare, who were very helpful. I tried to claim tax credit (when we fell within the limit) but was unable to get a form as it is not downloadable on-line and it was very difficult to get through on the phone."

"It is not so much lack of available childcare, but more lack of available information and support."

4.7 Accessible childcare

We asked parents if they thought there was a lack of childcare in their local area. 43% of respondents answered 'no' and 24% stated that they were unsure. 33% of respondents stated that there was a lack of childcare in their area. According to DHSSPS statistics, the majority of childcare places are situated in the east of the region. Therefore, it is interesting to explore the results of this question by the responses obtained by parents in each of the counties. Figure 24 provides a breakdown of the findings by county.

Figure 24: Perceived accessibility of childcare by county



The figure shows that childcare is perceived to be the most lacking in Counties Fermanagh (51%) and Tyrone (50%). On the contrary, a high percentage of parents in Counties Antrim and Down did not consider childcare to be lacking (50% and 47% respectively). These results correspond with the level of childcare provision situated across the region.

The majority of parents (47%) reported a lack of afterschool clubs, which points to a particular problem with accessing school age childcare. This is a trend which has been apparent in both the 2011 and 2010 surveys. When a breakdown of results by county is considered, the same patterns in a perceived lack of childcare are apparent from last year's survey. Afterschool clubs are particularly lacking in each of the counties, except Fermanagh where parents commented that holiday clubs and childminders were difficult to access. Furthermore, the majority of parents in Fermanagh commented that day nurseries were the most lacking.

5. Conclusions

Testimonies from families that have participated in the study have revealed a number of challenges in balancing their work and their childcare arrangements. The practical issues relating to the availability, what form of care to use, the duration required and the costs of care are all key challenges.

The cost of childcare

The cost of each of the main forms of childcare has risen marginally over the course of the year. The average cost of a full-time childcare place is £156 per week. Based on a household with two children, this amounts to £8,112 a year for one child, or £16,224 for two. The average number of children per household in NI currently sits at two children (NISRA, 2001)[1].

When broken down by County childcare is most expensive in Co Antrim (£163 per week) and cheapest in Co Fermanagh (£137 per week). Childminding costs (£157 per week) continues to cost more per week than a day nursery (£154.50 per week).

Amongst parents paying for childcare, 63% stated that they struggle to meet their childcare costs either throughout the year or at some point during it. This proportion was significantly higher among lone parents and families with low incomes.

Although community costs continue to be less expensive, the difference between private costs and community costs has narrowed year on year since this research series began. This narrowing of the pricing gap shows that the cost of community childcare settings is increasing at a faster rate than private settings.

Regional differences in the cost of childcare

Childcare costs across the UK are expensive. Parents in the UK pay more in childcare costs than many of their European counterparts. Although proportionally Northern Irish parents allocated the least amount of their net

[1] The number of children per household in Census 2011 data will not be available until the 2nd release, due November 2012/February 2013.

weekly pay towards the cost of childcare (44%), this is still a substantial amount. Also, given that the average family size in NI consists of two children, essentially the average family paying for two full-time childcare places allocate 88% of their net weekly wage on the costs of childcare.

Supply and demand of childcare places

Despite the increase in childcare places, there remains a substantial gap between demand and supply, with one childcare place for every 7.4 children. When broken down by HSCT there are differences in the supply of formal childcare depending on the family's location. Parents living within Counties Fermanagh and Tyrone stated that they have limited access to childcare places. On the contrary, a high percentage of parents in Counties Antrim and Down did not consider childcare to be lacking. These results correspond with the level of childcare provision situated across the region.

The majority of parents (47%) reported a lack of afterschool clubs, which points to a particular problem with accessing school age childcare. This is a trend which has been apparent in both the 2011 and 2010 surveys. The 'wraparound' provision of childcare around schools and school-age children is inadequate and fragmented. This is a key aspect of childcare policy in much need of attention.

Childcare and employment patterns

The availability of affordable and accessible childcare has a critical influence on parental employment patterns. 46% of parents in the survey stated that the cost of childcare had influenced the number of hours that they work. Achieving the childcare balance to enable parents to be able to work is critical to economic recovery, and to the Government's welfare reform agenda to make work pay for parents. Currently the system is failing working parents.

Combinations of formal and informal childcare used

Grandparents play a key role in providing additional childcare, accounting for 35% of additional childcare provided. The reliance on family, especially grandparents is evidenced in the qualitative data from parents. Cost is a key

factor but also a number of parents welcomed the opportunity for their children and grandparents to bond.

Quality childcare

99% of parents are happy with the quality of provision offered. There was a strong association between the cost of childcare and its perceived quality amongst parents.

Flexible childcare

More parents are now working outside of the conventional hours of work. 24% of parents in the survey stated that they worked atypical hours. Over 54% of parents stated that they find it either 'difficult' or 'very difficult' to access flexible childcare. There is a growing need for more flexible childcare choices for families. Employers For Childcare Charitable Group has established a flexible alternative to the mainstream childcare options currently available to families. Please see Appendix for further information on this service.

Information services for parents

Parents, especially first time parents need to have access to information on all aspects of childcare. 45% of parents stated that they found it either 'difficult' or 'very difficult' to access information relating to family benefits and entitlements. 39% also stated that they found it difficult or very difficult to access information relating to financial help with childcare costs.

In conclusion, finding a suitable balance of work and family life is not an easy task for parents. The Childcare Cost Survey 2012 depicts a story of many parents struggling to access and pay for their childcare. The costs of childcare often eradicate the financial benefits of working leaving parents 'pay neutral' and therefore raising many conflicting questions on whether or not it actually pays to work. The additional barriers of being able to access both flexible childcare and age appropriate childcare places further pressures on families. The report findings illustrate that the current childcare infrastructure is failing ordinary working families.

6. Appendix

Approved Home Childcare

Employers For Childcare Charitable Group recently established a new Social Enterprise, Approved Home Childcare. The Approved Home Childcare service provides a formal, quality tailored childcare service in the family home.

The Approved Home Childcare scheme was introduced to Northern Ireland in 2006 and works on the basis that childcare takes place in the child's own home. The scheme allows childcarers to be formally recognised, checked and regulated by their local Health and Social Care Trust (HSCT). In order to be approved the childcarer must meet the following criteria:

- The applicant must be over 18 years of age.
- The applicant, prior to applying for approval, must have obtained a childcare qualification. A basic course of training in the care of children may also be accepted by the Trust.
- The applicant must have obtained a first aid certificate suitable for the care of children.
- The applicant must have completed an enhanced Access NI check which ensures their suitability for working with children (DHSSPS, 2006).

Each of the criteria must be met before the childcarer can apply for approval.

Approved Home Childcare currently only represents approximately 2% of the total childcare market. One of the key challenges with the service was that the parent had to employ the Approved Home Childcarer. With our new service, Employers For Childcare takes on this responsibility. We employ the Approved Home Childcarer and provide a childcare service tailored to the hours and needs of the family.

Our Approved Home Childcarers participate in a rigorous recruitment process in order to work for Employers For Childcare. We go to great lengths to ensure that our candidates are vetted to the highest possible standards.

The recruitment process includes:

- Completing a detailed application form prior to the interview.
- At the interview we discuss with the candidate:
    - their background and personal circumstances
    - ascertaining a candidate's level of childcare experience and skills
    - finding out a candidate's aspirations and what motivates them
- Checking and verifying all original documentation including passport/driving licence and appropriate qualifications certificates.
- Advising on Access NI Enhanced Disclosure checks carried out by PSNI.
- Advising on the need for a medical check and references from their GP.
- Assessing their level of flexibility and commitment.
- Advice on further training and development including our in-house training. On-going training and development for our carers is carried out on a quarterly basis.

We perform every possible check, including Enhanced Access NI Disclosure and references verification. All Approved Home Childcarers are then approved by their local Health and Social Care Trust (HSCT).

We operate as an agency, working between the family and the Approved Home Childcarer. We employ a bank of qualified and trained Childcarers. We will provide them with ongoing professional development and support in order to ensure that families receive a quality childcare service. We work closely with both the childcarer and the family in order to ensure that a suitable match is made.

The cost of this service is calculated on the individual family circumstances. The family is charged per hour not per child for the service, and no retainer or holiday fees are included.

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