

**Northern Ireland
Childcare Cost Survey 2018**



Foreword

An affordable and accessible childcare infrastructure has the potential to deliver improved well-being for all citizens in Northern Ireland. In this 9th annual Childcare Cost Survey Employers For Childcare has found there is some reprieve for families as the average cost of a full-time childcare place has, overall, dropped by £2 per week. However, this is not experienced by all families as there is variation across childcare settings. There is limited relief for families who continue to spend a significant proportion of their household income on childcare.

In this year's Childcare Cost Survey the stories we hear from families echo those of previous years, presenting a vivid picture of the difficulties they experience in balancing childcare, work, household income and family life. These highlight the impact the childcare bill can have on local families including extreme financial pressure which can negatively affect family well-being.

Parents again shared genuine appreciation of the important role quality childcare provision plays in their lives. They recognise the cost of delivering quality childcare and, as such, our focus in highlighting this year's findings is not on the cost of a childcare place but, rather, on the need for investment in the childcare infrastructure to ensure it is affordable as a proportion to the household income. This means a strategic approach targeting support where it is needed – for parents and for providers. In fact, the evidence is clear that aligning high quality early years education and childcare – educate - supports children to achieve their best. Research shows the earlier children access high quality early years education, the better their life chances and long-term outlook in adulthood.

It is in this context that we find ourselves as frustrated as the parents and childcare providers who respond to our survey every year who tell us something needs to change. It is time for a fundamental overhaul of the childcare and early education funding system in Northern Ireland, and we can look to other parts of the UK for inspiration. For example this year, many parents told us of their anger that they are unable to avail of 30 hours free childcare – a scheme available to eligible families in England. There is strong support for this or a similar model to be introduced in Northern Ireland.

Once again, this year's survey is published at a time when Northern Ireland is without an Executive, without a childcare strategy and is facing significant changes to the financial landscape with the roll out of Universal Credit and uncertainty arising from Brexit. These are precarious and uncertain times for families and childcare providers and many who participated in this year's survey expressed worry and despair in regard to the affordability of accessing – and delivering – high quality childcare.

By not investing adequately in childcare, the Government is not only impacting on the ability of families to access the support they need to get into and stay in work, they are putting children's life chances at risk. This is not acceptable. We will be using the results of this research to inform our call for the fundamental overhaul of the childcare and early education funding system in Northern Ireland.

Marie Marin, Chief Executive, Employers For Childcare



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Key findings

The average cost of a full-time childcare place is **£166 per week** or **£8,632 per year**.

Strong support was expressed to bring Northern Ireland in line with England by introducing **30 hours free childcare**.



How much are families paying?

- Overall, families report spending an **average of £133 per week** on childcare while families using **formal childcare** only are spending on average **£158 per week**.
- Childcare is still the **largest monthly outgoing** for over **one third** of families, more than their mortgage or rent.
- In the last year, over half of families report they have gone without or had to cut back on another expense to meet their childcare costs.
- Families told us they have cut back on groceries, clothes, heating and home repairs. As a result, some families have been unable to save or pay into a pension impacting on their future financial stability.
- One third of parents (**33%**) resorted to means other than their income to pay for their childcare including savings, loans from family or friends, credit cards and payday loans.
- Over two thirds of parents (**68%**) had not taken steps to find out what financial support they are entitled to with the cost of childcare and many told us this was because they were not aware they could be entitled to help with childcare costs.



Impact on family life

- **59% of families** are using a mix of **formal and informal childcare** arrangements.
- On average, families use **41 hours** of childcare per week.
- **63% of all families access childcare provided by grandparents**, for some or all of their childcare needs. The majority of these families told us the key reason for this is to manage the cost of childcare.

“Grandparents are the unsung childcare provider heroes!”

Impact on work and progression



- The ability to access affordable childcare is impacting on the working patterns of parents: **57%** of households reported a change in working patterns in the last year, **46%** of these households attributed this change to the cost of childcare.

“The cost of childcare significantly affects our family as I’ve chosen to work part-time as we could not afford full-time childcare costs. This has significantly affected my career prospects and the type of job I can apply for, there are very few managerial part time roles so I had to take a job two grades below my previous full-time job.”

Parental experience of childcare provision

- The majority of parents in Northern Ireland (**86%**) think the **quality of childcare provision is good or very good.**
- More than half of parents (**58%**) think there is **insufficient childcare provision** in their area.
- In particular, afterschool clubs, breakfast clubs, specialist day nurseries and holiday schemes were identified as having insufficient provision.
- **38%** of parents told us the cost of childcare in their area is preventing them from accessing the childcare that best suits their family's needs.

More than half of parents

58%

think there is **insufficient childcare provision** in their area.

Experience of childcare providers

- In the last year, **67%** of childcare providers reported an increase in expenditure. Yet, **only 23%** of childcare providers reported an increase in their income.
- **19%** of childcare providers increased their fees with key reasons identified as being the cost of food, materials and equipment, business rates and insurance, and staff costs.
- Looking ahead, **51%** anticipate their expenditure will increase in the coming year, with just **23%** anticipating income will increase.
- Key challenges raised by providers are related to competition with unregistered childminders (**59%**) and securing sufficient income to cover expenditure (**48%**).
- For **74%** of childcare providers the key thing working well for them is their liaison with parents.

"Our childcare provider is excellent. We know they are well regulated and standards are high. We are very happy with the quality of facilities, staff and training."

Parent

"We have excellent staff retention and a very loyal staff team, we have also started to use an excellent new software system which keeps us in instant contact with our parents."

Childcare provider

"The quality is superb! Both my previous registered childminder and current nursery are committed to their roles and go above and beyond."

Parent

"I love the work I do and try to keep up to date with courses to enable me to provide the best service to my clients."

Childcare provider



Introduction

About Employers For Childcare

Employers For Childcare aims to make it easier for parents with dependent children to get into work and to stay in work. The organisation encompasses a charity and a Social Enterprise which provides the only Social Enterprise Childcare Voucher scheme in the UK, 100% of the profit from which goes to fund the work of our charity.

We help parents maximise their incomes, manage childcare costs and create a suitable work-life balance. Through working with employers and policy-makers, we have sought to encourage and secure better support for families in the workplace and in public policy. We do this through:

Research, Policy and Lobbying: we undertake research to provide us with the evidence to lobby government on childcare, family and work-related issues, striving to ensure that the voices of parents, childcare providers and employers are heard when policy decisions are being made. We engage with policy makers and political representatives across the UK.

Family Benefits Advice Service: our trained advisors carry out personalised benefits checks and better off calculations to ensure that parents are claiming all the financial help they are entitled to, particularly towards the cost of childcare. We also deal with queries on childcare and work-related issues through an impartial Freephone Helpline used by thousands of parents, employers and others across the UK, and deliver face-to-face events and presentations across Northern Ireland.

About the Northern Ireland Childcare Cost Survey

Employers For Childcare has been conducting the annual Northern Ireland Childcare Cost Survey since 2010 to explore experiences of childcare provision with parents and providers. It highlights the views of parents and childcare providers towards childcare costs and provision. It is the most extensive study of its kind in Northern Ireland and is widely used to inform political debates and policy development in relation to childcare affordability and provision.

Data collection took place between May and July 2018. Childcare providers and parents were invited to respond voluntarily to an online survey that was circulated across a variety of networks and shared on social media. In total, we received 386 responses from childcare providers and 1,872 responses from parents.

Thank you!

We would like to thank each parent and childcare provider who responded to the survey. This report highlights and reflects your views, attitudes and experiences of childcare provision in Northern Ireland. We continue in our mission to achieve a childcare system that is affordable, accessible and flexible to meet the needs of children, families, childcare professionals and providers.

Section 1: Cost of a childcare place in Northern Ireland



1.1 Full-time childcare: day nurseries and childminders

Full-time childcare cost: average

In 2018, families in Northern Ireland could expect to pay, on average, around £166 a week for a full-time childcare place.

Parents working full-time hours will typically require 50 hours of childcare a week. The majority of childcare settings which offer full-time places open between 8am and 6pm Monday to Friday. The 2017 Childcare Cost Survey calculated the average full-time childcare place cost £168 per week. This had remained consistent from the previous year. This year's results show that, over the last year, the average cost of a full-time place, as reported by childcare providers, has decreased slightly to £166 per week. However, this is not necessarily the case across the board.

The cost of childcare varies depending on the type of childcare provision. The overall average cost of a full-time day nursery place has increased by £5 per week while the average cost of a full-time place at a childminder has decreased by £4 per week.

	2018	2017	Change
Day nursery	£171	£166	+5
Childminder	£165	£169	-£4
Full-time overall	£166	£168	-£2

Table 1: Overall average cost of a full-time childcare place per week in 2018 compared to 2017

These figures mark a continuation in a trend that has seen the average cost of a place at a day nursery rise annually over the last five years, while the average reported cost of a place with a childminder has decreased since 2015. This is the first year since 2010 that the average cost of a full-time place with a childminder has been lower than the average cost of a full-time place in a day nursery.

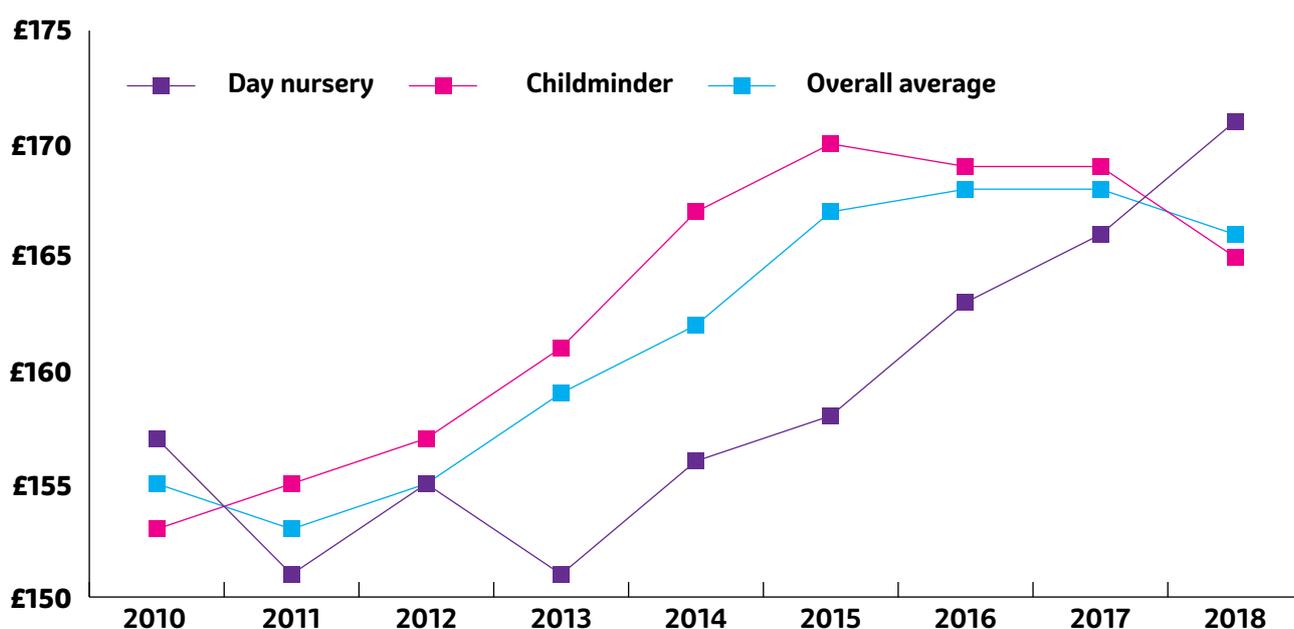


Figure 1: Full-time average weekly childcare costs: change over time

This trend has been anticipated in the context of increases in the National Minimum and Living Wages and the introduction of work place pensions which have resulted in some day nurseries having to increase their fees.

Day nursery	£34
Childminder	£33

Table 2: Average cost of a full-time childcare place per day

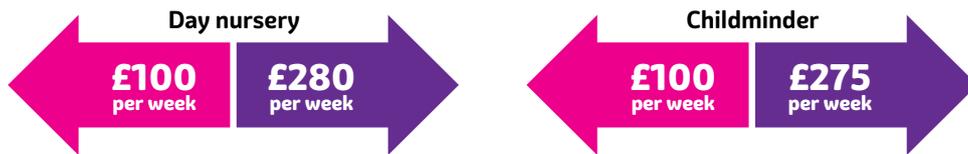
Taking a closer look at these figures, the average cost of a childcare place per day as reported by childcare providers is £34 at a day nursery and £33 at a childminder.

Full-time childcare cost: range

The average figures can mask what is a broad range in the fees charged by individual childcare settings depending on the nature of the setting and where they are located in Northern Ireland.

The average cost for a full-time place reported by community day nurseries is lower than the average of costs in private settings. Across community settings, the average is £170 per week, while the average reported by private settings is £175 per week.

The cost of a full-time place in a day nursery ranges from £100 per week to £280 per week. The cost of a full-time place with a childminder ranges from £100 to £275 per week.



Variation across Health and Social Care Trusts

Each Health and Social Care Trust has a statutory duty to register and inspect childcare provision in their area. Early Years Teams are specialist teams of social workers with the Trusts who are responsible for the registration, inspection, monitoring and support of childminders and day care providers. There are also five Childcare Partnerships situated in each of the five Trust areas. The work of the partnerships includes the management of a range of early years and childcare programmes including Sure Start, DE Capital and the Early Years Development Fund.

Similar to previous years, on average a full-time childcare place is most expensive in the Belfast Health and Social Care Trust and least expensive in the Western Health and Social Care Trust.

Health and Social Care Trust	Day nursery	Childminder	Overall average
Belfast Health and Social Care Trust	£174	£186	£181
Northern Health and Social Care Trust	£179	£167	£168
South Eastern Health and Social Care Trust	£168	£164	£165
Southern Health and Social Care Trust	£157	£163	£162
Western Health and Social Care Trust	£166	£154	£155

Table 3: Average full-time childcare costs per week by Health and Social Care Trust 2018

Variation across Northern Ireland

Childcare costs across Northern Ireland vary. Similar to last year's results, the highest average cost for a full-time childcare place is in Armagh. Once again, childcare costs in Fermanagh and Tyrone are much lower than in other counties. The higher average cost in County Armagh is driven by the higher average in reported childminder costs.

There is a £31 difference between the average cost in Armagh (£179 per week) and the average cost in Fermanagh (£148 per week). This marks a narrowing over the last year by £5, reflecting an increase in the average of reported childcare costs in Fermanagh. The difference is equivalent to more than a full day's childcare in County Fermanagh.

County	Day nursery	Childminder	Average 2018	Average 2017	Change
Armagh	£159	£182	£179	£176	+£3
Antrim	£173	£169	£170	£173	-£3
Down	£174	£166	£166	£169	-£3
Derry/Londonderry	£169	£158	£159	£167	-£8
Tyrone	£170	£147	£149	£158	-£9
Fermanagh	£140 ¹	£149	£148	£140	+£8

Table 4: Average full-time childcare costs by county 2018

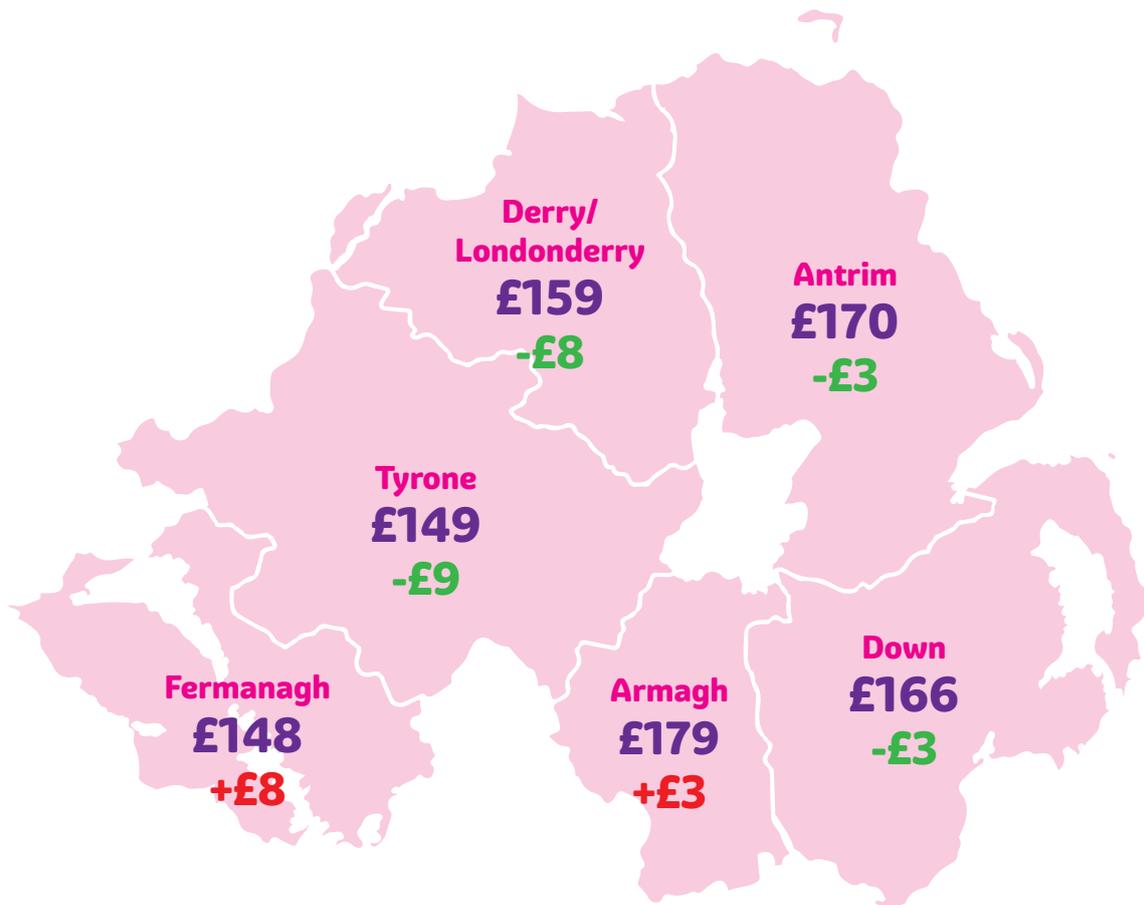


Figure 2: Variation in full-time childcare costs across Northern Ireland compared to same period in 2017

¹ Low number of day nursery respondents in Fermanagh

1.2 Cost of out of school childcare in Northern Ireland

There are three main types of out of school childcare:

1. Breakfast club
2. Afterschool club
3. Holiday scheme

Each type is designed to cater for school-aged children to wrap around the school day and during holidays. Out of school childcare provision can be provided in private or community or school-based settings.

Out of school childcare provision

Out of school provision is typically provided at breakfast clubs, afterschool clubs and holiday schemes to provide wraparound childcare provision to help families balance their work and family commitments.

Overall	2018	2017	Change
Breakfast club	£30	£33	- £3
Afterschool club	£83	£83	No change
Holiday scheme	£139	£132	+£7

Table 5: Overall average cost of an out of school childcare place per week

The average reported cost of a week at a holiday scheme has risen by £7 in the last year. This marks a continuation in a trend towards increasing holiday scheme costs, across both private and community settings. Having risen over the previous three years, there has been a small decrease in the cost of a week at a breakfast club. Having decreased from 2016 to 2017 the average cost of a week at an afterschool club has stayed the same.

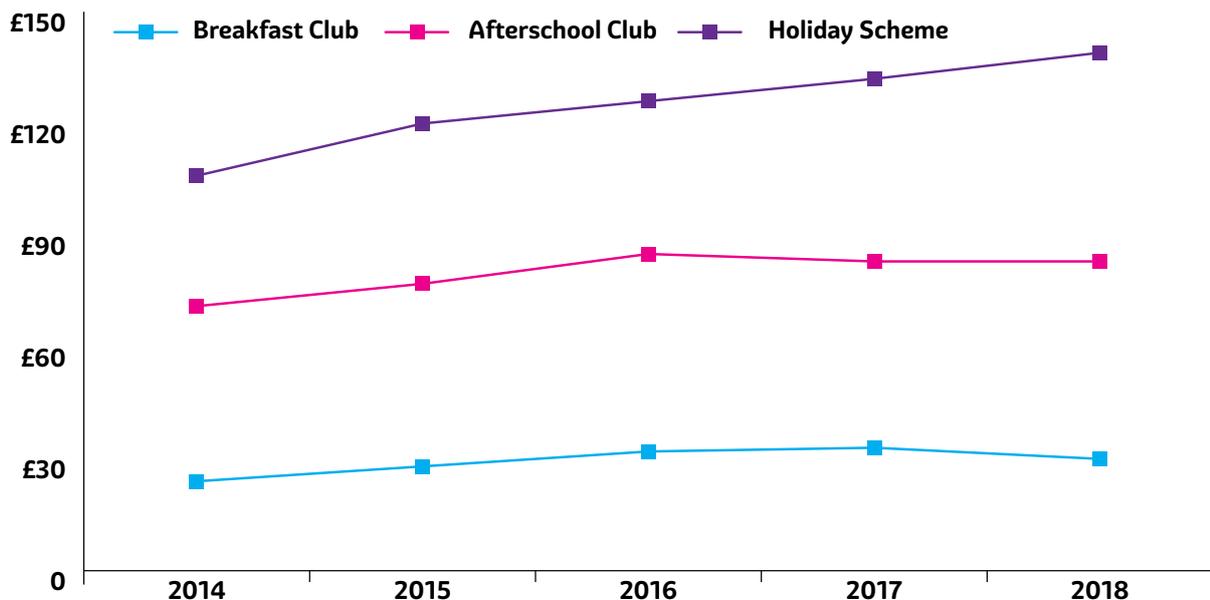


Figure 3: Average weekly cost of out of school provision: change over time

In the last four years, the average reported out of school childcare costs has increased by 17% in afterschool clubs and almost 25% in breakfast clubs, and by 30% in the case of holiday schemes.

Out of school childcare costs: range

As with the cost of a full-time childcare place, the ‘average’ figures hide a wide variation of costs, with many schemes costing less and many costing more.

Like full-time childcare places, this can depend on the nature of the provision. Across private settings, the average reported cost of an out of school childcare place is higher than the average of reported costs in community settings.



Figure 4: Average cost of community and private out of school childcare settings per week 2018

The average reported cost for a week in a private holiday scheme is £160, compared to an average of £119 reported by community run holiday schemes. Across each ‘out of school’ setting, the highest reported costs are in private settings. The range in costs is set out below.

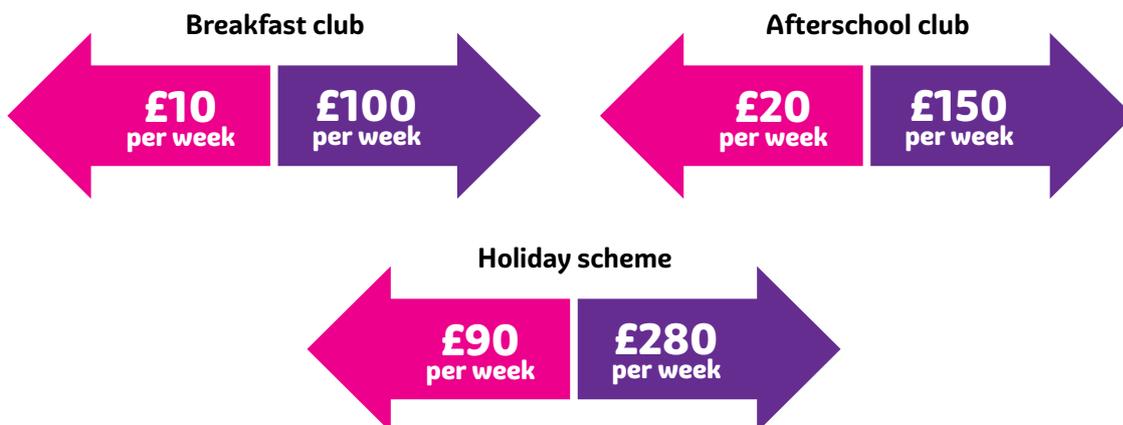


Figure 5: Out of school childcare costs: range

Section 2: How are local families using and paying for childcare?



2.1 How are local families using childcare?

Overall, we found that families use an average of 41 hours of childcare each week. This is made up of an average of 28 hours of formal childcare and 13 hours of informal childcare. The results show that over half of families use a mix of formal and informal childcare in an average week, while 34% use formal only and 5% use informal only. 2% of respondents reported that they did not use any formal or informal childcare provision and that they or their partner cared for the children themselves.

41 hours
Average hours of childcare used per week

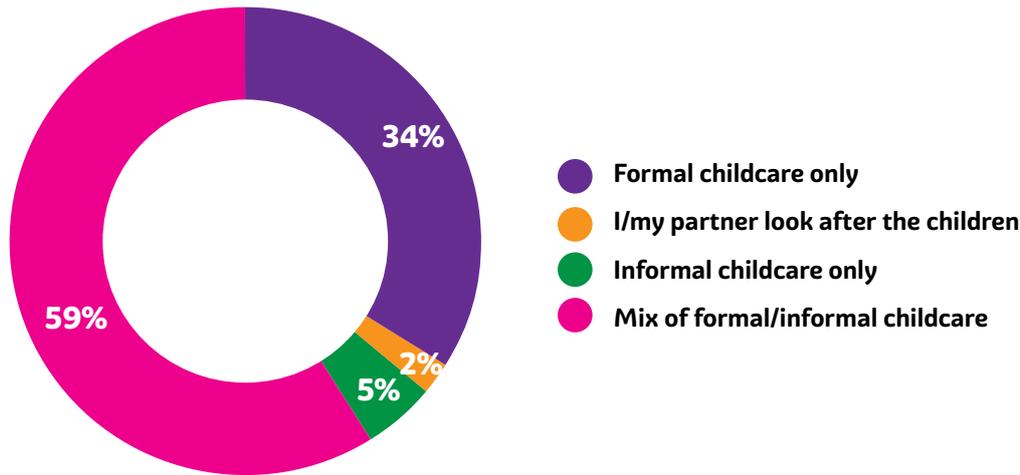


Figure 6: Patterns of childcare used by families 2018

The typical breakdown of childcare arrangements varies. On average, parents using formal childcare only use 38 hours per week. Those parents using informal childcare only use, on average, 31 hours per week. For parents who use a mix of formal and informal childcare the average is 45 hours per week.

These figures are averages only. The reality reflects a wide variation in terms of childcare usage, including some families using no childcare at all to those using around 200 hours of childcare per week.

Families use a range of different childcare providers to meet their childcare needs. This is reflected in the figures below and shows the percentage of families using each type of provision. Many families use a combination of providers therefore the percentages do not add up to 100%. 63% of families use grandparents to provide some or all of their family's childcare needs. This rises to 86% when we consider families that are using informal childcare only.

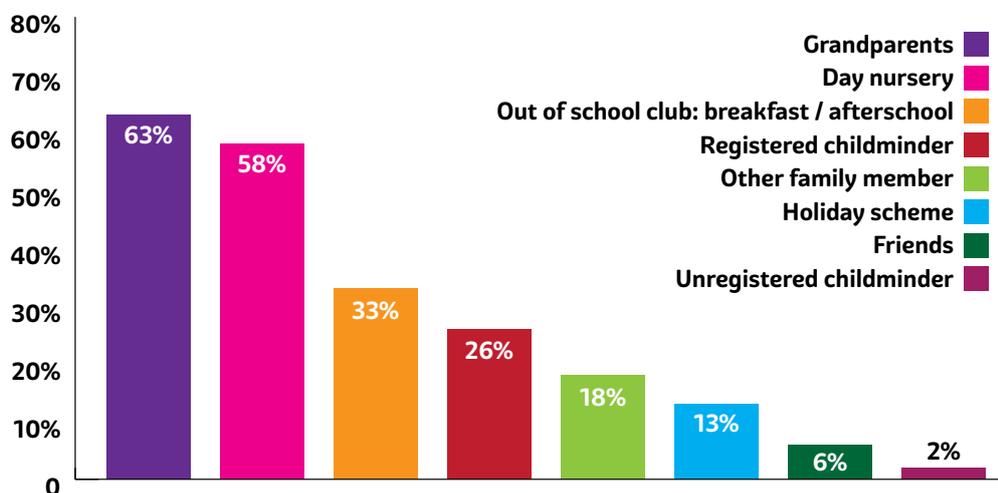


Figure 7: Breakdown of childcare usage

2.2 What are local families spending on childcare?

The amount families pay for childcare depends on the nature of the family make-up and the type of childcare they use. Families using informal childcare only pay an average of £41 per week, while families using formal childcare only pay an average of £158 per week, spending approximately £8,216 per year. Families who use a mix of formal and informal childcare save approximately £27 per week on average compared to families using formal childcare only, spending approximately £1,404 less per year.

Overall families spend, on average, **£133** per week on childcare

These average figures capture a wide range of family circumstances, including those with different numbers and ages of children, single-parent and two-parent families, families on a range of different incomes and families where a child has a disability. Some families will be using, and paying, more than 'the average' and others less. For example, a family with two children uses an average of 47 hours of childcare per week, greater than the overall average of 41 hours per week. This increases again to an average of 59 hours in families with more than two children, who are likely to be using more hours of childcare. As a result, average spend is also higher for these families.

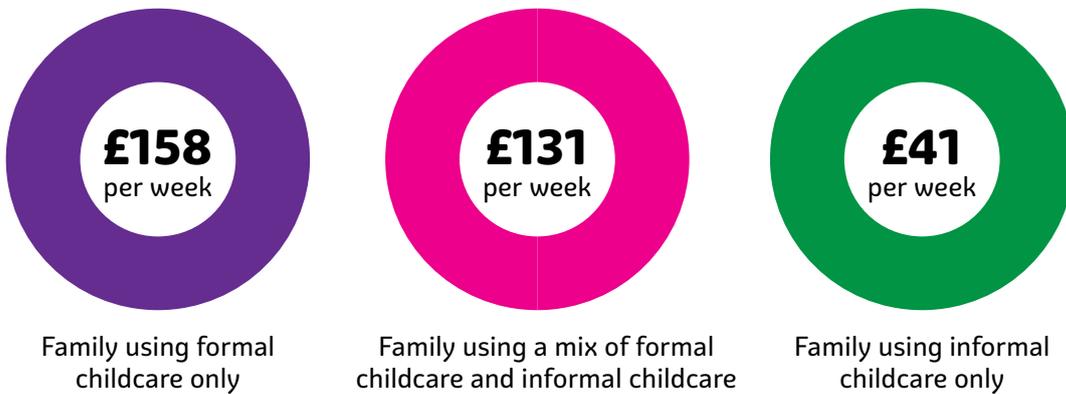
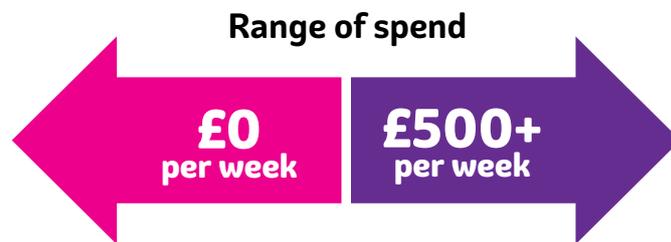


Figure 8: Reported spend according to type of childcare used

Reported spend ranges from families paying nothing each week if they are looking after their children themselves, up to families who are spending over £500 per week on childcare.



Variation across Northern Ireland

There are differences in childcare usage and the amount spent per week across Northern Ireland.

	Antrim	Armagh	Derry/ Londonderry	Down	Fermanagh	Tyrone
Spend per week	£137	£121	£140	£129	£145	£132
Hours used	40	44	43	40	54	44

Table 6: Average childcare spend and hours used by county 2018

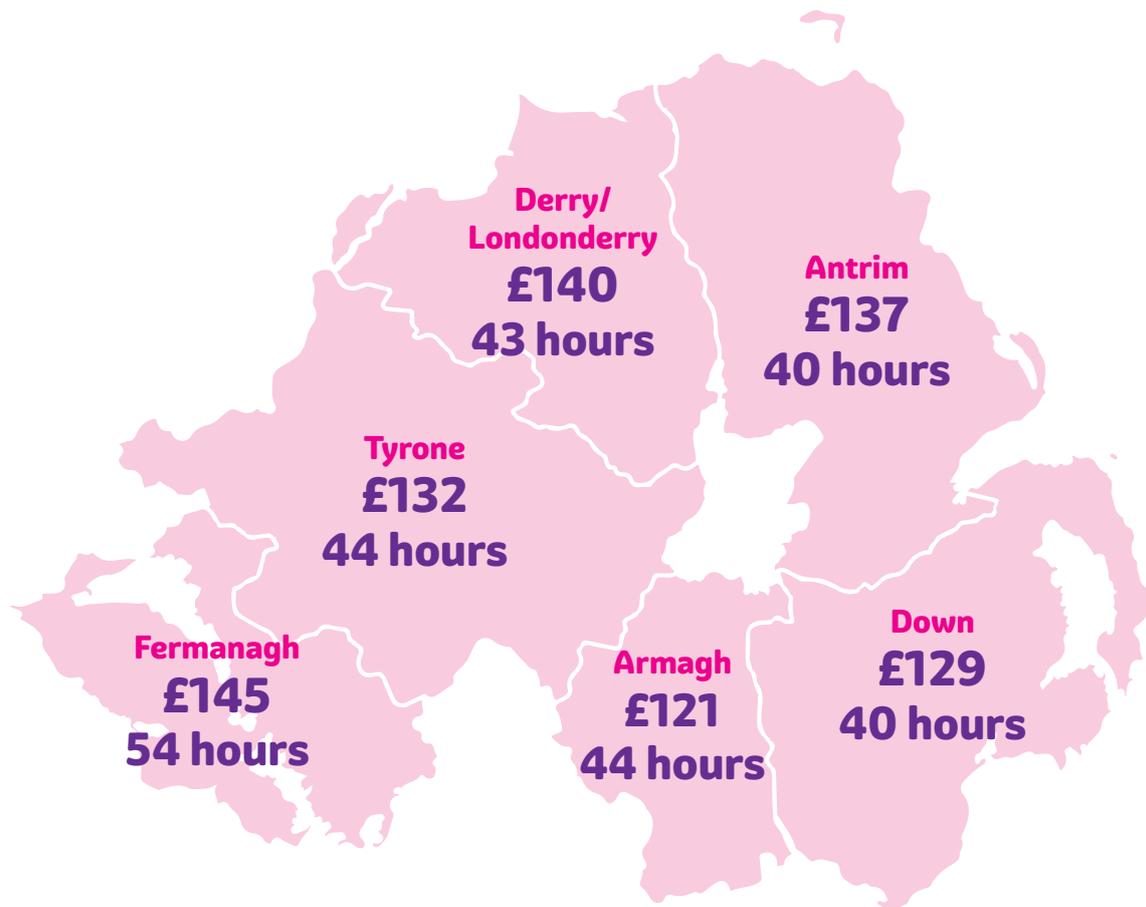


Figure 9: Average childcare spend and hours used across Northern Ireland

Families in County Fermanagh are on average using the most hours of childcare per week and, as a result, are spending more per week on childcare than families in other parts of Northern Ireland. There are likely to be a number of factors influencing this, including a longer travel time to and from work. In Armagh, families are spending the least per week on average but families are using more informal hours of childcare as a proportion of their overall childcare usage, which may result in lower childcare costs.

Case studies

Each case study represents real-life scenarios from respondents who participated in this year's survey to show that variations in childcare usage and spend depend on family make up and the type of childcare they use. Names have been changed to keep responses anonymous.

Alex and Michael both work full-time and have four children aged from two to eight. One child is registered disabled. They use **80 hours** of formal childcare each week at a **cost of £415**. They do not have access to informal childcare. The family reports spending between **41% and 50% of their overall household income on childcare each month**.



"We have older parents who don't live locally and no family support available and we work full-time in inflexible workplaces with no family friendly conditions so have to depend on formal childcare / day nurseries for childcare."

Jen and Dan work full-time and have two children, aged 10 months and five years. They use informal childcare only – grandparents – for **75 hours** per week (combined hours for both children) at a cost of **£25**.



"As my parents are getting older, I can see that using them for childcare may not be possible in the mid to longer term. The cost and availability of good formal childcare may be problematic in our area in the future."

Elaine is a single parent with one four year old son and works full-time. She uses a combination of formal and informal childcare. Combining a day nursery, holiday schemes and grandparents, she spends **£150** per week on average.



"As I work outside of normal working hours I rely on family for weekend and evening care."

2.3 Not all families look the same

On average, families report using **41 hours of childcare and are spending £133 per week**. It is important to remember, however, these averages capture a wide range of family circumstances and not all families look the same.

Here, we break down the averages for different types of family based on the information provided by respondents in this year's survey. These show how the average spend on childcare varies depending on the nature of the family make up and how many hours per week they typically use.

Two parent family, both working with two children

The average number of childcare hours used is **48 hours, 7 more** than the overall average. These families spend **£154 per week** on average, **£21 more** per week than the overall average.



Use: **48 hours**
Spend: **£154**
per week

Single parent family

The average number of childcare hours used is **34 hours, 7 fewer** than the overall average. These families spend **£110 per week** on average, **£23 less** per week than the overall average.



Use: **34 hours**
Spend: **£110**
per week

Family has a child under the age of five

The average number of childcare hours used is **50 hours, 9 more** than the overall average. These families spend **£157 per week** on average, **£24 more** per week than the overall average.



Use: **50 hours**
Spend: **£157**
per week

2.4 What influences a family's choice of childcare?

There are a range of reasons why families choose to use formal or informal childcare exclusively, or a combination of both.



Figure 10: Reasons that influence a family's childcare choices

For many parents, the choice comes down to what they perceive is best for their children and their family as a whole. 39% of parents reported choosing their childcare arrangements based on the **benefits for their children**. Many parents refer to the peace of mind in knowing that their children are safe, happy and have access to developmental opportunities, whether that is in a formal or informal setting.

Over half of respondents (57%) told us their choice was determined by a need to **manage the cost of childcare**. This is a key issue raised by parents many of whom combine formal and informal childcare, or use informal childcare exclusively, to reduce their overall childcare bill.

Another reason influencing a family's choice of childcare is **to accommodate work**, identified by 39% of families as a factor. This highlights the importance that working parents place on being able to access support to help them achieve the right balance that works best for their family, enabling them to work which supports labour market participation and economic growth.

Linked to this, the **need for flexibility** influences choice for one in five families. Factors such as working hours and time to commute to work can influence parents' childcare choices and arrangements. Some referred to the opening and closing times of their formal childcare provider as not being conducive with their own working hours, meaning they rely on informal childcare outside of those hours.

Almost one third of parents told us their childcare choice was due to the **lack of options available to them**. This may suggest some families are not accessing their first choice of childcare.

In some families, **the specific needs of a child have a significant influence** on the form of childcare that is accessed. In particular, parents who have a child with a disability report difficulties in accessing suitable childcare both in terms of giving their child the support needed, and in affording that childcare, where it is available.

There is some interesting variation when we look at families using a particular form or combination of childcare. For example, parents who use informal childcare only are more likely – 84% compared to 57% overall – to say that they have chosen this option to manage the cost of childcare. Similarly, 81% of families who are combining formal and informal childcare state that this is to manage the cost. Families who are using formal childcare only are less likely (12%) to say they made this choice to manage the cost of childcare. They are more likely however to have chosen formal childcare in order to accommodate work (52%) or because there were no other options available to them (63%).

Parents who have a child with a disability were more likely to say that they chose their childcare arrangements in order to suit the specific needs of their child – 21% compared to 2% of all families.

“Using a mix of formal and informal gives my child a good mix of spending quality time with family and also mixing with other children, developing their social skills and interactions.”

“Formal childcare is my only option. The cost is more than my mortgage. If nursery calls to say the child is sick I have to leave work. I have no other options if they are closed for holidays, I have to take the same holidays as they take.”

“I have had to work part time as our youngest child has Autism, this limits availability of childcare, as such we use a mix of formal, informal (grandparents) and myself for childcare. The financial loss of going part time is significant but as I say I have no choice as ensuring we have childcare that recognises Autism is paramount but incredibly limited.”

2.5 How does the childcare bill compare to household income?

The childcare bill is a regular monthly payment for families. For some, it is equivalent to a significant proportion of household income. The Households Below Average Income Report 2016/17 published by the Department for Communities presents information on living standards in Northern Ireland based on household income². According to the latest figures, the average (median) income before housing costs in Northern Ireland increased by 4% from 2015/16 to £452 per week.

This year, the average cost of a full-time childcare place per week equates to 37% of the median household income in Northern Ireland before housing costs. However, not all families have the same childcare arrangements and outgoings. Some will be using a mix of formal and informal childcare, some pay for childcare for a number of children – all impacting on the overall childcare bill and the proportion of income this equates to.

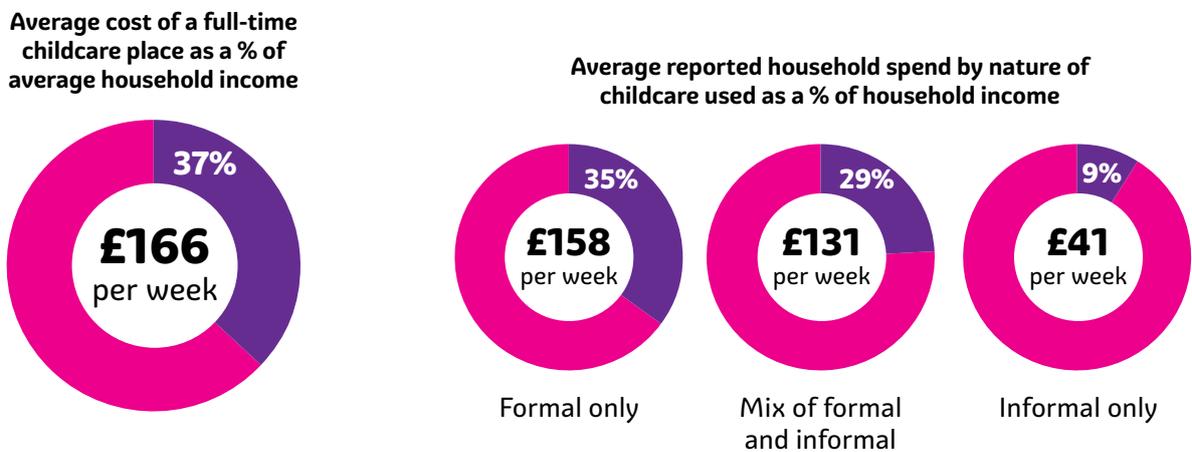


Figure 11: Cost of childcare as a proportion of household income

For the first time we asked parents to select approximately what proportion of their overall household income is spent on childcare in an average month. Almost half of families, 49%, are spending over one fifth of their monthly income on childcare. 4% are spending over 50% of their household income on childcare each month. A higher percentage of single parents, 55%, spend more than one fifth of their household income on childcare each month.

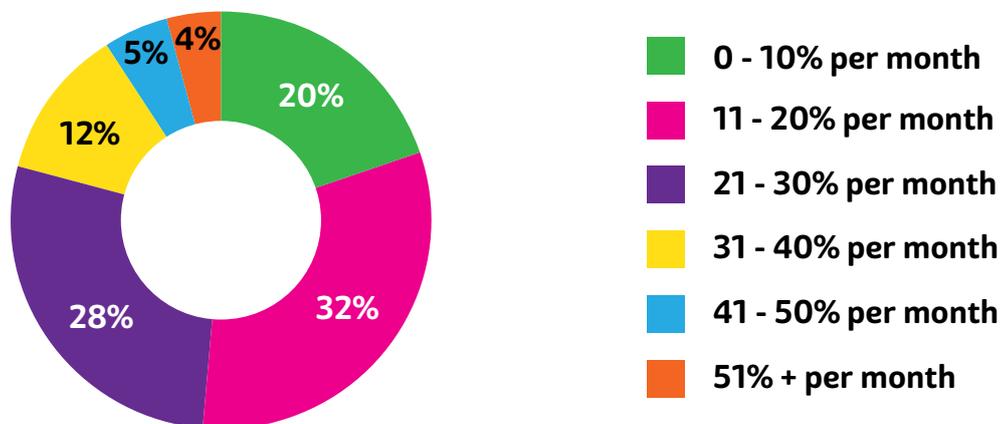


Figure 12: Percentage of overall household income spent on childcare in an average month

² www.communities-ni.gov.uk/publications/households-below-average-income-northern-ireland-201617 published 23 August 2018.

2.6 How does the childcare bill compare to other household bills?

To help put the cost of childcare into perspective, we asked parents to rate their household expenses from highest to lowest. Mortgage/rent payments were the highest monthly bill for the majority of parents (54%), this was followed by childcare (35%).

For two thirds of families here the childcare bill is their largest or second largest monthly outgoing. In the last year, the proportion of parents who report paying more for childcare than any other bill has risen by 5% (30% in 2017).

The gap between the two largest monthly outgoings, mortgage/rent and childcare, is narrowing. After housing costs, the childcare bill continues to exceed grocery bills, transport, heating and other household costs.

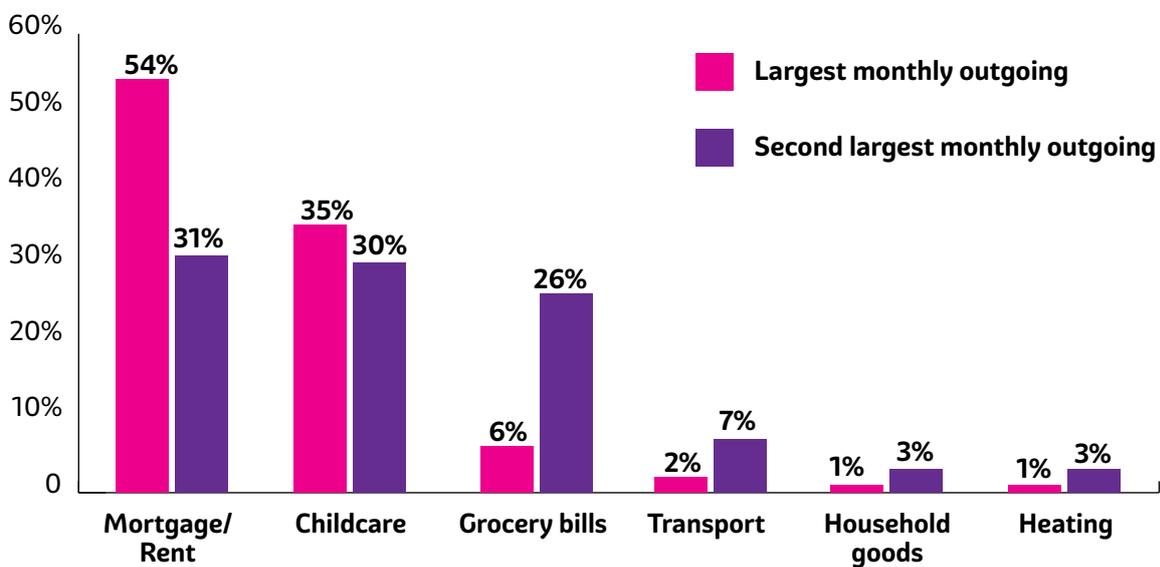


Figure 13: Parents' largest and second largest monthly outgoings

"It costs more than my mortgage, but we have no other choice but to put our child into childcare whilst we work."

"We struggle to pay to keep up with all household bills including tax, rates etc."

"I have to carefully manage the household budget to make sure I have enough to meet the childcare cost."

"Childcare is so expensive that on a regular basis the household is having to cut back on other essential items and whether to put the heating on or not."

2.7 Using means other than income to pay the childcare bill

One third of parents (33%) reported in this year's survey that they used means other than their income to pay for childcare. This is consistent with the previous year's findings.

Of these parents, a significant proportion (81%) had resorted to using savings. This is similar to the previous year, highlighting a worrying ongoing trend. The percentage of parents who reported using their credit card where they have not paid the balance off in order to pay for childcare marks a slight increase on last year's figure of 19%, another concerning figure. This may mean some parents face having to pay interest or are at risk of getting into credit card debt. Several parents reported taking out loans from payday lenders or friends and family which can also have serious repercussions.

Some parents have used a combination of different means, meaning the percentages in the figure below do not add up to 100%.

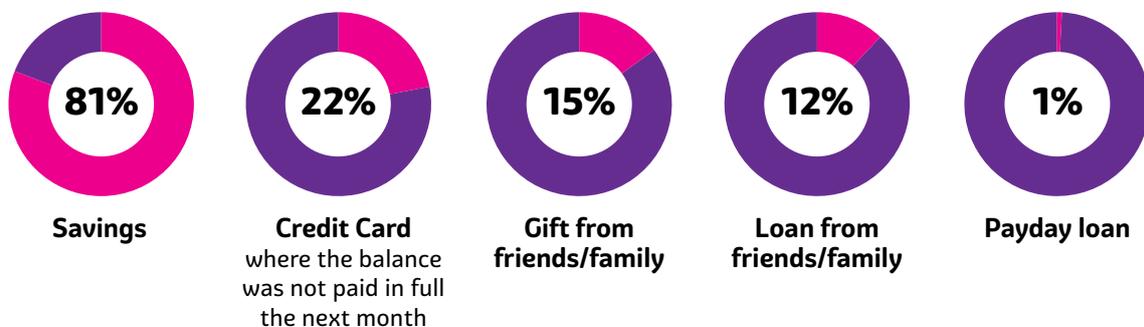


Figure 14: Means used other than income to pay the childcare bill

"My childcare costs were alot higher in the past before informal childcare kicked in. We are still trying to pay this off through loans as a result of using credit cards to survive".

"The cost of childcare is constantly increasing, while my salary has remained stagnant for the past 7 years. As a family we have to sacrifice many things in order to pay for childcare and often use credit cards to pay for childcare costs, which is leaving our family in debt which we cannot afford. If I did not work my husband and I couldn't afford to pay our mortgage and other outgoings. Rates have also significantly increased in the last year adding more financial pressure to an already strained situation."

"The cost is challenging! Half my salary goes on childcare. We sold our house last year to pay for childcare."



2.8 Accessing support for childcare costs

For some parents, the ability to access the childcare they need depends on their ability to access financial support and, therefore, they need to be able to get the right information on what support they are entitled to.

Parents currently accessing support

85% of parents report that they receive some form of financial help with their childcare costs. Amongst these parents the breakdown is:

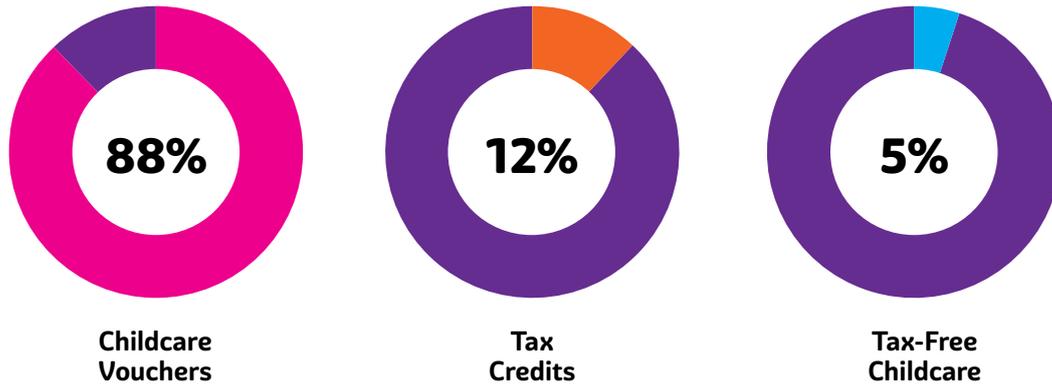


Figure 15: Families in receipt of financial support towards childcare costs

Finding out what financial support is available

Only a third of parents (32%) have taken steps in the last year to find out what financial support they are entitled to towards the cost of childcare. Employers For Childcare’s Family Benefits Advice Service can provide this support Monday to Friday 8am to 5pm on Freephone 0800 028 3008.

Of the parents who have not taken steps to find out what financial support they are entitled to, almost one third (31%) reported they were unaware that their household could be entitled to help with the cost of childcare, while 16% did not know where to find this information. These figures highlight a lack of awareness amongst parents who could be entitled to support but either are not aware they could be entitled to help, or do not know where to find this information.

Comments from parents highlighted the need for greater promotion and advertising of financial support available for childcare. This reflects the importance of ensuring parents are given accurate and accessible information about support for childcare costs to enable them to make informed childcare choices that best suit the needs of their family. This is vital given the ongoing changes in the landscape of financial support with the closure of the Childcare Voucher scheme to new entrants and the roll out of Universal Credit and Tax-Free Childcare.

Accessibility of information

In this context, it is vital that parents have access to information both on childcare options and on the financial support available. Whilst 28% of parents rate the availability of information on financial support as good or very good, 42% of parents rate this as poor or very poor.

However, 42% of parents rate the availability of information on childcare options as good or very good. So parents can find out about the childcare that is available, just less about the support to help pay for childcare.

This shows parents are happier with the availability of information on childcare options, which has a positive weighted average, compared to the availability of information on financial support with the cost of childcare, which has a negative weighted average. Given the impact the cost of childcare can have on families it is essential that the availability of support, and signposting of where to go for information, is promoted.

	Weighted average	Very good	Good	Neither good nor poor	Poor	Very poor
Availability of information on childcare options	+17	9%	33%	29%	24%	5%
Availability of information on financial support available with the cost of childcare	-22	4%	24%	29%	30%	12%

Table 7: Parent attitudes towards accessibility of information

Section 3: Accessing childcare that suits each family's needs



3.1 Availability of childcare

Insufficient provision of childcare

More than half of respondents (58%), think there is insufficient provision of one or more types of childcare in their area, slightly more than last year's figure of 53%. Of those with a child under the age of five, 61% reported there is insufficient childcare provision in their area, while 71% of parents who have a child with a disability feel there is insufficient provision.

When the results are broken down by county, it is clear parents living in Co Fermanagh are more likely to report there is insufficient childcare provision in their area.

Amongst parents who identified a lack of provision in their area, there is a particular issue with out of school childcare. 52% of these parents reported a lack of afterschool clubs, 49% a lack of holiday schemes, and 42% insufficient provision of breakfast clubs. A quarter of these parents report there is insufficient provision of day nursery places and provision through a registered childminder.

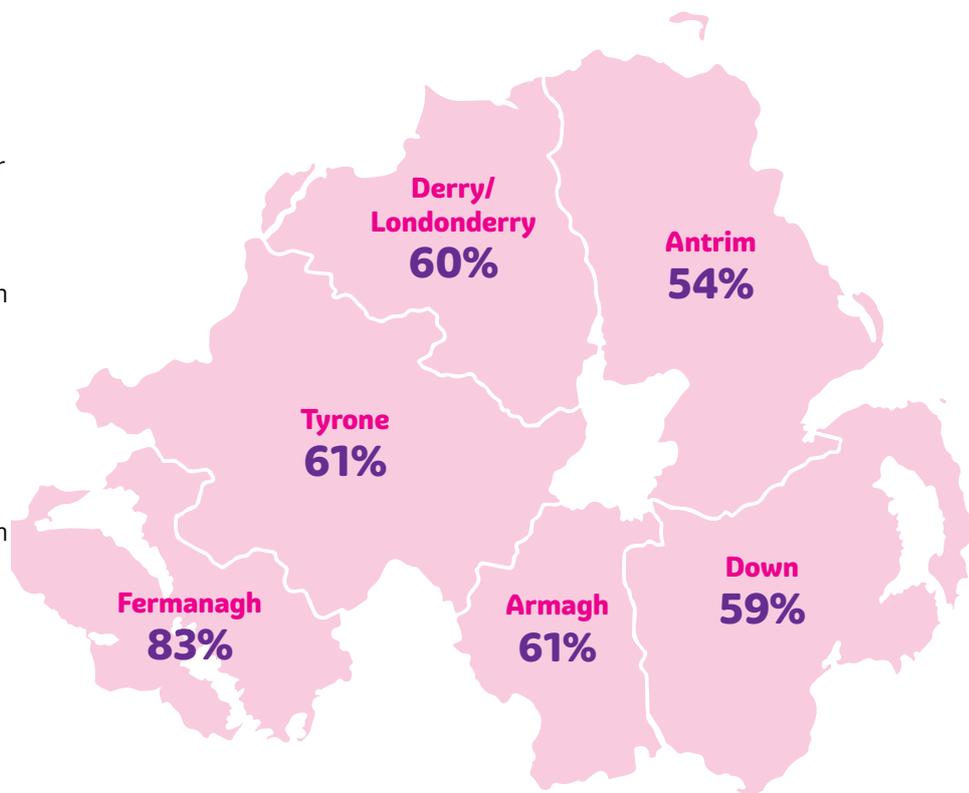


Figure 16: Percentage of parents who believe there is a lack of childcare provision in their area by county

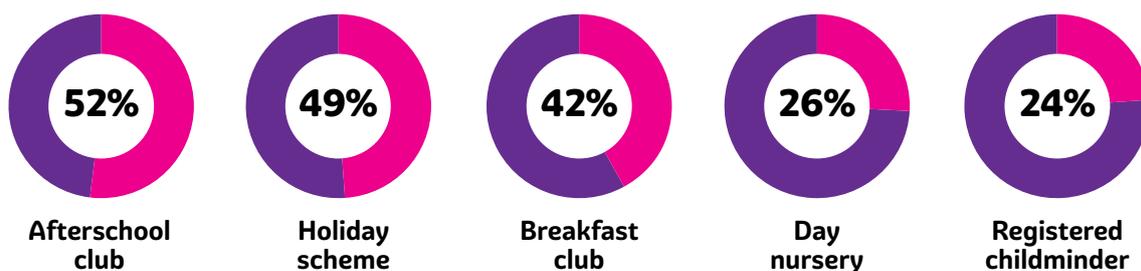


Figure 17: Parents who report insufficient provision of one or more types of childcare

Access to emergency childcare

There are times when parents may need to access back-up childcare in case of an emergency or something unexpected. However, more than half (54%) of respondents told us they did not have access to back-up childcare in case of an emergency. This could be required if their usual childcare provider is unavailable, for example due to illness or an unexpected school closure due to adverse weather conditions as experienced in early 2018, or if childcare is required on a day when it is not usually needed. Where emergency childcare is not available, parents may have to use annual/holiday leave, take unpaid leave or miss a shift at work to look after their child.

3.2 Are families accessing the childcare they require?

Just over half of respondents (51%) report their household is not currently accessing the childcare it requires. 21% of parents said it would be good to use more hours of childcare and a further 21% expressed they would prefer to use fewer hours of childcare while 19% would like to use a different type of childcare. There are a number of reasons for this given by those families not accessing the childcare they require.

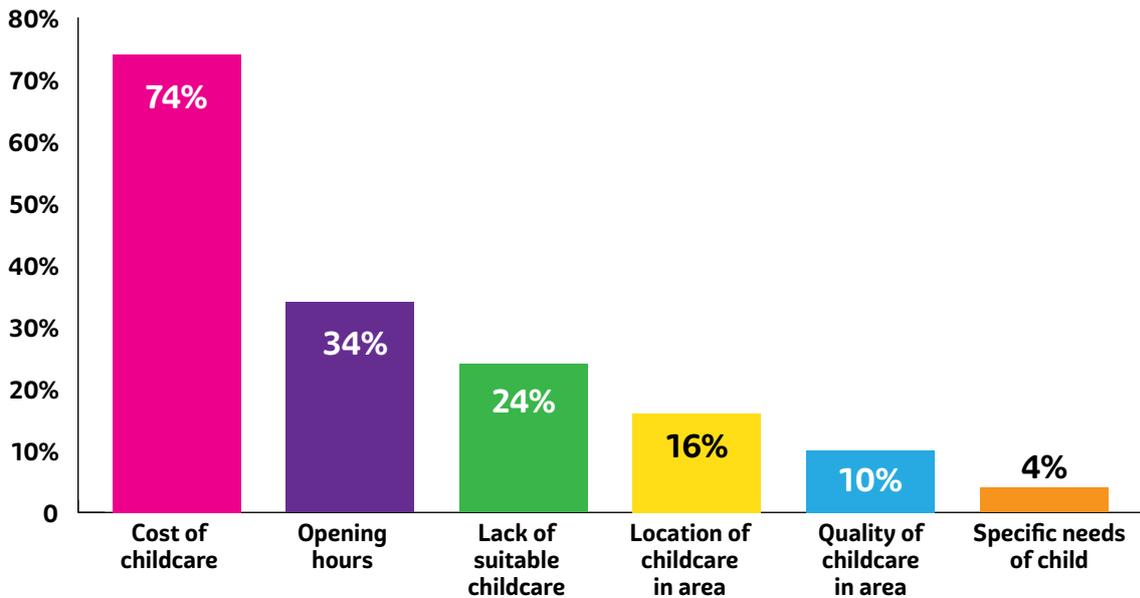


Figure 18: Reasons given by those families not currently accessing the childcare that best suits their needs

Cost of childcare

74% of parents who do not access the childcare they require or prefer identify the cost of childcare as the reason for this. Comments from parents highlight that many would like to be able to use part-time childcare, or to only pay for the childcare that they are using. A large number of parents expressed their frustration at the cost of part-time childcare compared to full-time childcare, often finding there is little cost difference.

Opening hours and flexibility

For 34% of parents who do not access the childcare they require, unsuitable opening and closing hours are preventing them from doing so. Many parents explained difficulties in accessing childcare that best suits their working hours.

Some parents told us they been subject to late pick up charges and this can add additional cost and stress. For parents who work outside typical working hours, they may face additional challenges in accessing childcare to suit their family needs.

This year, in 51% of households, at least one parent reports working outside of the typical Monday to Friday 9am to 5pm working hours where they require childcare from 8am to 6pm. This may influence the type of childcare they use and how much they pay.

“Ideally we would have daycare 3 days a week, but we can only afford 2. We lose out on leave to take off for holidays.”

“Very few people work the typical Monday to Friday week - childcare has yet to catch up on this. It puts stress on parents. And any out of hours care is prohibitively expensive.”

“As I work as a nurse this requires shift work. I really struggle with childcare. This would be the main stress in my life getting childcare sorted.”

A significant proportion of parents (74%) told us their childcare provider does not offer flexibility around opening hours outside of the typical Monday to Friday working hours.

Some parents who work casual contracts told us their work arrangements can sometimes change and this may mean they pay for childcare that they don't necessarily need or that they must find emergency access to childcare.

"I work shifts and there's no childcare available for nights or weekends, as I work different days of the week every week I have to pay every day for childcare even if I don't bring her to nursery."

Holiday childcare

Parents of school-age children can experience greater challenges in accessing suitable childcare provision that they need during school holidays. Many respondents highlighted their frustration and told us how this impacts their family life. Some parents told us there is provision in their area, but they described challenges to accessing this provision such as additional costs and the opening hours of the provision that is available.

Specialised childcare

Access to specialised childcare to meet the needs of children with specific needs was identified as an issue for some parents, who highlighted the lack of provision in their area.

When are childcare providers open?

Just 8% of childcare providers offer childcare provision at weekends. Only 4% of providers are open before 7am and the majority (86%) open between 7am and 9am. Over one third of childcare providers close before 6pm, with the majority (56%) closing between 6pm and 7pm.

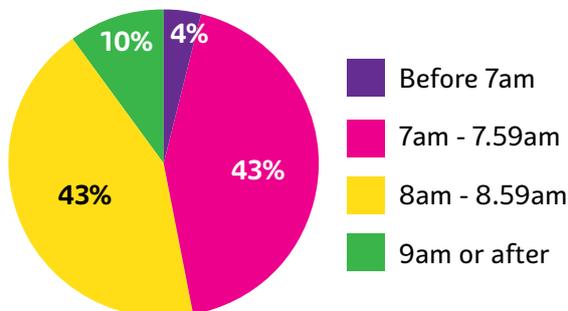


Figure 19: Childcare provider opening times

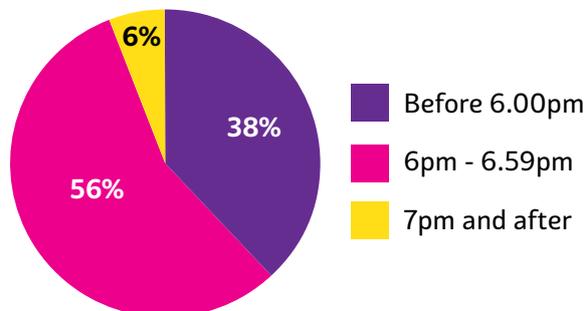
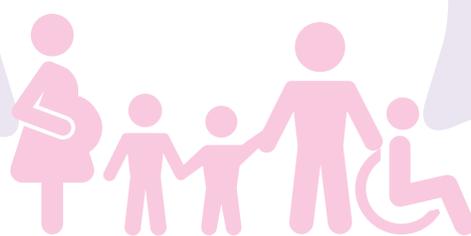


Figure 20: Childcare provider closing times

"I feel that there is very little provision or financial support to help parents afford childcare during school holidays. Parents are using their annual leave to cover these periods, therefore, families do not get to spend quality time together as each parent takes off at different times to cover the holiday period".

"More accesible childcare options for specialist childcare for children with learning difficulties. Extending age range of childcare options for children with learning difficulties. My provider will not allow my child to continue in afterschool after age 12. Options after this are limited and costly".



Section 4: Impact on families



4.1 Impact of childcare costs on local families' financial well-being

Cutting back or going without to meet childcare costs

Childcare costs equate to a significant proportion of household income and for one third of families, their largest monthly outgoing. More than half of respondents (52%) told us their household had to go without or cut back on other expenses to meet their childcare costs. This is a higher percentage of parents who reported cutting back or going without than last year's figure of 46%. This rises to 56% of single-parent households, consistent with last year's reported figure, and 54% of families where a child has a disability.

Of those families who reported having to cut back or go without to afford their childcare bill, over one quarter, 26% of parents, had to do this 'every month', with one fifth doing so most months. A further third have to go without or cut back on another expense occasionally.

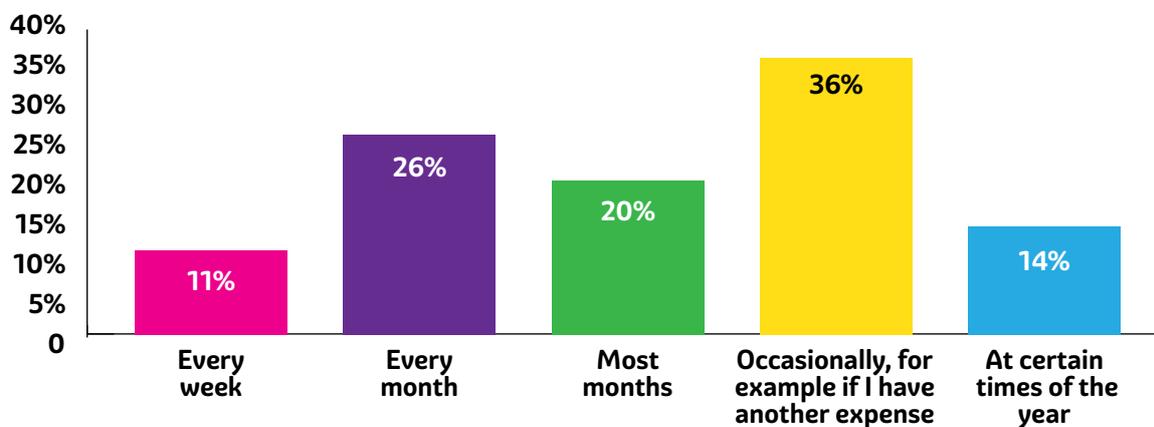


Figure 21: Where families report cutting back or going without to meet childcare costs - how frequently do they do so

For many, the childcare bill must be paid in order for parents to go to work and, as such, it is a bill that takes priority.

Some families reported a change in lifestyle to accommodate childcare costs, cutting back or going without household maintenance works or renovations, socialising, holidays and buying new clothes. Other parents told us they have reduced spending on heating, groceries, cutting back on the quality of food they are eating or in some cases, skipping meals altogether. One family told us they had to visit a foodbank to ensure their children were fed.

For some families, the lack of disposable income means they are unable to put money into savings or into pensions for the future. In other cases, families have had to use overdrafts and credit cards. Families expressed their concern that, in order to pay the childcare bill now, they are reducing their long term financial stability.

A number of parents also told us about the additional difficulties they face in organising childcare at certain times of the year, particularly during the summer months. For some families, this may mean finding alternative childcare provision or availing of formal childcare, with some experiencing a sharp increase in their childcare bill during these months.

“There were weeks when paying for childcare we survived on food from food banks and reduced to clear sections of the shops.”

“Myself and my husband had to do without, I could just afford to feed our children. I got into arrears with my rent because I sacrificed it to pay for childcare. My husband has no savings at all because we used it to pay for childcare during the nine-week summer break here.”

“The cost of childcare has a massive impact on our family. Our childcare costs £500 a month more than our mortgage does. We pay £19,200 a year on childcare. We regularly need to put basic living expenses, food/petrol on a credit card. We never reach the end of a month with money in our account, it is permanently in an overdraft.”

4.2 Work and career progression

Access to affordable childcare can be essential for parents to access work, training and education. Where the cost of childcare equates to a significant proportion of household income, parents may question whether they need to change their working patterns – either working longer hours to bring in more income, or reducing the hours they work to reduce their childcare bill. In some circumstances, parents may make the decision to leave work altogether. While this is a decision for individual families to make, and for some it is a carefully considered choice, other families feel that they do not have the options they would like to have.

Where a parent leaves work, or changes the pattern of hours worked, this can have a significant impact on the parent and on the family, both in the short and long term.

Change in working patterns

Overall, 57% of households reported that there had been a change in working patterns for one or both parents during the past year. We found that, in 41% of households, one or more parents increased their working hours. In 19% of households, one or more parents decreased their working hours. In 18% of households, one or more parents changed their pattern of hours they work. In 1% of households one or more parents left work altogether.

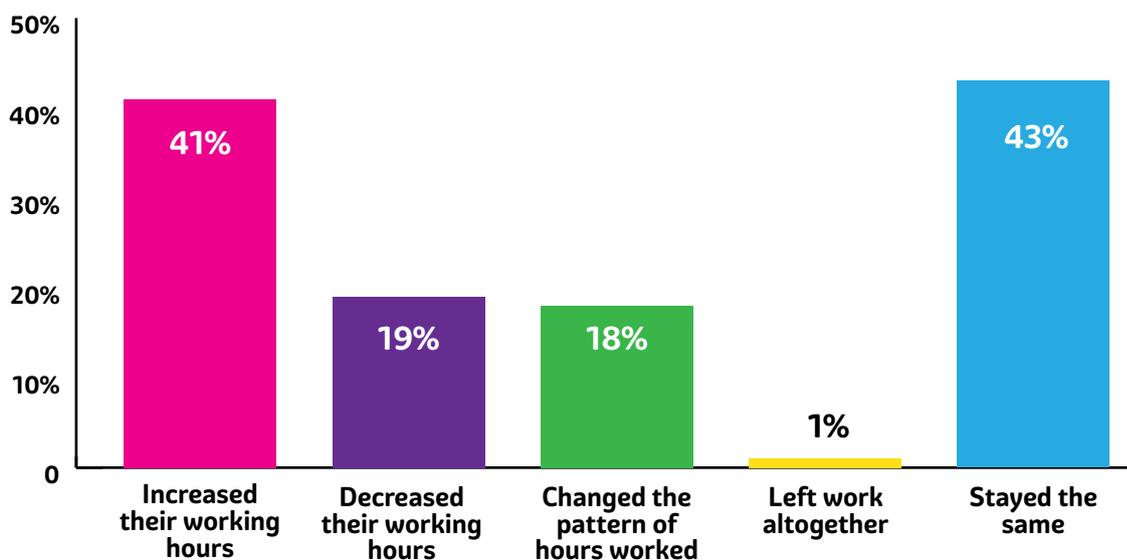


Figure 22: Reported change in working patterns

There are several reasons why parents may change their working hours. In those households (57%) where there had been a change in the nature of work undertaken by one or more parents, the reason given by most respondents was the cost of childcare (46%) followed by a change in the nature of the job (35%) and financial reasons (33%).

Some parents expressed their frustration at having to reduce their working hours as a means of reducing their childcare spend. Other parents told us they might have to consider this option if they were to have another child as their childcare bill would increase.

	Overall	Increased hours	Decreased hours	Changed pattern of work
Cost of childcare	46%	42%	64%	57%
Change in nature of job	35%	43%	20%	35%
Financial reasons	33%	39%	27%	34%
Ability to access suitable childcare	19%	17%	28%	31%
Personal preference	18%	15%	28%	21%
Family reasons eg other caring responsibilities	11%	8%	17%	14%
Location of childcare	7%	7%	9%	14%
Health reasons	4%	4%	6%	4%
To undertake training/education/volunteering	4%	5%	2%	5%

Table 8: Reasons parents give for changing their working arrangements

Increased hours or took on more work

Where parents reported having increased their hours, they were more likely to give a **change in the nature of the job** or **financial reasons** as a factor than in the overall sample of those who had changed their work in any way.

Decreased hours or left work altogether

In households where one or more parents decreased their hours, a significant proportion (64%) attributed this to the **cost of childcare**. They were also more likely than parents in the overall sample to rate the **ability to access suitable childcare** as a reason for reducing their hours. Parents in this situation are concerned about the impact that decreasing their hours can have on their longer-term professional opportunities and development.

Changing pattern of working hours

Many parents changed their pattern of work in a variety of ways including compressing their hours, taking on shift-work or using flexi-time. A key reason for this, identified by 57% of parents who changed their pattern of working hours, was the **cost of childcare**. **The ability to access suitable childcare** was given as a reason by 31% of parents who changed their pattern of work, compared to 19% in the overall sample. Parents who had changed their pattern of work were also more likely to identify the **location of childcare** as a factor, 14% compared to 7% of the overall sample.

Working at a financial loss to support long-term career progression

The impact of changing work hours or patterns due to the cost of childcare is perceived by some as detrimental to long-term career progression. Some parents told us they continue to work full-time, but at a financial loss, anticipating that this will be for the benefit of their careers in the long-term.

"It is very difficult in situations whereby both parents choose to work. It is expensive and requires a lot of organisation. The cost of the childcare is more expensive than our mortgage if we had another child [we'd have] no option but for one parent to leave work."

"Available childcare has impacted on how many hours I currently work. There could be more support for parents re-entering the workplace following maternity leave as it can be a daunting time with low confidence and self-esteem."

"Very depressing paying so much on childcare but also need to keep my career opportunity open."

"I would be better off staying at home with my children however I wish to set them a good example about working hard and pursuing a career."



4.3 Family well-being

The affordability of, and ability to access, childcare can impact on the overall well-being of families, whether as a result of financial strain, changes to parental work patterns or reliance on other family members, particularly grandparents, for support.



Impact on parents

This year, the themes which emerged, each of which can impact on family well-being and parental relationships, closely echo the themes from last year’s research:

- Parents choose to limit family size or wait to have another child
- Parents experience stress associated with financial worries
- Parents and families do not spend the amount of time they would like together.

Some parents told us they are choosing to delay having another child, or that they have limited the size of their family, specifically due to the cost of childcare. Some parents expressed that this is not a choice they would like to make but feel they have no other option.

Finding childcare provision can also be stressful, some parents told us of the difficulties they faced in accessing information about childcare provision in their area or finding childcare that suits the needs of their family. In some cases, parents were not aware of existing resources for searching for a childcare provider, for example, Family Support NI.

In many cases, financial worries that stem from the affordability of childcare can have a negative impact on day-to-day family life. Some parents explained how trying to meet their childcare bill has made them feel stressed and anxious and, for some, this has put a strain on their relationship. For other parents, planning their working hours around childcare means they are losing out on time with each other, or on time spent together as a family. While this can limit the size of the childcare bill for the family, it can negatively impact on overall family well-being.

“Sadly, we are unable to expand our family as we would wish and provide our two children with another sibling due to the cost of childcare.”

“I feel that returning to work after maternity parents should go to an information session in regards to childcare prior to returning so they have the best advice possible to make the informed decisions that suit their family needs.”

“It is stressful. It strains relationships. It moves focus away from the children and family.”

“Childcare and the costs associated are one of the main worries and stresses in our family life.”

Grandparents providing childcare

Almost two thirds of parents (63%) told us grandparents provide some form of childcare for their family. This is a common arrangement for many families. 10% use grandparents for childcare on a daily basis, 44% report grandparents providing childcare 'several times a week' while 28% indicated that grandparents provide childcare 'about once a week'. This means that, where families are using grandparents to provide childcare for their family, 82% are using grandparents at least once a week. The majority of grandparents (80%) who provide childcare do so right across the year.

The role grandparents play in supporting parental employment is vital in complementing the formal childcare infrastructure. 82% of parents told us the main reason for asking grandparents to provide some form of childcare is to 'manage the cost of childcare'.

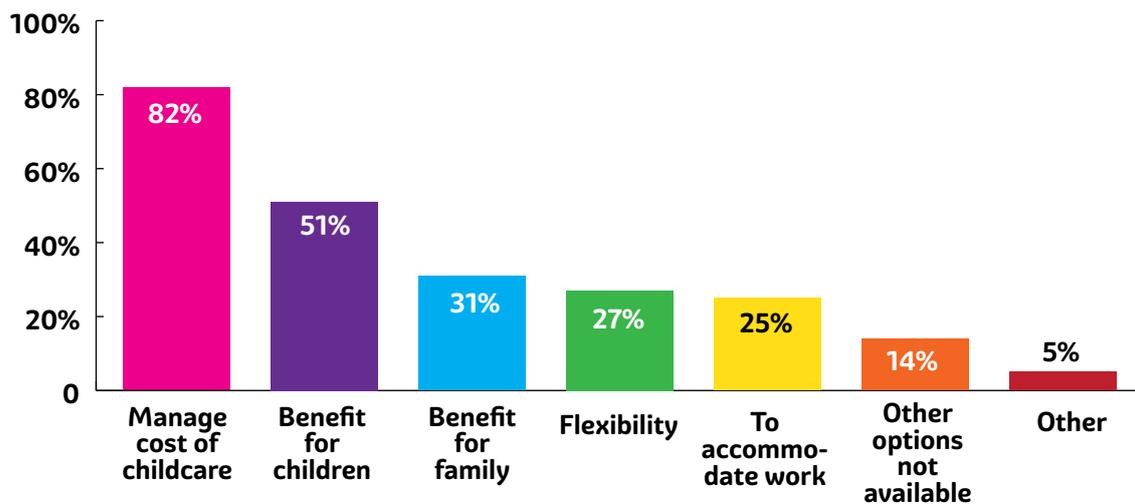


Figure 23: Reasons grandparents are asked to provide childcare

Parents also expressed concern regarding the impact providing childcare has on grandparents and many commented on how this affects the **physical and mental well-being** of grandparents, putting them under pressure and stress particularly as they get older. A number of parents told us they feel they are placing a 'burden' on grandparents and, as a result, some parents feel 'guilty' for this.

Some parents highlighted concerns regarding the **sustainability** of their arrangements, as grandparents may become less able to provide childcare as they get older and, potentially, experience ill-health. At the same time, and a new theme this year, some parents identified that grandparents who are providing childcare may also have their own elderly relatives to care for.

Many parents also discussed the financial well-being of grandparents who may have changed their own working hours or left work in order to provide childcare, many of whom accept no or very little money to provide this care. As a result, some grandparents could be limiting their earning potential.

39% of parents told us that providing childcare has had a negative impact on their children's grandparents financially, compared to **9%** who identified a positive impact.

At the same time, there are clear benefits to the well-being of children and grandparents identified by some families where grandparents are providing childcare. 60% of parents report that providing childcare has had a **positive impact on the health and well-being of grandparents**, compared to 24% who think the impact has been negative. 47% of parents suggest that providing childcare has been **positive for grandparents socially**, compared to 32% who think the impact has been negative.

Parents also report the **benefits to their children** who enjoy their time with their grandparents and have developed a strong bond with them.

There was overwhelming support (92%) from parents who believe there should be financial assistance from government to support grandparents who take on this role, given how important it can be in enabling parents to access work and, therefore, saving the public purse overall – as well as providing important benefits for the children who are cared for.

Our research shows the importance of families having a choice of childcare arrangements to meet their needs. For many, this is a combination of formal care and informal care, such as that provided by grandparents. The childcare infrastructure needs to support families to ensure that they can make this choice based on their family's interests, not exclusively to mitigate cost or accessibility issues in relation to formal childcare.

“Grandparents are retired but feel obliged to help out because of the cost of childcare. They have worked all their lives but cannot enjoy their retirement.”

“It has positively affected my parents’ health. Grandad’s blood pressure/cholesterol and diabetes is all down. He is much more active running around after a toddler and much more social.”

“It’s a very tiring job for the grandparents but they feel like they HAVE to try and help us out because they see the hours we work and how expensive childcare is. I constantly feel guilty for relying on them and wish I could afford 5 days of formal childcare instead.”

“Grandparents have a very positive impact in providing childcare for my daughter and they make time to support and encourage her development.”



“Grandparents now often are part of the “sandwich” generation where they look after their own (often elderly or dependent) parents in addition to their grandchildren. This is likely to lead to stress and anxiety.”

Benefits of quality formal childcare for the family

The quality of formal childcare provision is an important factor in overall family well-being. The majority of parents (86%) think the quality of childcare provision in Northern Ireland is good or very good. A similar percentage (83%) believe the location and accessibility of childcare is good or very good. This compares to 23% who rate the affordability of childcare provision as good or very good, with 47% ranking levels of affordability as poor or very poor.

	Very good	Good	Neither good nor poor	Poor	Very poor
Quality of provision	43%	43%	10%	3%	0%
Location/ accessibility of childcare	39%	44%	11%	6%	1%
Affordability	5%	18%	29%	33%	14%
Flexibility of provision	11%	36%	29%	19%	5%
Suitability of opening times	15%	48%	21%	14%	3%
Sufficient places	13%	45%	22%	16%	4%
Waiting time to access provider of choice	17%	34%	34%	12%	3%

Table 9: Parent attitudes towards aspects of childcare provision

Many parents commented on the quality of care provided across the childcare sector and the benefits for their children. Parents recognise and value the positive experiences with childcare providers as well as the role of childcare professionals and the important work they do.



Section 5: Experiences of childcare providers



5.1 Financial stability and sustainability

Childcare providers can only deliver childcare where it is financially sustainable for them to do so. Providers were asked, in the last 12 months, considering overall income and expenditure, if they were breaking even, making a loss or making a profit. The results vary across settings. We asked childminders to include their own salary when considering their expenditure. One third of childcare providers (33%) reported making a profit and just over half (54%) reported breaking even. Day nurseries and out of school providers are more likely to report making a loss.

Nature of provider	Making a loss	Breaking even	Making a profit
Overall	13%	54%	33%
Childminder	9%	56%	35%
Day nursery	30%	43%	27%
Out of school	27%	41%	32%

Table 10: Profit and loss by nature of provider in the last year

Fees

This year, the majority (78%) of childcare providers kept their fees the same, 19% increased them while 2% decreased their fees. Childminders were more likely to have kept their fees the same or decrease them, while out of school providers and day nurseries were those providers more likely to have increased their fees. This correlates with the change in the average of reported childcare costs, which overall have decreased by £2 in the last year. The average reported cost of a full-time place in a day nursery increased by £5 in the last year, while the average of full-time costs reported by childminders was £4 less than last year.

Nature of provider	Increased	Stayed the same	Decreased
Overall	19%	78%	2%
Childminder	11%	86%	3%
Day nursery	50%	50%	0%
Out of school	53%	47%	0%

Table 11: Change in fees by nature of provider in the last year

Where there was an increase, the top six reasons identified for this were:

1	2	3	4	5	6
Food, materials and equipment	Staff costs	Business rates and insurance	Pension obligations	Building upkeep	Rent/ mortgage
63%	48%	44%	34%	21%	18%

Figure 24: Reasons given for an increase in fees

“Due to overload of paperwork needed in childcare and the increase in childcare insurance and training prices as well as overheads I had no choice but to increase prices.”
(Childminder, Western Health and Social Care Trust)

“We are full and charging £4.50 per hour and not making a profit. There is no sustainability, the sector is now unstable.” (Out of school provider, Belfast Health and Social Care Trust)

When we consider day nurseries only, staff costs become the primary reason for an increase in fees with 91% identifying this as a reason, followed by pension obligations listed by 68%. For many day nurseries the rising cost of living in terms of food, heating, materials and pension obligations have all resulted in higher outgoings.

Most childminders provide childcare from their own home and are less likely to employ staff. For childminders working alone, the statutory minimum staff to child ratio is 1:6³. This year, 11% of childminders told us their fees had increased, with a significant proportion (86%) reporting no change. However, many childminders told us they could benefit from increasing their fees but described the difficulties in doing so, for example:

“I would like to increase fees but can’t afford to lose children. My running costs have increased due to the general increase in the cost of food, fuel, electricity etc, and minimum wage has increased in line with this for employed people, but parents would find it unacceptable for childminder fees to rise.”
(Childminder, Northern Health and Social Care Trust)

“More help for parents with childcare costs so you don’t feel guilty raising your fees.”
(Childminder, Western Health and Social Care Trust)

Notably, some childminders added they have not increased their fees for several years but said they will increase them sometime in the future as this is the only way to manage costs.

Impact of National Living Wage

A number of childcare providers referred to the impact of increases in the National Living Wage, which was introduced in 2016, on their setting. From 2017 to 2018 the National Living Wage increased from £7.50 to £7.83 per hour for people aged over 25. For employees aged between 21 and 24, the National Living Wage increased from £7.05 to £7.38 per hour.⁴

“Rising living wage and pension costs are crippling us.” (Day nursery, Northern Health and Social Care Trust)

“Extra staff costs for minimum wage, maintaining differential for more senior staff, pension contributions and insurance increased by 30%.” (Day nursery, Northern Health and Social Care Trust)

While there was broad agreement among childcare providers that staff should be adequately paid to reflect the work they are undertaking, they also emphasised the challenges increasing staff costs presents. The findings mirror last year’s research highlighting that this is an ongoing challenge.

Looking ahead: Economic outlook

We asked providers if they thought the economic situation of their setting would improve, stay the same or worsen over the next 12 months. Overall, 26% of childcare providers anticipate the economic situation of their organisation will get worse compared to 24% who feel that it will improve.

Provider	Significantly improve	Slightly improve	Stay the same	Slightly worsen	Significantly worsen
Overall	2%	22%	50%	20%	6%
Childminder	2%	18%	54%	22%	4%
Day nursery	5%	23%	43%	18%	11%
Out of school	2%	43%	37%	13%	4%

Table 12: Economic outlook by nature of provider

³ ‘Childminding and Day Care for Children Under Age 12 Minimum Standards’ (Health and Social Care Board, 2012) www.early-years.org/misc-docs/mim-standards-implement.pdf

⁴ ‘National Minimum Wage’ 2018 www.gov.uk/national-minimum-wage-rates

Day nurseries and out of school clubs are more likely to anticipate an improved economic situation in the next 12 months with childminders more likely to anticipate their economic situation will stay the same. This is interesting given childminders were less likely to report having increased their fees.

Income and expenditure

In the last 12 months, 67% of childcare providers reported an increase in their overall expenditure, compared to 23% who reported an increase in overall income. Just 3% of childcare providers experienced a decrease in expenditure and 29% reported a decrease in income.

Over the last 12 months:	Income	Expenditure
Increased	23%	67%
Stayed the same	48%	30%
Decreased	29%	3%

Table 13: Income and expenditure looking back

Looking forward, over half of childcare providers (51%) anticipate that their expenditure will increase, compared to 23%, less than half of this figure, who anticipate their income will increase. This is an almost 10% increase from last year's research which found that 42% of providers said they anticipated their expenditure would increase.

In the next 12 months:	Income	Expenditure
Increase	23%	51%
Stay the same	55%	41%
Decrease	23%	8%

Table 14: Income and expenditure looking forward

5.2 Main challenges

Childcare providers were given a range of options and were asked to identify the main challenges facing their setting in the next 12 months. The responses from childcare providers reflect their differing attitudes, experiences and perceptions.

The top six challenges identified from a range of options, were:

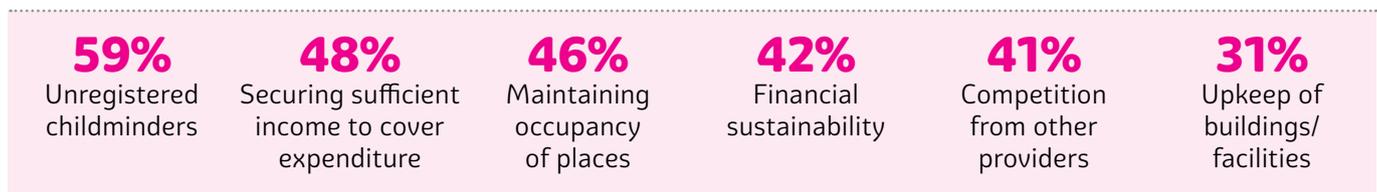


Figure 25: Challenges identified by childcare providers 2018

Over half of childcare providers (59%) identified unregistered childminders as a key challenge facing their setting and they voiced their frustrations regarding those who provide paid childcare but are not registered. As those who are unregistered are not following any statutory regulations, some childcare providers expressed how unfair this is and suggested more needs to be done to encourage them to register. Some childcare providers mentioned the impact unregistered childminding has on their own work with some having to decrease their fees to compete with unregistered childminders.

Providers emphasised the financial challenges they face. 26% of childcare providers anticipate the economic situation of their organisation will get worse. Some childcare providers recommended changes to help improve their financial situation:

- Greater financial assistance from Government to allow providers to sustainably increase staff wages and access training and resources to ensure they can provide the highest standard of care.
- Introduction of a flat rate across childcare providers to deliver a fairer system for both providers and parents.
- Government funding paid directly to providers to avoid having to chase late payments or, in some cases, having to go without payment altogether.

Maintaining occupancy of places was identified as a challenge for some childcare providers and several reasons for this were provided. In particular a decrease in demand for full-time care was mentioned, with more parents working part-time and not requiring full-time childcare. Some providers explained how this can be difficult to maintain alongside a low rate of fees.

A number of providers also stressed the importance of having more funded places available and one childcare provider noted that childminders in England are eligible to provide funded childcare places which are not available in Northern Ireland. For example, in England, Ofsted registered childminders are able to offer 'free' early years education and childcare for children aged 3 to 4 and providers are paid directly for these hours by their local authority.

Several childminders also expressed their frustration with the inspection process with some mentioning an increasing amount of paperwork that is required for inspections. A number of providers highlighted positive experiences with social work inspectors and found them to be informative and helpful. However, some also expressed their view that social work inspectors were not using the same guidance notes across all Trust areas and that individual experiences were dependent on the social worker.

"More needs to be done to combat unregistered [childminders] e.g. raising awareness among parents, press coverage, an actual prosecution. It is very frustrating when I work so hard to comply with standards and provide high quality care within my home that unregistered [childminders] make a complete mockery of this process."

(Childminder, Belfast Health and Social Care Trust)

"We are struggling financially every day due to increased costs and parents are struggling to pay their bills, we generally have 25% of our invoices unpaid by the due date and that impacts significantly on our cash flow and what we are able to do to make the nursery the best it can be."

(Day nursery, South Eastern Health and Social Care Trust)

"Maintaining occupancy is an increasing challenge with parents reducing the number of days they use day care. Short-week working, and grandparent care are preferred options, but nurseries still have full-week costs."

(Day nursery, Belfast Health and Social Care Trust)

"More government support and funding for the working parent and childminders. Funding for not only the pre-school year but application process for funding within childminding settings the same as in England."

(Childminder, Western Health and Social Care Trust)



"With regard to inspections, these are a necessary part of our job, however, requirements need to be standardised across Boards, and filter through to Social Workers and then on to Childminders. This is a childcare setting, however, it is also my home, sometimes inspection requirements can be unrealistic, or change depending on the social worker."

(Childminder, Belfast Health and Social Care Trust)

5.3 What is working well for providers?

Childcare providers were asked to identify from a range of options, what was working well for them. The top six things were:

1	2	3	4	5	6
Liaison with parents	Maintaining occupancy of places	Regulatory environment	Upkeep of buildings/facilities	Securing sufficient income to cover expenditure	Business management skills
74%	39%	26%	26%	24%	22%

Figure 26: What is working well for childcare providers 2018

A significant proportion of childcare providers (74%) told us their relationship with parents was the key thing working well for their organisation. Many expressed how important the relationship with parents is, particularly as some childcare providers are recommended by word of mouth. For some, this means not having to advertise externally.

“Good relationship with parents is vital in this job, I work hard to maintain a childcare ‘partnership.’”
(Childminder, Belfast Health and Social Care Trust)

Childcare providers emphasised how they take pride in delivering high quality provision. Some commented that being registered, regulated and inspected every year placed them in a more secure position to provide childcare provision. While it was recognised that the upkeep of building and facilities can be challenging, 26% noted that this was working well for them. Several childcare providers outlined the variety of facilities they have catering to the needs of both parents and their children.

39% of providers reported that maintaining occupancy of places was working well for them, with some providers explaining they are at full capacity and have a waiting list. At the same time, 46% identified this aspect of providing childcare as a challenge. This finding demonstrates the differing experiences and challenges of childcare providers across Northern Ireland.

Section 6: A fundamental review of childcare provision and support in Northern Ireland



6.1 What is good about childcare provision in Northern Ireland?

While not all parents will share the same experiences of childcare, a number of common themes emerged from what parents report is good about childcare provision in Northern Ireland.

High standards in a well-regulated sector: Several parents commented on the importance of using a regulated childcare provider. Parents told us they feel content knowing their childcare provider is adhering to minimum standards that are in place. Some specific standards that were mentioned include child safety, protection and inspections.

High quality of care and learning and development opportunities for children: Many parents commented on the high quality of care their children receive, and the learning and developmental opportunities they are given. Several parents commented on the range of activities and opportunities their children have access to, as well as their interaction with other children and many note the positive impact this has had on them socially and educationally.

Positive experience of staff working within the sector: Parents also highlighted their positive attitudes towards childcare workers with many commenting on their experience with high quality staff who are trained, qualified and dedicated to providing excellent childcare provision.

Financial support available to assist parents: For those parents who are aware of and are able to access financial support to assist with childcare costs, many expressed their relief that some financial support is available. That said, many of these parents reflected that financial support could be extended, with suggestions including to allow all childcare costs to be tax and national insurance free, or for schemes such as the 30 hours free childcare support now available in England to be introduced.

“Quality of provision, the childcare staff I have encountered are so caring and supportive, my son loves his crèche and nursery.”

“We have, on the whole, found the staff employed in the childcare settings we have used to be well trained and very committed to their work, very good with the children - encouraging their development, helping them feel safe and secure.”

“It’s regulated - the one our child attends takes great pride in the care they provide and are constantly trying to improve the service they provide.”



“Northern Ireland should be provided with the same level of financial support as the rest of the UK and given access to 30 hours funded childcare.”

“I am happy that I am able to use Childcare Vouchers to pay for my child’s childcare provider.”

“It is an excellent setting. My boys have been there since they were 6 months old. It has been more expensive than my mortgage. But they are very good and very reliable, and I know they are safe and well cared for and it helps develop their social skills.”

6.2 What can be done to enhance the childcare infrastructure in Northern Ireland?

To provide a greater understanding of how the childcare infrastructure can be shaped to effectively meet the needs of parents, we asked them to identify what they think could be done to improve childcare provision in Northern Ireland. Unsurprisingly, the focus for many was on the ability to access childcare that is affordable and flexible.

This research highlights a range of issues parents associated with accessing childcare provision in Northern Ireland and the impact it has on their family life. Some families are unable to access the childcare they would prefer to use or require, while for others, accessing the childcare they need has a negative impact on their financial well-being or the overall wellbeing of the family.

Importantly, any enhancement to the childcare infrastructure that is designed to make access to childcare more affordable for parents, must be in the context of continuing to support high quality and standards within the sector. This must include strategic investment in support of those who are providing childcare.

A shared vision

Ultimately, our research with parents and with childcare providers suggests a shared vision of childcare provision in Northern Ireland that is affordable to access and to deliver, is of high quality, and is both recognised and valued as a vital part of our infrastructure.

How can this be achieved?

On a large scale, we need to ensure that childcare is affordable for all by investing in support for parents and providers, without compromising on the core values of quality, flexibility and accessibility. This requires a fundamental review of how childcare provision is supported in Northern Ireland, with targeted investment and legislative reform required from Government.

Parents have identified a number of suggestions that could be considered by individual childcare providers, employers and support organisations.



1. Fundamental review of policy and investment

A fundamental shift in approach is needed. The majority of parents referred to what they perceive as the need for the Government to take a more strategic approach to its support for the provision of childcare and invest in it appropriately. It is apparent from our research that many parents feel the system is not working as well as it could be and that change is urgently needed.

“I cannot believe that even after so many years of lobbying that there is still no childcare strategy for Northern Ireland. The government needs to address this issue immediately. People are being forced into employment with no support to help them do this successfully. Families are suffering due to government negligence on this issue.”



2. Recognise that childcare and education are linked

At present, in Northern Ireland, childcare policy falls within the remit of the Department of Education, yet education and childcare are often two areas which are not viewed as inherently linked. It is important to recognise the value of quality childcare in providing educational and developmental opportunities for children and young people. This provides a more joined up approach that appreciates quality childcare is of benefit to children, parents and the economy as a whole.



3. Invest in funding support for parents and childcare providers that guarantees both quality and affordability

Many parents suggested several different measures the Government could introduce in taking a strategic approach to reduce the financial impact of childcare on families.

These include:

- Tax breaks for parents
- Subsidies for providers
- Enhancing levels of financial support available
- Introducing free childcare provision similar to policies now rolling out in other parts of the UK.

A large proportion of parents noted the changes in childcare support in other UK jurisdictions, with the introduction of 30 hours free childcare for eligible children and expressed their frustration that similar support is not available in Northern Ireland. There is strong support among parents for this model or a similar model to be introduced here as this would help parents reduce their childcare costs. This offer and, more broadly, the requirement to ensure access to affordable, quality childcare for families, is underpinned by legislation in England. This could be a valuable model for Northern Ireland, particularly in the absence of a costed, and funded, childcare strategy.

“I’m disgusted with the government for not introducing 30 hours free childcare here to bring NI into line with GB. It is infuriating to be told by DE that those 15 hours of nursery are not to be mistaken for childcare arrangements but are to help with a child’s development. 2.5 hours a day with no flexibility does not work for the majority of parents so the government may as well not have it in place.”

Some parents also referred to childcare provision in other countries which they believed were models of good practice such as the Scandinavian countries, particularly Sweden and Norway.



4. Targeted help for working parents

Parents frequently raised the role that childcare should play in supporting access to labour market participation, but, in reality, many find it can act as a barrier to work or leave families in a position where one parent is working mainly to cover the cost of childcare. Some parents feel they are working at a financial loss and are demotivated by this to the extent that they question whether it makes sense for them to remain in the workforce at all.

Some parents expressed that investment is not always targeted where it is needed, with many commenting that help available tends to be for parents who are not in work to the detriment of working parents who are facing financial difficulties. A few parents referred to the criteria for funded pre-school places and how these are allocated in that preference is given to parents on certain benefits. In relation to the pre-school places, some parents told us about long-waiting lists and how stressful it can be to secure a funded place.

The absence of a childcare strategy in Northern Ireland was highlighted and parents and childcare providers are calling on Government to recognise their frustrations and to address these in their policy development and targeting of support.

“Allocation of funded pre-school places for each child regardless of financial situation.”

“The 15 hours “free” childcare is a joke. 2.5 hours a day is all that is available in my area. This does not help me to work - who could find a job where they work for one hour per day?”



5. Enhance the provision of childcare that is available

Parents made several recommendations on how to enhance the overall provision of childcare in Northern Ireland.

Establishing and increasing certain types of provision: Several parents referred to a need for greater wraparound provision, particularly for school age children. Some parents were frustrated that wraparound services are not always provided or accessible to them.

Extending opening and closing hours to provide greater flexibility: Many parents expressed their frustration that some formal childcare settings do not open early enough and are not open late enough to facilitate their working hours. This was a significant issue raised particularly by parents who work outside of what might be considered as typical working hours 8am – 6pm Monday to Friday such as those who work shifts and weekends.

“With the nature of work in NI having changed to service-based industry (call centres, etc) and the majority of shops now open 7 days a week, childcare facilities need to look at adapting to the needs of the modern workforce.”

Continuing to promote quality: The high quality of childcare was repeatedly mentioned by parents who were positive about the standard of care provided in Northern Ireland. A number of parents noted the importance of childcare providers being well-regulated and some suggested introducing a rating system to assist parents in choosing a provider.

Ensuring appropriate provision for children with specific and additional needs: Some parents told us that the specific needs of their child were not being met with current childcare provision and suggested there should be greater availability of specialist childcare for children who have a disability.

Enhanced recognition of the role of childcare providers and staff: A significant proportion of parents expressed that childcare providers and staff need to receive greater recognition for the work they do. Parents suggested this would attract more people to work within the sector and can help support providers to continue to deliver a high standard and quality of care and education. Many childcare providers regarded their job as rewarding but felt greater recognition for the sector is required to support the development of the workforce.

Role for employers: Parents told us about the important role employers can play in supporting childcare to become more affordable and accessible. A range of suggestions included introducing workplace nurseries, providing support and advice for employees, particularly when returning from maternity leave, and adopting a more flexible and understanding approach.

“Available childcare has impacted on how many hours I currently work. There could be more support for parents re-entering the workplace following maternity leave as it can be a daunting time with low confidence and self-esteem. If childcare options and financial support was more easily communicated parents might feel in a better position to return to work as they previously did.”

Childcare provider pricing structures: Several parents suggested childcare pricing structures, and the way in which fees are calculated, could be standardised and made more transparent. Some told us they were frustrated at having to pay for childcare when their child is not there but have no choice in order to retain their childcare place. They referred to public or bank holidays, when their childcare provider is closed, or having to pay for half or full days when only a few hours are needed.



6. Improve access to information on childcare provision and financial support available

Many parents told us there should be improved access to information on childcare options and the different forms of financial support available. Parents made a number of suggestions including a new marketing campaign, booklets, websites and information packs for new parents. It was also suggested that having one central place for information and accurate financial support would assist parents to make an informed choice when choosing childcare.

While a lot of this information is currently available online such as on the Family Support NI website or through advice giving organisations, this feedback suggests a lack of awareness which needs to be addressed.

“Have a central location (website/office) so that parents can access info about childcare in their area and the pros and cons of each type of childcare. Possibly a rating system too.”

Conclusions



Two broad conclusions emerge from this year's research:

- 1 Quality childcare must be properly valued by Government and recognised for the role it plays both in promoting child development and enabling parents to access work.
- 2 Quality childcare must be affordable and accessible for parents whilst being sustainable for childcare providers to deliver.

What we have seen in 2018 is that more families are dedicating a significant proportion of their household income to paying for childcare. Worryingly, parents and families continue to experience difficulties in affording and accessing the childcare that best suits their needs. Many parents shared with us the challenges they face in paying their childcare bill and balancing costs to make work pay coupled with the financial worry their childcare bill has on the family.

On the same note, many childcare providers report they are either making a loss or are just breaking even. They are experiencing an increase in their annual expenditure whilst seeking to limit any increases in fees. Just 19% of providers reported increasing their fees in the last year and some expressed concerns about potential implications of increasing fees, as they felt parents would not be able to afford those fees. Instead, many providers told us how they have tried to absorb the cost in an attempt to minimise the impact. This is not sustainable, and providers - as well as parents - are calling for strategic investment to support them in providing high quality services and to ensure parents can access affordable childcare.

These findings demonstrate how our current childcare infrastructure is not being supported to meet the needs of parents, childcare providers or employers. It is clear the childcare system in Northern Ireland requires urgent reform.

So what next?

By not investing adequately in childcare, the Government is impacting negatively on parents' ability to get into and stay in work and they are putting children's life chances at risk. Employers For Childcare believes this is not acceptable and we will be using the results of this research to call for a fundamental overhaul of the childcare and early education funding system in Northern Ireland.

In the immediate future, we will work alongside Government, statutory agencies and stakeholders to ensure a Northern Ireland Childcare Strategy is costed, with appropriate support allocated to support parents, and providers and that recognises childcare as a vital part of our infrastructure. An important first step in this process will be for the Government to cost delivery of a scheme similar to the 30 hours free childcare scheme available in England and being piloted in other parts of the UK.

Appendix 1: Methodology and profile of respondents

Methodology

Data collection took place between May and July 2018. Parents and childcare providers were invited to participate in an online survey questionnaire. The online survey was widely circulated across a variety of networks and shared on social media. Participation was voluntary, and all individual responses were anonymised. All data collected was analysed using Microsoft Excel.

Childcare provider respondents

Facility type	Number	Percentage	Department of Health 2016/17 ⁵
Childminder	296	69%	68%
Day nursery	54	13%	7%
Out of School	60	14%	4%
Other	17	4%	20%
Total	386	100%	100%

In total, we received 386 responses. This represents 9% of the overall population of day care providers registered in Northern Ireland giving a statistical margin of error of 4% at a 90% confidence level. 41 Day Nurseries are also registered as Out of School providers with 37 offering afterschool clubs, 24 offering breakfast clubs and 28 offering holiday schemes. **These 41 are included in both categories.** A single registration only is required for a Day Nursery which also provides out of school services. Percentages are therefore calculated based on a figure of 427 providers.

Parent respondents

We received 1,872 responses from parents in Northern Ireland. Projections from NISRA suggest there are approximately 218,000 households with children in Northern Ireland⁶ this gives a margin of error of approximately 2% representing a robust sample.

Family profile

- 95% respondents identified as a two parent household and 5% as a single parent household. This is an under-representation of single parent households that we will seek to address in future research.
- 28% of respondents live in a household with one dependent child, 50% have two dependent children, 17% three dependent children and 5% four or more.
- 5% of respondents have a child with a disability or special needs.

Work status

- 73% of respondents reported working full-time, compared to 20% who were working part time.
- 6% of respondents were on maternity, paternity or shared parental leave.
- 32% reported working outside 8am - 6pm Monday - Friday hours.

⁵ www.nisra.gov.uk/publications/northern-ireland-household-projections-2012-based

⁶ www.health-ni.gov.uk/publications/childrens-social-care-statistics-northern-ireland-201617

Household income Two parent households

£15,000 or less	0%
£15,001 - £30,000	5%
£30,001 - £40,000	15%
£40,001 - £50,000	23%
£50,001 - £60,000	20%
£60,001 - £70,000	16%
£70,001 - £80,000	10%
£80,001+	11%

Household income Lone parent

£15,000 or less	17%
£15,001 - £30,000	47%
£30,001 - £40,000	16%
£40,001 - £50,000	9%
£50,001 - £60,000	6%
£60,001 - £70,000	0%
£70,001 - £80,000	2%
£80,001+	3%

Location

County	Percentage of respondents	Population (2011 census)
Antrim	41%	34%
Armagh	9%	10%
Derry/Londonderry	9%	14%
Down	32%	29%
Fermanagh	2%	3%
Tyrone	7%	10%

Appendix 2: Key terms

Formal childcare: As defined in the Children (NI) Order 1995, formal childcare refers to people running day care services, used by children aged under 12 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, childminders who look after children aged under 12 for more than two hours a day in a private house. Formal childcare can be provided either in private settings or in community / voluntary based settings.

Informal childcare: This 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 and are not registered with the appropriate authority.

Childminder: Registered childminders are self-employed carers based in their own home. They must be registered with their local Health and Social Care Trust (HSCT). Once registered, annual inspections are carried out by the HSCT. For new applicants references and health checks are required, as are police checks on all individuals in the household over the age of 10. Registered childminders can be registered to care for up to 6 children between 0-12 years of age (this number includes their own children).

Day nursery: Day nurseries may be privately owned businesses, or run as charities or in community settings, and offer a structured approach to childcare. They must be registered with the HSCT and once registered are inspected annually. Day nurseries must follow staff to child ratios as set out by the HSCT and can accept children as young as 6 weeks old.

Out of school club: This refers to a range of childcare provided before and after school and during school holidays. Clubs can be run by schools, private businesses or community groups. There are three main types:

- **Breakfast club** – open in the morning before school.
- **Afterschool club** – open after school until around 6pm.
- **Holiday scheme** – open during the holidays with varying opening hours.

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