

# **Employers For Childcare**

Working For Parents

## General election manifesto 2024

Working for parents, employers and  
childcare providers across the UK



[employersforchildcare.org](https://employersforchildcare.org)

## Foreword

Childcare is a critical part of our economic and social infrastructure. Just as we need high quality roads and railways, we need a high quality childcare system, that enables parents to work and supports children's long-term development.

This is an important issue for everyone, whether they have children or not. In Northern Ireland more than 40% of employees are parents with dependent children – if these people cannot afford the childcare they need to work, it presents a major issue for us all, especially at a time when employers across all sectors are struggling to recruit and retain staff. Yet we have a childcare system that is not affordable, not easily accessible and not family-centred with childcare providers struggling to deliver a high quality service due to rising costs and high staff turnover.



Research is clear that investing in childcare results in more money back into the economy. A CBI report uses estimated Gross Added Value (GVA) per capita to calculate that GDP could increase by up to £290 million per annum for every 10,000 mothers that return to employment working their preferred hours. Another study from the Centre for Progressive Policy (CPP) found that 1.7 million women in the UK would like to work more hours but were unable to do so because of problems with childcare. Another 1.3 million had turned down a job for the same reason. The CPP estimated this could amount to £11 billion in foregone earnings.

We have seen significant investment announced for the childcare sector in England with an expansion of the 30 hours free childcare scheme to include all children from 9 months. While issues remain around the funding and implementation of this policy, it is welcome recognition of the vital role of childcare in supporting economic growth. In Northern Ireland, a recent announcement saw £25 million identified for investment in childcare during the current financial year. While this is welcome as a start on which to build, much more is needed.

The 2024 Westminster election present a real opportunity for our political parties and elected representatives to set out an ambitious platform for how investment in childcare can contribute to a better economy and society. Employers For Childcare's policy manifesto sets out key issues that must be addressed as priorities at Westminster, for the benefit of children and parents, for the labour market and economy, and for society as a whole. Evidenced through our work and research we present clear 'calls to action' for our new MPs. If enacted, these will have a real, positive impact on all of our people.

**Marie Marin, Chief Executive**

## About Employers For Childcare

Employers For Childcare has been working on behalf of parents, employers and childcare providers for the past 20 years. As a charity, our aim is to make it easier for parents with dependent children to get into work and to stay in work. We address childcare as a labour market and economic issue, as well as a social one and help parents maximise their incomes, manage childcare costs and achieve a positive work-life balance.

This is critical for employers who, as a result, are better able to recruit and retain the key staff they need. In turn, the economy as a whole benefits through more people being able to progress in work, and increased levels of productivity and engagement, as well as resulting in improved long-term educational, developmental and employment outcomes for children.

We undertake research which provides us with evidence to campaign on issues relating to childcare, family and work.

We also operate a Family Benefits Advice Service offering free, confidential and impartial advice and guidance on the financial support families are entitled to. Since 2008 our charity has helped to identify over £100 million in financial support for families across the UK, that they did not know they were entitled to – money back in parents' pockets and in the local economy. In enabling many more to access childcare and progress in work this will have resulted in an even greater impact across the economy.

This work is funded by our Social Enterprise businesses, which include administering Childcare Vouchers on behalf of employers, and High Rise family adventure centre. 100% of the profits from these Social Enterprises are invested in supporting the work of our charity.

You can find out more on our website: [www.employersforchildcare.org](http://www.employersforchildcare.org)

## Employers For Childcare's 2024 General Election Manifesto

Employers For Childcare has the following five key asks ahead of the 2024 General Election:

1. Increase the support available with Tax-Free Childcare from 20% to 30% and remove the £2,000 per year annual cap
2. Reopen the Childcare Voucher scheme to new entrants
3. Ensure all parents benefit from the financial support they are entitled to with registered childcare costs
4. Extend the right to request flexible working from day one to include Northern Ireland
5. Provide practical support for employers that makes it easier and incentivises them to set up a workplace nursery scheme.

**1. Increase the support available with Tax-Free Childcare from 20% to 30% and remove the £2,000 per year annual cap.**

Employers For Childcare is calling on the next Government to commit to increase the support available to working parents through the Tax-Free Childcare scheme.

In the 2023 [Spring Budget](#), the Chancellor announced an increase to the support available with childcare costs for families on Universal Credit, alongside a significant expansion of the Government's free childcare offer in England, to include all children from nine months from September 2025.

However, no additional support was made available to families whose only option for childcare support is through the Tax-Free Childcare scheme.

Tax-Free Childcare allows eligible working families to claim **20% of their registered childcare costs** from the Government, up to a maximum **of £2,000 per child per year, or £500 per quarter**. This equates to 20% of childcare costs of £10,000 per year. This support has not increased since the scheme was introduced in 2017, despite childcare costs increasing by more than 15% since then.

What this means is, once childcare costs for a child exceed £10,000 per year – as is more and more frequently the case for families due to rising costs – there is no further support through the Tax-Free Childcare scheme. Any increase in their childcare costs will not be matched by a corresponding increase in support through Tax-Free Childcare.

The [Northern Ireland Childcare Survey 2023](#) found the average cost of a full-time childcare place in Northern Ireland to be £10,036 – more than the maximum amount supported through Tax-Free Childcare. Many families are paying significantly more than this.

With childcare costs increasing, it is becoming increasingly difficult for families to afford the childcare they need in order to work, and results in some parents – particularly mothers – finding it does not make financial sense to work as many hours as they would otherwise want to.

We also know, from our work with families, that support of 20% towards their registered childcare costs is simply nowhere near enough, and means families are still struggling to afford the childcare they need.

**We are calling for an increase in the rate of Tax-Free Childcare support to 30%, accompanied by the removal of the £2,000 per annum cap on support available through Tax-Free Childcare, so that families can benefit from savings on the full amount of their registered childcare costs.**

## 2. Reopen the Childcare Voucher scheme

Childcare Vouchers were closed to new entrants in October 2018. While existing users can continue to pay into the scheme, as long as they remain eligible, no new users can join the scheme, which benefits thousands of families across the UK, delivering significant savings on childcare costs for parents and also delivering National Insurance savings for employers.

While Tax-Free Childcare has been introduced as a replacement to the Childcare Vouchers scheme, we know there are many families who remain better off using Childcare Vouchers, rather than moving to Tax-Free Childcare.

This includes:

- Families with no recourse to public funds
- Families where only one parent is working
- Families where one parent is earning over £100,000 per year
- Families who use Childcare Vouchers alongside Universal Credit

Childcare Vouchers give employers an important role in supporting their employees with their childcare costs – they are incentivised to provide and promote the scheme to their employees as they also make savings on the portion of the employees' salaries they 'salary sacrifice' into their Childcare Voucher accounts. Reopening the Childcare Voucher scheme would not require any investment from the Government or any 'infrastructure' – the scheme is administered by Childcare Voucher providers (Employers For Childcare is the only Social Enterprise in the UK providing this service) on behalf of employers and are paid directly into an employee's online Childcare Voucher account, which they can only use to pay for registered childcare.

**We are calling on the next Government to reopen the Childcare Vouchers scheme to allow families to access the most appropriate form of financial support with their childcare for their family.**

### 3. Ensure all parents benefit from financial support they are entitled to with registered childcare costs

Most working parents can benefit from financial support with their registered childcare costs, through one of a range of support schemes (Tax Free Childcare or Universal Credit for new applicants or Childcare Vouchers or Tax Credits for existing users). And yet many parents are **missing out** on financial support with the cost of registered childcare because they don't realise they are eligible. In our most recent [Northern Ireland Childcare Survey](#), a quarter of parents who were using childcare responded that they were not claiming any financial support.

Access to financial support can make a real difference, potentially saving families thousands on their childcare costs and, more critically, can make the difference in enabling parents to get into work or work more hours. Alongside this, ensuring parents know where to go for advice and guidance helps to relieve pressure and anxiety. Employers and childcare providers also need to be confident in knowing that support is available, and signposting parents appropriately.

Employers For Childcare operates the Family Benefits Advice Service, providing parents with information and personal advice on their entitlements. We know from our work with families that it can be confusing navigating the complex system of support, but we are here to help.

Since 2008, our team has helped families identify more than **£100 million** in financial support they did not realise they were entitled to. Our service is well-established, yet we know many more parents are missing out because they are unaware of what support is available or assume that they will not be eligible.

**We are calling on the next Government to invest in ensuring that all families are benefiting from the financial support they are entitled to and not missing out on support that could make a real difference to their family.**

#### 4. Extend the right to request flexible working from day one to include Northern Ireland

Flexible working describes any working pattern adapted to suit an employee's needs and can take many forms including part-time hours, flexi-time, annualised or compressed hours, staggered hours, job sharing or working from home. Flexible working has the potential to deliver a wide range of benefits to employers, employees and their families. Many employers now recognise the business benefits of providing flexible working for their employees.

The introduction of the Employment Relations (Flexible Working) Act 2023, which came into force on 6 April 2024, gives employees in Great Britain the right to request flexible working arrangements from day one of employment. Employers are required to consult with an employee who makes a flexible working request, before rejecting it and also means the time that employers have to respond to a flexible working request is reduced to two months. Employees are allowed to make two flexible working requests within a 12 month period.

This legislation does not cover Northern Ireland, where employees must be employed for at least 26 weeks at the date the application is made, and employees only have the right to make one flexible working request in a 12 month period.

**We want to see this legislation extended to cover employees in Northern Ireland to support employees, including those with caring responsibilities to access the benefits of flexible working.**

## **5. Provide practical support for employers that makes it easier and incentivizes them to set up a workplace nursery scheme**

A workplace nursery is a nursery provided by an employer for their employees to use. Under the 'workplace nurseries exemption', the cost of a place in a workplace nursery is completely exempt from Tax and National Insurance Contributions.

To qualify as a workplace nursery, and therefore for childcare costs to be exempt from Tax and National Insurance, the care facilities must meet a range of criteria, including that it must be wholly or partly financed or managed by the employer for the provision of care.

There are significant benefits to employers in establishing workplace nurseries for their employees:

- The employer saves on employers' National Insurance Contributions
- Workplace nurseries are a strong recruitment and retention tool
- Access to a workplace nursery may support staff to work more hours
- Workplace nurseries offer convenience for staff and can reduce childcare-related staff absences
- The employer may be able to claim back tax relief on costs associated with providing the nursery.

Many employers recognise the business benefits of supporting their employees with their childcare, and we would like to encourage those employers to invest in setting up a workplace nursery for their staff. However, the scheme operates under complex HMRC rules, which are often off-putting to employers.

We would like to see the Government further supporting and promoting the opportunities for employers to invest in workplace nurseries by providing a toolkit and support service to help employers better understand the scheme. This could include resources such as a template contract between an employer and childcare provider to help them meet the 'employer involvement' requirements of the scheme. We are also calling on the next Government to make grant funding available to support employers with the costs required to establish workplace nurseries.



# **Employers** **For Childcare**

## Working For Parents

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