

## Employers For Childcare: Written Evidence

### United Nations Special Rapporteur on extreme poverty and human rights to the United Kingdom of Great Britain and Northern Ireland

September 2018

#### Introduction to Employers For Childcare

Employers For Childcare is a charity established to support parents with dependent children to get into work and stay in work. Working with employers and policy-makers, we aim to encourage and secure better support for families in the workplace and in public policy. We seek to represent the views of parents with dependent children on issues relating to childcare, employment and work-life balance.

Our annual Childcare Cost Survey (2010 - present) tracks the cost of childcare and the impact it can have on families.<sup>1</sup> We have used our research findings on childcare issues to inform several consultation and inquiry responses. Our research provides an evidence base to lobby local Government and Westminster. More information about our work is available on our [website](#).

Through our work with families, employers and childcare providers we have gathered the experience, knowledge and evidence which informs our response to the Special Rapporteur. Our response provides evidence for point (27) '*What are the main causes of child poverty in the United Kingdom, what have been the main government responses, and how effective have they been?*' We welcome the opportunity to provide input for the preparation of the Special Rapporteur's visit to the UK in November.

#### Summary

Flexible, affordable, high quality childcare is critical to tackling poverty. High quality childcare and early education can help to address the effects of poverty on children and families by supporting children's development and improving educational outcomes. It is also critical to supporting parents to improve their income through accessing or progressing in work, or taking up education and training opportunities, and reducing the proportion of household income that is spent on childcare.

#### Evidence of the cost of childcare and impact on families in Northern Ireland

The most recent Northern Ireland Childcare Cost Survey, published in 2017<sup>2</sup>, found:

- The average cost of a full-time formal childcare place is £168 per week. This equates to **39% of the average household income** in Northern Ireland;

<sup>1</sup> <https://www.employersforchildcare.org/charity/research-and-reports/>

<sup>2</sup> <https://www.employersforchildcare.org/report/northern-ireland-childcare-cost-survey-2017/>

- The average childcare spend reported by a family with a child under the age of five equates to **49% of the average household income** in Northern Ireland;
- Childcare is the largest monthly outgoing for **one third** of parents, ahead of their mortgage or rent;
- Almost **half of families**, 46%, reporting having to go without or cut back on another expense in order to meet their childcare costs. This rose to more than half – 56% – of single parent families;
- **One third of parents** – 33% – reported using means other than their income to pay for their childcare bill including savings, credit cards, loans from family or friends and, in some cases, pay day loans.

The impact this has on families is significant. Many are concerned about the long-term implications of not having money to save. Some families report that they are cutting back or going without healthy food or heating for their homes. One family told us that they had to visit a foodbank in order to ensure that their children were fed. Some are limiting the size of their family in order to avoid increased childcare costs. In the words of parents:

*"We haven't had any heating oil for 4 months because we can't afford it. I have to go without breakfast and lunch to put food on the dinner table."*

*"In the last year I reduced my working hours because childcare costs were costing me more than I was getting paid."*

*"We are only able to make minimum payments in clearing debts due to the cost of our childcare."*

*"Every month family cut backs on general living, kids missing school trips and the weekly grocery shop to be reduced."*

*"I have to always ensure that I have enough money to pay for it [childcare] so if I am low on money then I have to take it out of savings or cut back on food bill. I can't cut back on fuel as I need my car for work. It can be a struggle and I often owe money because I have to wait until pay day to have enough to cover childcare costs."*

### **Child poverty**

The Households Below Average Income (HBAI) statistical bulletin August 2018 highlights that, in 2016/17, the proportion of children in relative poverty in Northern Ireland is 22% (before housing costs) which is comparable to the 21% estimate in the previous year. In 2016/17 the proportion of children in absolute poverty is 18% (before housing costs), the same as 2015/16.<sup>3</sup> The long-term trend shows that children are at a higher risk of living in poverty than the overall Northern Ireland population in both relative and absolute measures. The majority of children in

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<sup>3</sup> 'Households Below Average Income: Northern Ireland 2016/17' <https://www.communities-ni.gov.uk/sites/default/files/publications/communities/hbai-2016-17.pdf>

poverty (61%) live in households with at least one parent who is working.<sup>4</sup> Although vital, it is not enough therefore to ensure parents have access to work, we also need to ensure that work pays for those parents and enables them to enhance their family's quality of life.

In February 2018, the Joseph Rowntree Foundation (JRF) published statistics highlighting that 110,000 children in Northern Ireland live in poverty. Poverty is highest among families with children.<sup>5</sup> This is despite the UK Government's commitment to eradicate child poverty by 2020. JRF launched a five-point plan to solve poverty by 2030, with a call to radically overhaul the childcare system to give children the best start in life and to make work pay for parents.<sup>6</sup>

Access to childcare plays a critical role in lifting children and young people out of poverty, leading to more children and young people experiencing good physical and mental health. Heckman's cost-benefit analysis of state provided childcare concluded that there was a 7% to 10% per year return on investment in early years education, based on children's increased school and career achievement, and reduced costs in the health and criminal justice systems.<sup>7</sup> Much of this investment is required before school, and even before pre-school. Childcare is key to this investment yet is often overlooked as a tool in giving children and young people the best start in life.

The most crucial years for learning and development are from birth to the age of six. The benefits of providing good quality childcare during these years are substantial and include improvements in cognitive skills such as language development, reasoning and concentration. The Effective Provision of Preschool Education (EPPE) Project, involving a longitudinal study of 3,000 children in the UK, showed that the cognitive outcomes in reading and mathematics nurtured during pre-school provision persist through primary school.<sup>8</sup>

Early intervention is also key in supporting young people to develop socially and emotionally. This may be particularly the case where children are living in deprivation. Melhuish's overview of international research in this area concludes that the benefits of intellectual, social and behavioural development through good quality pre-school education and childcare are more substantial for disadvantaged children.<sup>9</sup> Long term benefits include improved educational attainment, less risk of juvenile arrests, lower rates of substance misuse, better adult employment and enhanced earning prospects. Good pre-school care is also proven to develop a child's sociability, peer-relationships and independence.<sup>10</sup>

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<sup>4</sup> <http://www.niccy.org/childpoverty>

<sup>5</sup> 'Poverty in Northern Ireland' <https://www.jrf.org.uk/report/poverty-northern-ireland-2018>

<sup>6</sup> [JRF Long Term Deal to Solve Poverty](#)

<sup>7</sup> <https://heckmanequation.org/resource/invest-in-early-childhood-development-reduce-deficits-strengthen-the-economy/>

<sup>8</sup> <http://eppe.ioe.ac.uk/eppe/eppepdfs/TP10%20Research%20Brief.pdf>

<sup>9</sup> Melhuish, E.C (2004) A Literature Review of the impact of early years provision on young children with emphasis given to children from disadvantaged backgrounds, prepared for the National Audit Office, Institute for the Study of Children, Families and Social Issues

<sup>10</sup> Hill, M and Knights, E (2009) Quality Costs – Working Paper 1, What is high quality early childhood education and care? London: Daycare Trust

Our research has highlighted that childcare for children with a disability may not be readily available or fit for purpose and, where it is, may be more expensive. This could lead to parents of children with greater support needs not being able to work, having a financially detrimental impact on the family and preventing children from accessing the developmental benefits of quality childcare.

The Child Poverty Alliance report '*Beneath the Surface, Child Poverty in Northern Ireland*' (2014) includes a chapter, written by Employers For Childcare, that is dedicated to the role of childcare in lifting children out of poverty, including evidence that a quality childcare system could reduce child poverty by half.<sup>11</sup> Inability to access affordable, quality childcare impacts on the rate of child poverty in three key ways:

1. acting as a barrier to employment for parents;
2. placing pressure on family incomes; and
3. not supporting the essential developmental needs of children.

### **Childcare provision supporting labour market participation**

The provision of accessible and affordable childcare plays a key role in enabling parents to access, stay in and progress in work, thereby raising employment rates. However, earning prospects of individuals also depend on what qualifications and training they have done and how well they are able to access opportunities for progression in the workplace. Our research shows that an inability to access affordable childcare can be a barrier to employment and, also career progression, for parents in Northern Ireland. The 2017 Childcare Cost Survey found that 63% of households reported a change in working patterns for one or both parents with 42% attributing this change to the cost of childcare. For some households, this change can be detrimental to long-term career progression, particularly if they are decreasing their working hours.

The Equality Commission for Northern Ireland has published reviews on inequalities in employment and participation in public life. Both reviews highlight the role childcare plays in supporting labour market participation.<sup>12</sup> They also identified women's caring responsibilities as a barrier to equality in employment. This is not an issue that affects only women, and, at a societal level, attitudes are changing with respect to parenting and the extent to which men might be expected to take on these responsibilities as well. However, this remains an issue that disproportionately affects women in terms of their economic empowerment.<sup>13</sup>

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<sup>11</sup> [Beneath the Surface: Child Poverty in Northern Ireland](#)

<sup>12</sup> 'Key Inequalities in Employment' Equality Commission for Northern Ireland

<https://www.equalityni.org/ECNI/media/ECNI/Publications/Delivering%20Equality/Employment-KeyInequalitiesStatement.pdf>

<sup>13</sup> 'Key Inequalities in Participation in Public Life in Northern Ireland' Equality Commission for Northern Ireland (2018)

<https://www.equalityni.org/ECNI/media/ECNI/Publications/Delivering%20Equality/ParticipationPublicLife-DraftStatementSummary.pdf?ext=.pdf>

## **Changes to financial support with childcare costs**

Childcare is a devolved matter and, as a result, divergent approaches to entitlement have emerged across the UK. Childcare policy and legislative reform which have been introduced in England are noticeably absent in Northern Ireland. In the absence of a functioning Executive at Stormont and with changes to the landscape of family benefits and entitlements, including the roll-out of Universal Credit, there is concern at the negative impact these changes will have on families.

Many parents who participated in our Childcare Cost Survey (2017) noted the changes in childcare support in England, with the introduction of 30 hours free childcare for eligible families<sup>14</sup>, and expressed their frustration that similar support is not available in Northern Ireland. Research published by the Department for Education in England found that, one year on from the launch of the 30 hours childcare scheme, working parents and their children are benefiting from better access to childcare.<sup>15</sup> It also revealed 78% of parents using the 30 hours offer reported having saved money, which they were able to invest back into their families to improve their overall quality of life. Parents are also increasing their working hours and are spending less on childcare. It also helps improve finances, with 84% of parents reporting a positive difference to their overall family finances.

We would welcome a move that would provide working parents in Northern Ireland with access to additional hours of funded childcare. We are keen to learn from experiences in other parts of the UK (and elsewhere) in designing and developing a childcare infrastructure that can appropriately work in Northern Ireland for families. In particular, it is vital that the extension of free childcare provision does not result in a decrease in the quality of provision that is on offer. This policy must be adequately funded to ensure the sustainability of childcare providers and the quality of the care that they provide.

In addition to the lack of policy development and reform, responsibility for early years provision in Northern Ireland is spread across a number of departments and arm's length bodies. This is a fragmented policy approach in that no one government department has sole responsibility for provision. To date, Northern Ireland is the only UK jurisdiction without a current childcare strategy, a situation which we believe is unacceptable, and which lets down children and their families.

## **Final comments**

Evidence points to childcare having a key role in lifting children out of poverty by reducing economic inactivity through tackling barriers to employment and underemployment. Access to affordable childcare can empower and support families and communities to give children and

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<sup>14</sup> The scheme was introduced in September 2017 for eligible working parents of three and four-year olds across England to help working parent manage childcare costs.

<sup>15</sup> Paul, G. and La Valle, I (Department for Education, 2018)

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/740168/Evaluation\\_of\\_national\\_rollout\\_of\\_30\\_hours\\_free-childcare.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740168/Evaluation_of_national_rollout_of_30_hours_free-childcare.pdf)

young people the best start in life. In looking to the future, it is essential that the childcare infrastructure in Northern Ireland is one that support parents to access and stay in work or training and, once they are there, helps to ensure that work pays for those families and helps to lift them out of poverty.

Our key recommendations are:

- Ensure adequate funding is invested in delivering access to high quality, affordable childcare for **all families** in Northern Ireland;
- Scope requirements for introduction of equivalent to the 30 hours free childcare scheme currently available in England;
- Recognise the clear links between childcare and early education;
- Explore introduction of a statutory duty to ensure access to high quality, affordable childcare.