

Childcare Survey 2021

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About this report

This report is the 21st annual Childcare Survey. It is based on surveys from local authorities in England, Scotland and Wales, which were returned to Coram Family and Childcare between November 2020 and January 2021. We also produce the Holiday Childcare Survey, which is published annually before the school summer holidays. Previous reports are available from our website: www.familyandchildcaretrust.org.

Note on terminology: we use childcare to refer to all forms of care which are paid for by families or the government, not provided by parents or main carers and outside of compulsory schooling. Early education is one type of childcare and refers to children below school age. We believe that all activities in a child's life have a role in their education and development, but use the term childcare throughout for simplicity.

About Coram Family and Childcare

Coram Family and Childcare works to make the UK a better place for families by bringing together what we learn from our on the ground parent-led programmes and our research to campaign for solutions that parents want and need. We focus on childcare and early years to make a difference to families' lives now and in the long-term. Before August 2018, we were known as the Family and Childcare Trust.

EXECUTIVE SUMMARY

The Childcare Survey 2021 shows the early impacts of Covid-19 on the childcare market and families. Childcare use has been considerably lower since March 2020 than in usual times, and this survey of local authorities shows the impact that this and other changes in the childcare sector have had for families. Childcare prices in England and Scotland have risen above inflation, perhaps driven by childcare providers trying to adapt their business models to stay viable during this challenging time. More local authorities than last year have enough childcare in their areas to meet demand, which is more likely to be a result of the reduction in demand for childcare rather than due to an increase in supply.

Childcare providers have been able to receive financial support through the Government's Job Retention Scheme, Self Employment Income Support Scheme and changes to funding for free early education entitlement places, among other support mechanisms which vary between countries. This support has allowed many providers to stay afloat and enabled parents to be able to continue to find the childcare that they need. It remains to be seen what happens if and when this support ends, and there remains a risk that many providers could close, creating shortages in the childcare available for families.

The pandemic has brought wider awareness of the importance of childcare. Childcare enables parents to work, it keeps valuable skills in the workforce, and helps children to do better at school, which can narrow the gap between disadvantaged children and their peers. But once again, we find that some parents are struggling to both find and afford the childcare that their family needs.

Price of childcare

- ▶ In Great Britain, childcare prices for children under three have risen above inflation this year. A part time nursery place (25 hours) for a child under two costs 4 per cent more than it did a year ago. For a child aged two, it costs 5 per cent more.
- ▶ The average cost of a part time nursery place for a child under 2 now stands at £137.69 per week, or over £7,000 per year.
- ▶ Working parents of three and four year olds in England and Wales can get 30 hours of funded childcare a week. If they need to pay for 20 extra hours to take this up to a full time place (50 hours a week) the average price in a nursery will be £101.58 in England, £89.12 in Wales.
- ▶ In Scotland, all families are entitled to 600 hours of funded childcare per year. If they need to pay for an extra 34 hours a week to take this up to a full time place (50 hours a week), the average price in a nursery will be £145.70. By August 2021, all three and four year olds in Scotland will be able to access 1140 hours of funded childcare per year which will reduce costs for families.
- ▶ The average weekly price for families using an after school club for five days per week, in Great Britain, is £62.13 per week.
- ▶ In 99 per cent of local areas, the average price of a full time nursery place for a child under two is higher than the maximum costs supported through universal credit and the benefits system.

Whether there is enough childcare

- ▶ Two thirds of local areas in England (68 per cent) have enough childcare available for parents working full time.
- ▶ Less than one in four local areas in England have enough childcare for 12 to 14 year olds (13 per cent), parents working atypical hours (16 per cent) and disabled children (25 per cent).
- ▶ More local areas report having enough childcare to meet demand for pre-school children than last year. This is likely to be a result of the decrease in demand for childcare as a result of the pandemic.
- ▶ There have been small drops in the proportion of local areas with enough childcare (childcare sufficiency) for school age children and parents working atypical hours.
- ▶ In Scotland, there has been an increase in childcare sufficiency for some groups, but a decrease in whether there are enough places for the free early learning and care entitlement.
- ▶ In Wales, there have been an increase in sufficiency for most groups, with the exception of disabled children and parents working atypical hours.

Childcare and Covid-19 in England

- ▶ Local authorities reported significant changes in local childcare provision over the past year, but some commented that it was still too early to see the full effects of the pandemic.
- ▶ Over a third (35 per cent) of local authorities reported that the number of providers permanently closing in their area had gone up in the last year, but the majority said that they had not yet seen increases in shortages of childcare.
- ▶ 73 per cent of local authorities reported a fall in demand for childcare in their area.
- ▶ Childcare providers are struggling to remain sustainable during the crisis, with 39 per cent of local authorities seeing childcare providers raise their prices and 30 per cent seeing providers increase the number of children looked after by each staff member.

Recommendations

The current crisis has both highlighted and exacerbated the issues that exist in the childcare sector. It is a deeply flawed system that makes it hard for families to get the help that they need and forces some parents out of the workplace entirely. Over the longer term, the Government should reform all current spending on childcare to create a simple and efficient system that makes sure all parents are better off working and all children have access to high quality childcare which supports their early development. It should support the sustainability and quality of childcare providers so that parents are able to find childcare that meets their families' needs.

An ambitious strategy and reform will take time. Governments can take action in the shorter term to fix urgent problems in the system. We call on Scottish, Welsh and UK governments to:

- ▶ Launch a funding review for the free early education entitlements to make sure that funding levels are sufficient to support the delivery of high quality education and care, including, but not limited to, issues resulting from Covid-19.
- ▶ Reform Universal Credit so it does not lock parents out of work, by increasing the maximum amount of childcare costs paid under Universal Credit and moving to upfront payments for childcare.

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- ▶ Extend the 30 hours free childcare provision for three and four year olds in England and Wales to families where parents are in training, to help boost their employment opportunities.
 - ▶ Double the early years pupil premium, to boost outcomes for the most disadvantaged children.
 - ▶ Re-allocate any underspend budget for Tax-Free Childcare to other parts of the childcare system – prioritising the most disadvantaged children.

INTRODUCTION

This report is the twenty-first annual Childcare Survey. It is based on surveys from local authorities in England, Scotland and Wales, that were returned to Coram Family and Childcare between November 2020 and January 2021. A total of 180 local authorities returned data generating a response rate of 91 per cent. The methodology section at the end of the report provides further information on how we conducted the survey and analysed the findings.

The report consists of three main sections: 1) the prices of childcare, 2) the availability of childcare, and 3) the impacts of Covid-19 on childcare in England, a summary of the briefing previously published in December 2020. Information on the price and availability of childcare is broken down by nation and region (in England), by the age of child and the type of childcare.

The closure of all formal childcare during the first national lockdown in March brought new awareness of the vital role that childcare plays in enabling parents to work effectively and productively. This was illustrated by the fact that childcare was one of the first parts of the economy to reopen and has been allowed to stay open ever since. However, less visible was the key role that childcare plays in supporting the learning and development of our youngest children. It still remains to be seen what impact the closure of childcare and the reduced use of childcare will have on children's outcomes.

It has been a turbulent year for childcare providers, many of whom were already struggling to balance their books prior to the pandemic. Despite the fact that childcare providers have been able to access Government support through the Job Retention Scheme, Self-Employment Income Support Scheme, and changes to early education funding, many have seen a significant reduction in their income. Many have had to adapt to the changing circumstances, with some making substantial changes to their business model, such as changing opening hours, pricing or staff structures. These changes could have an impact on whether families are able to find and afford the high quality childcare that they need in the medium term.

Nurseries are the most commonly used form of formal childcare for pre-school children, followed by childminders (Department for Education, 2019a). Once a child starts school, they may use breakfast, after school, or holiday clubs in their school or at another private, voluntary or local authority setting or a childminder. Childcare use has changed dramatically over the last year and the use of formal childcare has reduced significantly. Although attendance in early years settings reached around 90 per cent of usual attendance levels in November, for most of the last year attendance has been considerably lower than usual, having fallen to as low as 5 per cent in spring 2020, and is around 60 per cent at the time of writing (Department for Education, 2021). The first lockdown prohibited informal childcare arrangements, meaning many key worker parents who had previously relied on family and friends started using formal childcare for the first time. Others who had previously used nurseries, decided to move to using informal childcare arrangements or childminders in order to minimise social mixing. Parents have been faced with the challenge of trying to find information to allow them to make informed decisions on what is right for their family, and childcare providers have had to adapt their business models to cope with the rapidly changing context.

The glossary below provides more information on the different forms of support that are available for parents, including Tax-Free Childcare and extensions to free childcare for three and four year olds. Tax-Free Childcare was introduced in April 2017 and helps parents to pay for childcare. It cannot be used at the same time as Universal Credit, which is only available for low and middle income families and normally provides more generous support than Tax-Free Childcare, meaning that Tax-Free Childcare mostly benefits higher income families. To date, uptake of Tax-Free Childcare has been lower than expected (HMRC, 2020).

In September 2017, free childcare in England was extended for three and four year olds with working parents to 30 hours per week during term time. A similar scheme, but for 48 weeks per year, is currently operating in Wales, having recently been rolled out across the nation. In Scotland, free childcare will be extended to 1140 hours per year (30 hours per week for 38 weeks per year) for all children, not just those with working parents. This will be fully rolled out by 2021, though there is evidence that many providers are already offering it.

Our Childcare Survey looks at the price of childcare before the support to help pay for childcare (Tax-Free Childcare or Universal Credit) is taken into account, as this allows us to track price changes over time and recognises that different families will also be eligible for different levels of support depending on their circumstances. However, for three and four year olds, we ask about the price of childcare assuming that they are using the free childcare entitlement.

Glossary 1 – Terms used in this report

- ▶ **Childcare** – the care, education and supervision of a child or multiple children by someone who is not their parent or carer, usually including pre-school and school-aged children. In this report, childcare includes government funded early education but not compulsory schooling, nor support from relatives or friends.
- ▶ **Early Years** – from a child’s birth to school age.
- ▶ **Nursery** – childcare provided in a group setting, with several early years professionals looking after a group of children. For children under five years of age and can include pre-school, day nurseries, and school nurseries.
- ▶ **Private, voluntary and independent nurseries** – nurseries not run by local authorities or schools. They may be run by private companies, independent schools or voluntary organisations such as charities.
- ▶ **Maintained nurseries** – stand-alone local authority nurseries that provide early education and childcare to children under five years, normally during school hours in term time.
- ▶ **Nursery classes in schools** – provide early education and childcare to children usually aged between two or three and four years. They are usually closed in school holidays.
- ▶ **Wrap-around childcare** – where children are looked after before and after school. This includes breakfast or after school clubs and childminders.
- ▶ **Childminder** – a registered child carer who works with children for more than two hours a day in their own home.
- ▶ **Registered childcare** – childcare providers that are registered for quality assessment by the childcare regulator. In England this is Ofsted, in Wales, it is the Care Inspectorate Wales (CIW) and in Scotland, the Care Inspectorate. To receive government funding for childcare, providers must be registered.
- ▶ **25 hour** – considered as ‘part time’ childcare to cover a typical part time working week, including time to travel to and from work.
- ▶ **50 hour** – considered as ‘full time’ childcare to cover a typical full time working week, including time to travel to and from work.
- ▶ **Weighted average** – this provides a more realistic average to account for differences in the population of children and number of childcare providers in the local authority areas.

Glossary 2 – Childcare payment terms¹

Childcare support	Age of child	Nation	Applicability
Funded childcare for 2 year olds	2 year olds	England	15 hours a week for 38 weeks a year for parents in receipt of benefits (including in-work benefits) or children who are disabled or looked after.
		Scotland	600 hours a year for parents in receipt of benefits (including in-work benefits) or children who are looked after. The eligibility criteria are narrower than for English families.
		Wales	12.5 hours a week for 39 weeks a year for 2 and 3 year olds in Flying Start areas (geographic areas which are deprived).
Universal funded childcare for 3 and 4 year olds	3 to 4 year olds	England	15 hours a week for 38 weeks a year for all 3 and 4 year olds.
		Scotland	600 hours a year for all 3 and 4 year olds (12.5 hours a week for 48 weeks). By August 2021, all 3 and 4 year olds will be entitled to 1140 hours a year.
		Wales	10 hours a week for all 3 and 4 year olds. Increased to 12.5 hours for 3 year olds in Flying Start areas.
Funded childcare for 3 and 4 year olds with working parents ²	3 to 4 year olds	England	3 and 4 year olds with working parents are entitled to an extra 15 hours a week free childcare for 38 weeks of the year, meaning they get 30 hours a week in total.
		Scotland	No difference to universal funded childcare (above).
		Wales	3 and 4 year olds with working parents are entitled to 30 hours per week for 48 weeks a year.
Tax-free childcare	Aged under 12 or under 17 if child has a disability	All nations	Covers 20% of childcare costs up to a maximum of £2,000 per child per year or £4,000 for disabled children. Tax-free childcare replaces the childcare vouchers scheme which has closed for new applications. Parents and their partner (if they have one) must earn at least the equivalent of 16 hours a week at the national minimum wage or national living wage. Can be received alongside the 30 hours extended entitlement, but not Working Tax Credit or Universal Credit.
Universal Credit	Any age, with Ofsted registered providers	All nations	Pays up to 85% of childcare costs up to £175 per week for one child and £300 for two or more children. This is set to replace tax credits and other benefits. Universal Credit can be claimed alongside funded childcare, but not with Working Tax Credit or Tax-Free Childcare. Parents must have an income below a certain level – this varies depending on families' circumstances.

For further information including more detailed inclusion and exclusion criteria for childcare support, see Coram Family and Childcare: <https://www.familyandchildcaretrust.org/childcare-guides>.

¹ In addition to the childcare support in this table, there is support for parents in education which can be viewed here: <https://publications.parliament.uk/pa/cm201719/cmselect/cmtreasy/757/757.pdf>

² Parents and their partner (if they have one) must both earn at least the equivalent of 16 hours a week at the national minimum wage or national living wage. Claimant must not earn more than £100,000 per year.

FINDINGS

Section 1 – Prices for childcare

This section describes the typical prices charged by childcare providers and discusses how they have changed in the last year. Most parents receive some support through the Tax-Free Childcare or benefits system to help them pay these costs (see the childcare support glossary in the introduction).

A: Prices for part time (25 hours a week) childcare for children under three

This year, the average price of a part time childcare place (25 hours) a week for a child under two in a nursery is £137.69 across Great Britain, or £7,160 a year. The average price of 25 hours of childcare a week for a child under two by a childminder is £118.34 across Great Britain, or £6,150 a year. There are substantial variations between regions outlined below. Inner London has the highest costs for 25 hours a week childcare for children under three.

The price of a part-time childcare place for a child aged under three is about twice as much as the average household spends on food and non-alcoholic drinks per week (£61.90; Office for National Statistics, 2020³).

Table 1 - Price of 25 hours a week childcare for children under three at nurseries and childminders

	Nursery		Childminder	
	Under two	Two	Under two	Two and over
Great Britain	£137.69	£132.56	£118.34	£117.32
England	£140.27	£134.73	£119.02	£117.86
Scotland	£117.29	£113.31	£112.33	£112.78
Wales	£114.76	£114.45	£112.37	£112.01
East Midlands	£134.50	£126.14	£105.21	£105.08
East of England	£145.36	£144.84	£117.20	£116.41
London, inner	£179.86	£177.61	£163.77	£161.60
London, outer	£156.32	£147.87	£147.53	£146.43
North East	£130.64	£128.10	£106.92	£106.79
North West	£126.43	£120.25	£103.18	£103.08
South East	£145.90	£140.05	£119.40	£118.69
South West	£132.26	£128.84	£114.27	£114.11
West Midlands	£136.14	£133.41	£103.70	£100.83
Yorkshire and Humberside	£115.39	£110.52	£101.49	£101.07

³ Published in 2020, this estimate is based on the financial year ending March 2019.

Great Britain:

- ▶ Overall, nursery prices are higher than childminder prices (for 25 hours a week for under twos and two year olds). For example, nursery costs in Great Britain for under twos were £137.69 a week and 16 per cent more costly than the equivalent costs for a childminder (£118.34).
- ▶ England has higher costs for nurseries and childminders than Scotland and Wales.
- ▶ Nursery for under twos is more costly than for children aged two years. This is because the required staffing ratios are higher for younger children and hence the staffing costs are higher.
- ▶ Although the nursery prices for two year olds are slightly less than those under two, childminder costs for both age groups are relatively similar. This may reflect childminders having less scope to change staff to child ratios compared to nurseries, meaning they are more likely to charge the same or similar prices for under twos and two year olds.

English regional differences:

- ▶ Within the English regions, the price for 25 hours of nursery childcare for under twos is 56 per cent higher in inner London (£179.86) than in Yorkshire and Humberside (£115.39).
- ▶ For 25 hours of nursery childcare for children aged two, the highest prices are again seen in inner London (£177.61), at 61 per cent higher than in Yorkshire and Humberside (£110.52).

B. Prices of full-time (50 hours a week) childcare for children under three

Prices for full-time care (50 hours a week) tend to be slightly less than twice the price of 25 hours a week, as providers pass economies of scale on to parents. The average price of 50 hours of care a week for a child under two in nursery is £263.81 across Great Britain, or £13,700 a year. With a childminder it is £227.79 per week across Great Britain, or £11,850 a year. There are again substantial variations between regions outlined below with inner London having the highest costs for 50 hours of childcare a week (£321.75 per week).

Table 2 - Price of 50 hours a week childcare for children under three at nurseries and childminders

	Nursery		Childminder	
	Under two	Two	Under two	Two and over
Great Britain	£263.81	£254.44	£227.79	£229.62
England	£268.06	£258.08	£228.77	£230.06
Scotland	£228.13	£218.86	£224.54	£225.50
Wales	£227.64	£226.67	£213.29	£225.10
East Midlands	£240.82	£233.15	£205.57	£205.16
East of England	£289.65	£290.20	£234.48	£232.78
London, inner	£321.75	£310.45	£303.23	£320.77
London, outer	£306.60	£292.96	£290.97	£288.89
North East	£228.06	£227.29	£201.55	£209.41
North West	£231.67	£221.86	£200.07	£199.33
South East	£284.07	£268.73	£231.86	£237.07
South West	£263.12	£250.68	£213.18	£212.97
West Midlands	£268.90	£262.78	£192.87	£195.68
Yorkshire and Humberside	£228.65	£218.61	£203.21	£202.51

Great Britain:

- ▶ Overall, nursery costs are again slightly higher than childminder costs (for 50 hours a week for two year olds and under). For example, nursery costs in Great Britain for under twos were £263.81 a week, 15 per cent more than the equivalent costs for a childminder (£227.79).
- ▶ England again has the highest costs for nurseries and childminders, relative to those in Scotland and Wales.
- ▶ On the whole, nursery and childminder costs for under twos are slightly more costly than for children aged two-years, although there were a few exceptions, such as North East, inner London, South East and West Midlands where the cost of for a childminder for a child two years was higher than for under twos.

English regional differences:

- ▶ Within the English regions, the price for nursery places (for under twos) are 29 per cent higher in inner London (£321.75) compared to the North East (£228.06).
- ▶ For nursery places for children aged two, the highest prices are again in inner London at £310.45, 40 per cent higher than the North West (£221.86).
- ▶ Childminder prices are generally cheaper than nurseries for 50 hours a week, with the highest prices again seen in inner London (£320.77).

Low and middle income families will be able to receive support with childcare costs through Universal Credit or Tax Credits. However, for some families the cost of childcare will exceed the support that is available. In 9 per cent of local authorities, the maximum limit per child under Universal Credit of £175 per week (HMRC, 2019b) does not cover even a part time place in childcare for a child under two. This rises to 99 per cent for a full time place. If a family's childcare costs exceed these maximum limits, they will not receive any additional financial support to cover these costs. This can mean that they are paying more in childcare costs than they are earning, and so are worse off financially for working more hours.

C. Childcare prices for children aged three and four

When asking about childcare prices for three and four year olds, we took into account that all children of this age group in England, Scotland and Wales are entitled to some free early education until they start school. Parents will therefore only need to pay for some of the hours of childcare that they need. In England, a parent who needs childcare for 25 hours a week, and is entitled to a free place for 15 hours a week, would only need to pay for 10 hours. In Scotland, the same family would pay for 9 hours after their free 16 hours per week.

In Wales they would be entitled to a free place for 10 hours a week and would pay for 15 hours, except in Flying Start areas where the free entitlement is for 12.5 hours for 3 year olds. Because of this variation in universal entitlements, we have not provided a national figure for 25 hours in Wales.

In addition to the universal entitlements in all three nations, three and four year old children of working parents in England and Wales can access additional hours of free early education – 30 hours for 38 weeks a year in England, and 30 hours for 48 weeks a year in Wales. In Scotland, all parents (not just working parents) will have access to free early education for 1140 hours per year by August 2021, but at the time of our survey it was not available to all parents. Many parents had access to it through a variety of local trial schemes.

We have assumed that families do not have to pay for any additional costs when using the free entitlement (for example, for lunch or other consumables) although we are aware that some families often face additional costs.

Some providers, particularly schools, have free childcare only available during term time. Therefore, we have used this assumption in our calculations, so prices for parents will be higher in the holidays. In practice, many childcare providers use a ‘stretched’ offer to give the same amount of childcare hours over more weeks per year, for example in England a childcare provider might offer 22.8 hours a week for 50 weeks of the year rather than 30 hours a week for 38 weeks of the year. This means some parents in Scotland and England will be paying for more hours than we asked about in the survey. In Wales, the free entitlement is for 48 weeks of the year, so families will not face these higher costs during holidays. Because of these differences, we have not given a figure for Great Britain in this section.

Table 3 - Price of 25 and 50 hours a week childcare for three and four year olds in nurseries in England

	25 hours a week, including universal entitlement (paying for 10 hours)	50 hours a week, including extended entitlement (paying for 20 hours)
England	£52.44	£101.58
East Midlands	£50.19	£92.74
East of England	£52.63	£105.07
London, inner	£67.81	£135.29
London, outer	£56.98	£111.98
North East	£50.36	£90.21
North West	£50.57	£91.66
South East	£52.83	£104.73
South West	£48.02	£95.26
West Midlands	£52.76	£105.37
Yorkshire and Humberside	£43.78	£86.67

Table 4 – Prices of 25 hours a week childcare in a nursery for three and four year olds in Scotland and Wales

	25 hours a week, including Universal Entitlement (paying for 9 hours)	50 hours a week, including extended entitlement in Wales (paying for 20 hours) and universal entitlement in Scotland (paying for 34 hours)
Scotland	£41.78	£145.70
Wales	N/A: free entitlement varies	£89.12

Great Britain:

- ▶ In all nations and regions, families are paying considerably less for nursery childcare for three and four year olds compared to younger children. There are two key drivers for this: (1) families are receiving free hours resulting in parents paying for fewer hours; and (2) childcare providers are able to operate at lower staff to child ratios for older children, which often means that childcare costs less to provide.
- ▶ Costs appear higher in Scotland but this is a result of extended free childcare offer still being rolled out. Although the 1140 hour per year of free childcare is not yet fully rolled out, many families in Scotland are already receiving it and so will be paying considerably less than this for their childcare.

English regional differences:

- ▶ Within the English regions, the price of 25 hours a week (where families receive 15 hours per week funded childcare) for three and four year olds is 55 per cent higher in inner London (£67.81) compared to Yorkshire and Humberside (£43.78).

Table 5 - Price of 25 and 50 hours a week childcare for three and four year olds with childminders in England

	25 hours a week, including universal entitlement (paying for 10 hours)	50 hours a week, including extended entitlement (paying for 20 hours)
England	£48.31	£91.68
East Midlands	£41.98	£82.00
East of England	£47.01	£93.92
London, inner	£71.73	£127.41
London, outer	£58.29	£115.02
North East	£49.16	£82.24
North West	£40.84	£79.63
South East	£50.17	£94.01
South West	£44.76	£88.33
West Midlands	£42.97	£76.45
Yorkshire and Humberside	£40.42	£80.95

Table 6 – Prices of 25 hours a week childcare with a childminder for three and four year olds in Scotland and Wales

	25 hours a week, including Universal Entitlement (paying for 9 hours)	50 hours a week, including extended entitlement in Wales (paying for 20 hours) and universal entitlement in Scotland (paying for 34 hours)
Scotland	£40.19	£151.72
Wales	N/A: free entitlement varies	£89.69

Great Britain:

- ▶ Whereas prices for younger children are often lower at nurseries than with childminders, prices for three and four year olds are closer – nurseries cost more than childminders in England, but less in Scotland and Wales. When children turn three, nurseries are able to benefit from higher staff ratios which reduce costs. With smaller numbers of children overall, childminders are not able to do this.

D. Variations in the price of childcare for young children

This section outlines the highest and lowest prices of 25 hours of childcare for children under two years old relative to the average price in the local authority⁴. These differences from the average price reflect the ability of private childcare businesses (outside of the funded free entitlements) to set their fees in a competitive marketplace. These variations can make a significant difference for families who may find that the only childcare available locally is significantly higher than average costs.

⁴ The benchmark of 100% shows how much or less the prices differ. So, for example, a +52% indicates that nurseries in country or region charges up to 52% higher than the average.

Table 7 - Highest and lowest prices as a percentage above or below average prices, for 25 hours of care for a child under two

	Highest price	Lowest price
Great Britain	+49%	-30%
England	+49%	-31%
Scotland	+30%	-19%
Wales	+49%	-23%
East Midlands	+38%	-38%
East of England	+33%	-19%
London, inner	+67%	-32%
London, outer	+70%	-28%
North East	+30%	-25%
North West	+52%	-34%
South East	+49%	-33%
South West	+40%	-24%
West Midlands	+40%	-40%
Yorkshire and Humberside	+59%	-26%

Great Britain:

- ▶ Of these 25 hour childcare prices for under twos, the highest prices in local authorities tend to be further from the average than the lowest prices. Rental costs, required space, minimum wage, and regulations regarding ratios between staff to children means that there is in effect a minimum possible cost for providing childcare.
- ▶ The higher prices are also more different from the average than the lower prices are because they reflect that some parents are able and willing to pay considerably more than the average for childcare.
- ▶ There is less variation in price in Scotland than in England and Wales.

English regional differences:

- ▶ Within the English regions, the highest prices range from 70 per cent above the average in outer London to 30 per cent above average in the North East.
- ▶ The lowest prices show less variation, between 19 per cent lower than the average in the East of England and 40 per cent lower than the average in the West Midlands.

E. Prices of school age childcare

Table 6 shows the weekly price for an after school club and a childminder for five to 11 year olds. The findings are applicable to term time care and exclude holiday clubs.

This year, the average price of an after school club for a week is £62.13 across Great Britain, or £2,420 a year during term time (39 weeks). The average price of a childminder to 6pm for a week is £71.06 across Great Britain, or £2,770 a year during term time. There are also some distinct variations at the regional level. These prices are without the additional costs that parents will face if they are also paying for childcare before school, which is often necessary for parents working the typical 9 to 5 job.

Table 8 - Weekly price of an after school club or childminder for children age 5-11

	After school club	Childminder to 6pm
Great Britain	£62.13	£71.06
England	£62.56	£71.55
Scotland	£62.86	£69.91
Wales	£54.13	£63.65
East Midlands	£59.60	£59.09
East of England	£61.37	£71.00
London, inner	£59.46	£106.40
London, outer	£72.28	£89.88
North East	£61.49	£56.65
North West	£51.69	£58.16
South East	£73.43	£74.79
South West	£58.23	£75.42
West Midlands	£67.80	£68.16
Yorkshire and Humberside	£52.62	£60.67

Great Britain:

- ▶ For Great Britain as a whole, childminder costs for 5 to 11-year-olds tend to be higher at £71.06 a week compared to an after school club at £62.13 a week – although after school clubs are sometimes open for fewer hours than childminders.
- ▶ Scotland and England have similar prices for after school care both with childminders and at after school clubs. Prices in Wales are slightly lower.

English regional differences:

- ▶ The most costly region for 15 hours of after school clubs is the South East (£73.43), which is 40 per cent higher than the lowest cost region of Yorkshire and Humberside (£52.62).
- ▶ The price difference is notably more for childminders, with inner London (£106.40), the most costly region, being 85 per cent higher than the North East (£56.65), the least costly region. Prices are significantly higher in London than in other regions.
- ▶ The difference between the price of after school clubs and care with a childminder is particularly notable for inner London, where a childminder (£106.40) is almost twice the price of an after school club (£59.46).

Some London local authorities have a historic pattern of running some after school clubs in-house and charging low prices to parents. This brings down average prices in these otherwise high cost areas so they are close to the national average. This is particularly the case in inner London, but less so in outer London. Childminders are less likely to be subsidised, and so the price differences between childminders and after school clubs is likely to be greater in regions where subsidising after school clubs is more common.

As well as using formal after school clubs, parents may also use activity clubs as de facto childcare. Prices for this are not captured in our survey. Because clubs providing a specific activity such as football or dance for children over eight do not have to be registered and regulated as childcare by Ofsted, they are not officially counted as childcare, and so parents will not usually be able to pay for them using Tax-Free Childcare or childcare support through the benefits system. Additionally, they usually do not offer enough hours of care per week, or for enough weeks per year, to provide reliable childcare for working parents.

F: Price changes in childcare since 2020

The majority of nursery prices have risen since 2020. The increase in Great Britain has been higher than inflation measured either by CPIH, which was 0.8% in December 2020, and RPI, which was 1.2% in December 2020. (Office for National Statistics, 2021).

Prices have risen in England and Scotland while they have fallen slightly in Wales. For younger children, prices have risen most sharply in England. For three and four year olds, Scotland has seen the highest increase in prices. It should be noted that although these are high as a percentage increase, prices are considerable lower for three and four year olds than for under threes.

Table 9: Price increases since 2020 for 25 hours nursery for children under 5

	Under 2	2 year old	3-4 year old using free entitlement
Great Britain	4.1%	4.3%	3.3%
England	4.4%	4.6%	3.1%
Scotland	3.6%	2.5%	8.8%
Wales	-1.4%	-1.6%	NA

We have not given figures for 3-4 year olds in Wales because of the variation in the free entitlement between local areas in Wales.

For a detailed explanation of how the price changes were calculated, please see the methodology. The average change does not mean that all areas have seen equivalent rises, or that all providers have put their prices up by the same amount: the childcare market is fairly volatile and varies substantially between and even within local areas. Price changes can reflect existing providers changing their prices, or providers opening or closing in an area.

Section 2 – Childcare sufficiency – is there enough childcare?

This section outlines the legal duties on local authorities around monitoring the local childcare market and then presents data on whether there is enough childcare across Great Britain.

A. Childcare sufficiency – legal duties

Local authorities are required to manage the market for childcare in their local area, which means they need to know whether enough childcare is available for key groups. The precise rules vary between the nations of Great Britain:

- ▶ In England, local authorities have to audit childcare sufficiency annually, including considering the free early education entitlements, childcare for school age children, disabled children, and different types of families.
- ▶ In Scotland, local authorities have a statutory duty to consult with parents on the delivery of early education and childcare, and to publish a plan based on the results of their consultation.
- ▶ Welsh local authorities were required to produce a sufficiency assessment and action plan in 2017 and every five years thereafter, and report to the Welsh government annually through a progress update.
- ▶ Because these duties vary in different parts of the UK, we have presented sufficiency data separately for the three nations. These data are based on local authorities' assessments at the time of the survey, which may differ from their published Childcare Sufficiency Assessments if the local situation has changed since this was last published.

B. Childcare sufficiency in England

Local authorities were asked to report whether they had sufficient childcare in terms of 'Yes: all areas', 'Yes: in some areas', 'No' or 'Data not held or cannot tell'. Overall, the provision of childcare in all areas was far from universal and varied according to the type of childcare required.

Table 10 - Childcare sufficiency in England (% local authorities)

	Yes: in all areas	Yes: in some areas	No	Data not held or cannot tell
Children under two	72%	25%	1%	2%
Two year old free entitlement	72%	26%	2%	0%
Three and four year old 15 hour entitlement	82%	18%	0%	0%
Three and four year old 30 hour entitlement	74%	26%	0%	1%
5 to 11 year olds after school	26%	50%	2%	23%
12 to 14 year olds after school	13%	26%	4%	57%
Disabled children	25%	45%	8%	23%
Parents working full time	68%	25%	0%	8%
Parents working atypical hours	16%	44%	8%	33%
Families living in rural areas	29%	46%	4%	21%

Most local areas are able to say whether there is enough childcare in their area, with the exception of after school childcare for 12 to 14 year olds where there are significant data gaps – 57 per cent report 'Data not held or cannot tell'.

The biggest gaps in sufficiency are seen for parents of 12 to 14 year olds after school (13 per cent provision 'in all areas'), parents working atypical hours (16 per cent) and for disabled children (25 per cent provision 'in all areas').

Generally, there is more childcare availability for younger children. For example, 72 per cent of local authorities report enough childcare in all areas for children under two compared to 26 per cent for 5 to 11 year olds.

Since 2020, sufficiency has increased for all categories apart from school age childcare and parents working atypical hours. This is likely to be a result of a decrease in demand for childcare in response to the pandemic, meaning less demand for places are available. In some areas, demand for childcare for parents who work atypical hours may instead have increased if key workers started to use (more) formal childcare which would explain why sufficiency has not increased for this group. While early years childcare providers have been able to stay open since June, out of school childcare did not immediately reopen and has been asked to close for most children since then which could explain the slight decrease in sufficiency.

While it is clearly good news for families that more areas have enough childcare to meet demand, it is important to make sure that these gains are sustained. As discussed further in Section 3, it is likely that these gains in sufficiency have resulted from a reduction in demand for childcare (rather than an increase in supply), and we may well see this demand return through 2021. The additional financial support through the Job Retention Scheme, the Self Employment Income Support Scheme and changes to funding of free early education entitlement places, has somewhat protected the sector from a more a substantial income shock and allowed many childcare providers to stay open. If and when this support is withdrawn, childcare providers may struggle to stay afloat which could lead to shortages in the supply of childcare.

Table 11 - Childcare sufficiency defined as 'Yes: in all areas' in England, for 2021 and 2020 (% LAs)

	2021	2020
Children under two	72%	60%
Two year old free entitlement	72%	64%
Three and four year old 15 hour entitlement	82%	73%
Three and four year old 30 hour entitlement	74%	64%
5 to 11 year olds after school	26%	32%
12 to 14 year olds after school	13%	14%
Disabled children	25%	19%
Parents working full time	68%	56%
Parents working atypical hours	16%	18%
Families living in rural areas	29%	24%

The extended entitlement for 30 hours of childcare has only been available since 2017. Although sufficiency for the 30 hour entitlement is still less than the 15 hour entitlement for three and four year olds, it has increased since the 2020 report (from 64 per cent in all areas in 2020 to 74 per cent in all areas). Only 1 per cent of the local authorities report not holding enough data to know whether there is enough childcare for children eligible for the 30 hours offer. Apart from childminders, the vast majority of childcare providers are now offering 30 hours.

Table 12 - % of childcare providers in England offering 30 hours

	% offering 30 hours
Childminders	63%
PVI settings	90%
Maintained nurseries	97%
Primaries with nursery classes	76%

Across early years provision and other age groups, there are some notable variations between English regions in the provision of childcare in 'all areas'.

Table 13 - Childcare sufficiency defined as 'Yes: in all areas' in English regions, for early years (% local authorities)

	5 to 11 afterschool	12 to 14 afterschool	Disabled children	Parents working full time	Parents working atypical hours	Families in rural areas
East Midlands	0%	14%	14%	57%	0%	0%
East of England	10%	0%	40%	60%	11%	17%
London, inner	8%	8%	23%	77%	15%	N/A
London, outer	33%	17%	35%	56%	18%	N/A
North East	33%	22%	22%	78%	22%	33%
North West	29%	19%	33%	76%	19%	36%
South East	29%	6%	6%	53%	6%	10%
South West	25%	8%	25%	58%	17%	33%
West Midlands	33%	25%	8%	67%	8%	43%
Yorkshire and Humberside	33%	25%	8%	67%	8%	43%

The East Midlands has the highest number of gaps in provision and the North West and North East report the highest levels of 'all area' provision (between 19 and 78 per cent provision for all categories).

C. Childcare sufficiency in Scotland

Because statutory requirements in Scotland are different, authorities tend to have less knowledge than their English counterparts about childcare outside of the free entitlements. Outside of childcare for children entitled to funded childcare, between 43 per cent and 76 per cent reported 'Data not held or cannot tell'.

Table 15 - Childcare sufficiency in Scotland (% local authorities)

	Yes: in all areas	Yes: in some areas	No	Data not held or cannot tell
Children under two	24%	28%	3%	45%
Two year old 600 hour entitlement	61%	25%	0%	14%
Three and four year old 600 hour entitlement	81%	4%	0%	15%
Three and four year old 1140 hour entitlement	50%	0%	0%	50%
5 to 11 year olds after school	14%	34%	3%	48%
12 to 14 year olds after school	3%	17%	3%	76%
Disabled children	15%	22%	0%	63%
Parents working full time	29%	21%	0%	50%
Parents working atypical hours	10%	24%	3%	62%
Families living in rural areas	26%	22%	9%	43%

- ▶ 81 per cent of local authorities reported enough childcare for the three and four year old entitlement in all areas, compared to 3 per cent for the provision for 12 to 14 year olds after school.
- ▶ Not all local authorities in Scotland have yet fully rolled out the 1140 hours which is the reason for the high number of 'Don't know/Data not held' responses.

The proportion of areas with enough childcare for children eligible for funded childcare in Scotland have shown some changes since 2020. However, because Scotland has relatively few local authorities (32, compared to 152 in England), changes in responses from a few authorities can make a noticeable difference to the overall figures.

Table 16 - Childcare sufficiency defined as 'Yes, in all areas' in Scotland, for 2020 and 2021 (% local authorities)

	2021	2020
Children under two	24%	27%
Two year old free entitlement	61%	65%
Three and four year old 600 hour entitlement	81%	92%
5 to 11 year olds after school	14%	4%
12 to 14 year olds after school	3%	0%
Disabled children	15%	4%
Parents working full time	29%	27%
Parents working atypical hours	10%	12%
Families living in rural areas	26%	38%

- ▶ In general, sufficiency in childcare has decreased for most categories since 2020, with the exception of disabled children, 5-11 year olds after school, 12-14 year olds after school and parents working full time. There has been a notable decrease in sufficiency in areas since 2020 for the three and four year old 600 hour entitlements (decreasing from 92 per cent in 2020 to 50 per cent in 2021).
- ▶ In contrast, sufficiency has increased for children aged 5-11 after school from 4 per cent in 2020 to 14 per cent in 2021.

D. Childcare sufficiency in Wales

Welsh local authorities were required to produce a statutory five-yearly Childcare Sufficiency Assessment in 2017. Over the last four survey years, the proportion of local authorities answering saying that they do not know whether they have enough childcare has reduced: it is now broadly equivalent to England.

Table 17 - Childcare sufficiency in Wales (% local authorities)

	Yes: in all areas	Yes: in some areas	No	Data not held or cannot tell
Children under two	47%	53%	0%	0%
Flying start areas	59%	41%	0%	0%
Three and four year old universal entitlement	53%	47%	0%	0%
Three and four year old 30 hours entitlement	47%	47%	0%	7%
5 to 11 year olds after school	29%	53%	12%	6%
12 to 14 year olds after school	6%	19%	31%	44%
Disabled children	19%	38%	38%	6%
Parents working full time	41%	59%	0%	0%
Parents working atypical hours	6%	53%	41%	0%
Families living in rural areas	8%	77%	15%	0%

- ▶ There are significant shortages for disabled children and parents working atypical hours with 38 per cent and 41 per cent of local authorities reporting that there is not enough childcare.
- ▶ Only around half of local authorities in Wales have enough childcare for free early education entitlements.

Reported sufficiency in Wales has increased since 2021 for most categories. For example, sufficiency 'in all areas' for Flying Start increased from 29 per cent of local authorities in 2020 to 59 per cent in 2021. Also, sufficiency 'in all areas' for the three and four year old universal entitlement increased from 29 per cent in 2020 to 53 per cent in 2021. As in Scotland, Wales has relatively few local authorities (22) so changes from a small number of authorities can have a large effect.

Table 18 - Childcare sufficiency defined as 'Yes: in all areas' in Wales, for 2020 and 2021 (% local authorities)

	2021	2020
Children under two	47%	7%
Flying start areas	59%	29%
Three and four year old universal entitlement	53%	29%
Three and four year old 30 hour entitlement	47%	23%
5 to 11 year olds after school	29%	14%
12 to 14 year olds after school	6%	0%
Disabled children	19%	31%
Parents working full time	41%	21%
Parents working atypical hours	6%	21%
Families living in rural areas	8%	18%

Section 3 – Impact of Covid-19 on childcare in England

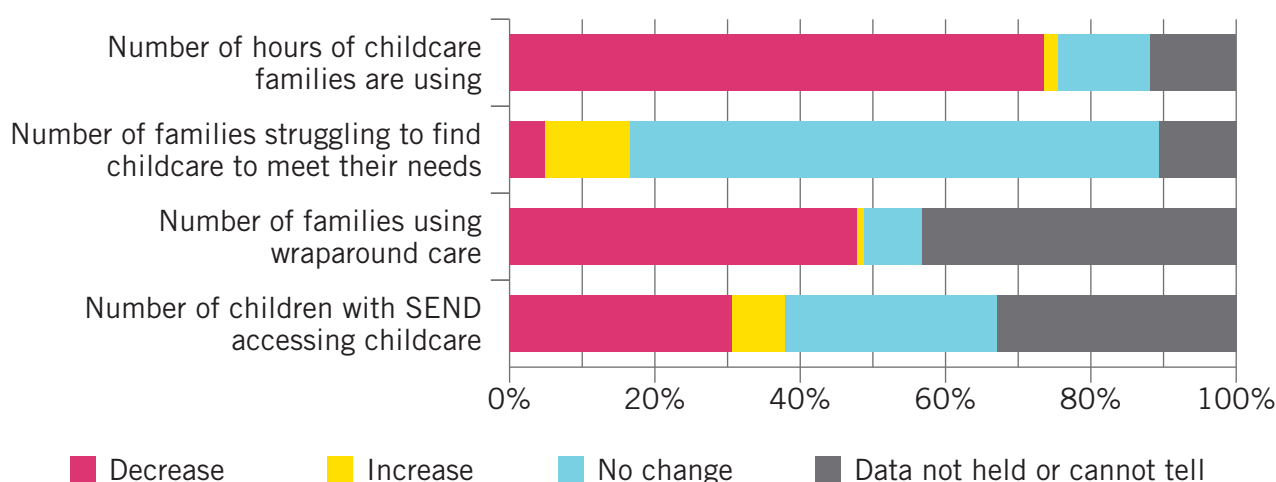
As part of this year’s Childcare Survey, we asked local authorities about the impact of Covid-19 on their local childcare sector. The impacts of Covid-19 vary significantly between different areas depending on both the structure of the childcare market and the local effects of Covid-19. Local authority teams often work closely with childcare providers and parents, and so are able to identify emerging issues early. We asked about changes to supply, demand and sufficiency of childcare locally, steps taken by childcare providers to maintain sustainability, and the expected impact of possible changes to Government funding. This information was gathered in November and December 2020 prior to the most recent national lockdown, and before decisions on changing the funding for free early educational entitlements from the spring term onwards had been made.

Our survey found that childcare usage had dropped in the vast majority of local authority areas. Many also reported a drop in the supply of childcare, with a third seeing an increase in permanent closures of childcare settings compared to last year. As yet, the majority of local authorities are not seeing shortages increase, but there is some cause for concern around possible increasing gaps for children with SEND and school age children – groups that already faced persistent shortages. It is also worth noting that although shortages are not increasing in the majority of areas, this does not take away from the problems in the minority of areas which are seeing sufficiency decrease. Childcare providers have made a wide range of changes in order to increase their sustainability, including staff redundancies (in 61 per cent of areas), increasing the number of children each member of staff looks after (in 30 per cent of areas) and raising prices for parents (in 39 per cent of areas).

A. Childcare demand

The survey confirmed that in the vast majority of areas, use of childcare had decreased since last year with families using fewer hours of childcare. The reasons for this reduction in demand are likely to be a combination of families needing less childcare, as they have temporarily or permanently stopped or reduced working, and that they are reluctant to use childcare because of the risk of the spread of the virus.

Chart 1: Local authority view on change in childcare use since last year

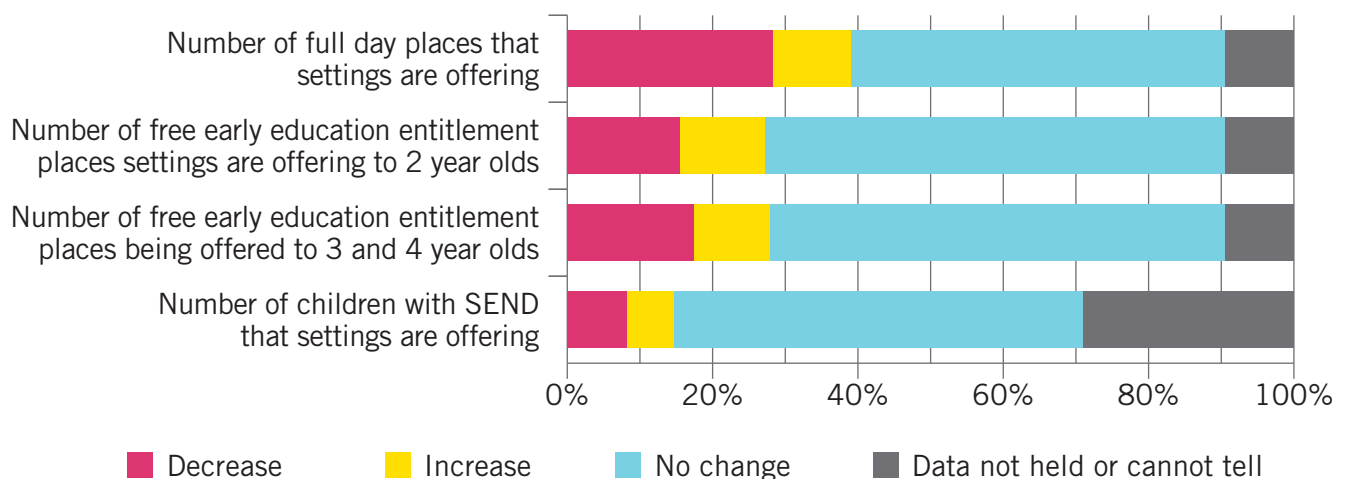


- ▶ There does not yet seem to be evidence of negative impacts on families trying to find childcare, with the vast majority (73 per cent) of local authorities not seeing any change in the number of families struggling to find childcare to meet their needs.
- ▶ However, 12 per cent have seen an increase in the number of families struggling, so there is a need to keep watch to see whether issues emerge.
- ▶ Almost half of local authorities reported a reduction in the number of families using wraparound care for school age children and a third of local authorities reported a reduction in the number of children with SEND using childcare.

B. Childcare supply

Despite the significant changes in the use of childcare over the last year, it is perhaps surprising that the majority of local authorities did not identify significant changes in the childcare supply that is available to families.

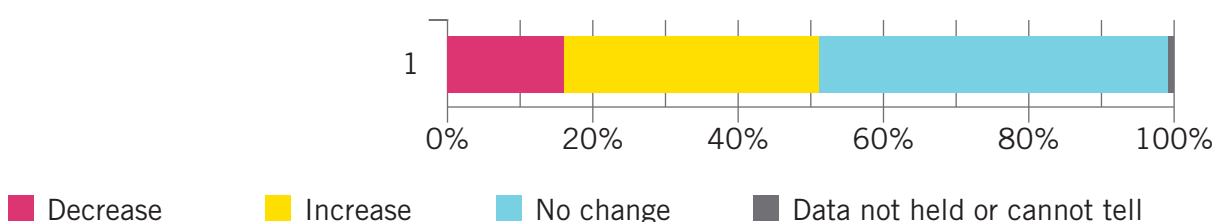
Chart 2: Local authority view on the change in supply of childcare since last year



- ▶ The majority of local authorities had not seen a change in the number of places available for children.
- ▶ Almost a third (29 per cent) of local authorities saw a reduction in the number of full day places offered by childcare settings.
- ▶ One in six did report the number of free early education entitlement places available decreasing.

A third (35 per cent) of local authorities also said that the number of providers permanently closing in their local area had increased, and 16 per cent said that the number of providers closing had decreased.

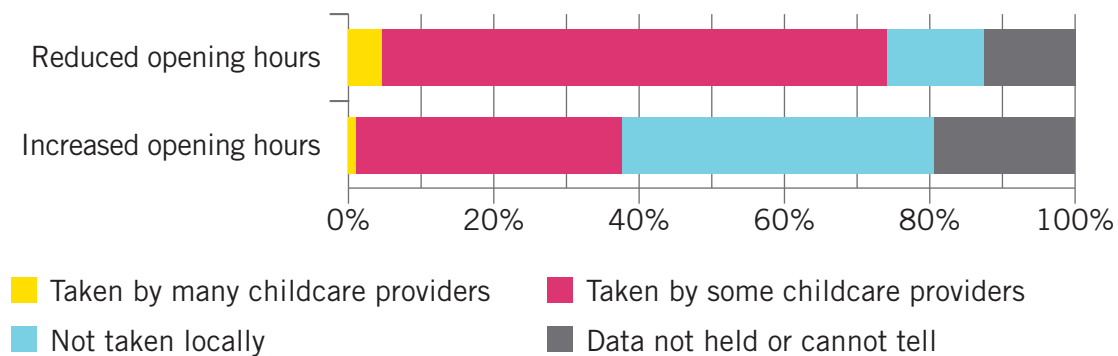
Chart 3: Local authority view on change in the number of childcare providers permanently closing since last year



C. How childcare providers have responded

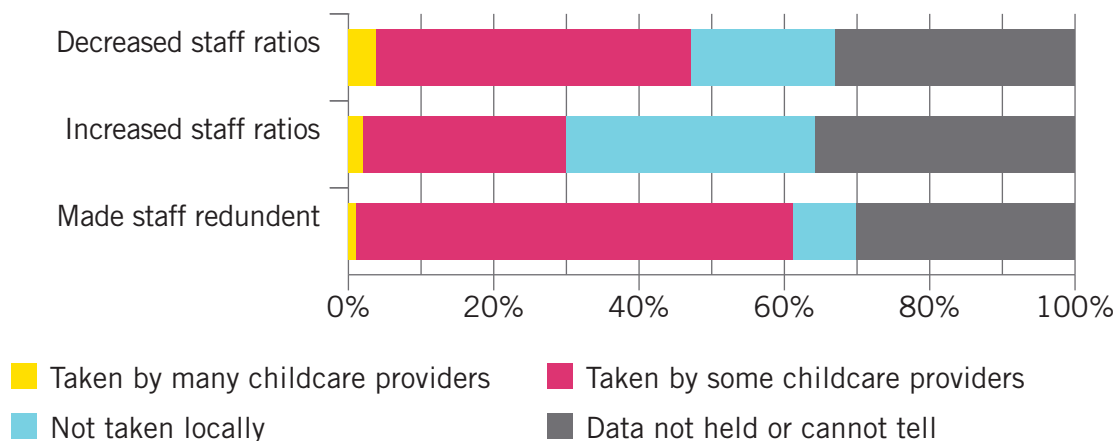
Many childcare providers have made changes to their business models in an attempt to weather the turbulence of the pandemic. We asked local authorities what childcare providers in their local area had done. The survey showed a wide variety of actions taken locally by childcare providers to respond to the crisis, some of which could have a negative effect on families. These changes are potentially important around making sure there is enough high quality childcare available in the medium term for all families who need it. Changes to staffing and prices can have an impact on both the quality of childcare and whether it is accessible for all families, notably for children with SEND and low income households.

Chart 4: Local authority view on steps taken by childcare providers to help with business sustainability



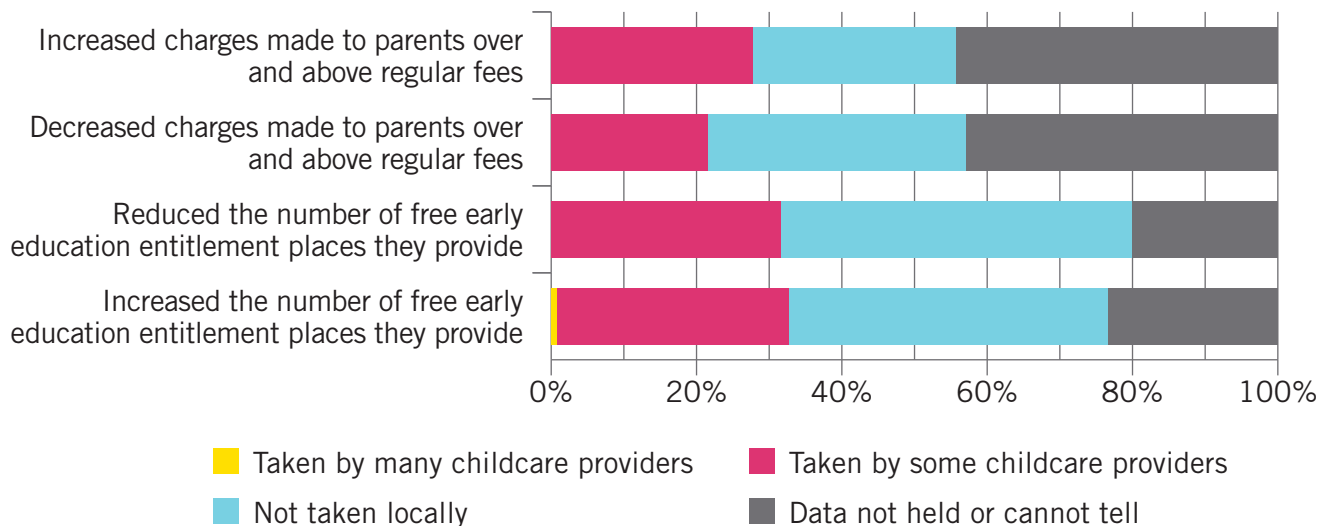
- ▶ Almost three quarters of local authorities reported that childcare providers in their area had reduced their opening hours.

Chart 5: Local authority view on steps taken by childcare providers to help with business sustainability



- ▶ 61 per cent of local authorities have seen childcare providers making staff redundant.
- ▶ Almost half (48 per cent) of local authorities said that some or many childcare providers decreased their staff ratios with fewer children per member of staff.
- ▶ Around one in three (30 per cent) said that they had increased staff ratios with more children per member of staff.

► **Chart 6: Local authority view on steps taken by childcare providers to help with business sustainability**



- A third of local authorities (32 per cent) said that some childcare providers in their area had reduced the number of free early education places that they offered.
- However, almost half said (49 per cent) that providers locally had not reduced the number of free early education places on offer and a third (33 per cent) said that some or many childcare providers have increased the number of places on offer.

D. Changes to Government funding

The majority of local authorities did not identify a significant fall in the supply or sufficiency of free early education entitlement places to date, which is likely to at least in part be a result of Government policy. From the beginning of the first lockdown to December 2020, the Government continued to fund free early education entitlements based on pre-pandemic attendance levels. This means that most providers have received funding for their places, even if children have not taken them up. When we conducted the survey it was unclear whether funding would revert to ‘following the child’ and only funding places that were actually taken up. We asked local authorities what impact they thought this would have. Government have taken a middle ground on funding, where they will fund places that a child is registered for, even if they are not actually attending.

Fifty eight per cent of local authorities reported that they thought that some childcare providers would permanently close if Government moved to only funding childcare places where children attended. This provides a stark reminder of the important role that Government funding decisions make on providers’ sustainability and Government should consider this when making future funding decisions.

CONCLUSION

This survey of local authorities shows the early impacts of Covid-19 on the childcare market. In England and Scotland, prices have risen significantly above inflation, and could put pressure on family finances; finances which may already have been stretched by the pandemic. While it is positive to see improvements in whether there is enough childcare available, this should not take away concerns around childcare supply over the short and medium term. Many of the issues within the childcare sector pre-dated the pandemic but have been exacerbated over the past year. Childcare shortages have not increased because demand for childcare has decreased and state support has helped to prevent closures of childcare settings. However, it remains to be seen what will happen to childcare supply if and when temporary state support related to the pandemic is withdrawn, and demand returns to closer to usual levels.

The vital role of childcare remains unchanged. Without affordable childcare, parents can be forced out of work or stuck in lower-skilled jobs – this is bad for them and the economy. Moreover, without high quality childcare, children miss out on a potential boost to their outcomes which lasts all the way to when they take their GCSEs. Investing in childcare makes sense because it benefits and strengthens the economy, both now and in the future.

The childcare system is overly complex leaving parents at risk of falling through the gaps in support or struggling to understand their entitlements. While many parents across the country benefit from the extension of Government funded childcare for three and four year olds, many others find that the cost of childcare freezes them out of work.

Governments should reform all current spending on childcare to create a simple and efficient system that not only guarantees that all parents are better off working, but also ensures that all children have access to high quality childcare to support their development. It should support the sustainability and quality of childcare providers so that parents are able to find childcare that meets their families' needs.

An ambitious strategy and reform will take time. Governments can take action in the shorter term to fix urgent problems in the system. We call on Scottish, Welsh and UK governments to:

- ▶ Launch a funding review for the free early education entitlements to make sure that funding levels are sufficient to support the delivery of high quality education and care, including but not limited to issues resulting from Covid-19.
- ▶ Reform Universal Credit so it does not lock parents out of work, by increasing the maximum amount of childcare costs paid under Universal Credit and move to upfront payments for childcare.
- ▶ Extend the 30 hours free childcare provision for three and four year olds in England and Wales to families where parents are in training, to help boost their employment opportunities.
- ▶ Double the early years pupil premium, to boost outcomes for the most disadvantaged children.
- ▶ Re-allocate any underspend budget for Tax-Free Childcare to other parts of the childcare system – prioritising the most disadvantaged children.

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APPENDIX – Methodology

Note on tables: Percentages in all tables may not add up to 100 per cent due to rounding.

Timescales

This report is based on surveys sent to all Family Information Services at local authorities in November 2020. Respondents were able to fill in a form or reply online. After a month, we sent Freedom of Information requests to those local authorities which had not responded. The questions about the impact of Covid were not included in the Freedom of Information requests. The deadline for Freedom of Information requests was in late January.

Authorities who responded without the need for a Freedom of Information request were promised that individual responses would not be published, with only regional/national averages provided in the report. This is consistent with previous surveys, and we do it to encourage honest and accurate data reporting. When Freedom of Information requests are used, some local authorities automatically publish their own responses, so we cannot make the same promise. However, we do not report these Freedom of Information individual responses in this report, and nor do we say which responses were acquired through Freedom of Information requests and which through surveys.

Data sources

Average, maximum and minimum childcare prices are provided by local authorities rather than being calculated by Coram Family and Childcare from information directly from providers. Similarly, assessments of sufficiency are provided by local authorities rather than being based on data collected by Coram Family and Childcare research team.

Where possible, we have kept questions consistent with previous versions of the survey to allow for tracking over time. However, we have made some changes to reflect the changing policy environment and in response to feedback from both survey respondents and organisations who use the data. We used slightly different surveys for local authorities in England, Scotland and Wales to reflect the different policy environments in the three nations.

Response rates

We received responses from 91 per cent of local authorities. The lowest response rate for any region was 81 per cent. Some local authorities did not give data for all questions, or gave data in a format that we could not use. For example, the effective response rate for the question about under 2s nursery prices was 73 per cent. Response rates for the questions about school age childcare were lower. The response rate for the questions on Covid and childcare were lower as they were not included in the freedom of information request. The response rate from local authorities in England was 57 per cent. The response rate was below 50 per cent in Wales and Scotland so we have not published results.

Weighting

In line with recent surveys, we have weighted cost data within regions and nations. This ensures that results from small local authorities which have relatively little childcare do not unduly influence overall results. Data on pre-school childcare is weighted against the 0-4 population based on ONS mid-year population estimates, and data for school-age childcare is weighted against the 5-11 population. Within local authorities, we have weighted cost data for PVI and maintained setting providers against the number of providers in that area. This is based on an assumption that the types of settings will have the same number of children on average. Childminder cost data is presented separately and not as part of the local weighted average for non-domestic settings. This is because of difficulties accurately estimating the number of children using childminders as opposed to non-domestic settings on a local level, and the unique role childminders play in the market. We did not weight the data used for Section 3.

Tracking change over time

Our comparison does not include any use of childcare subsidies through Tax-Free Childcare or the benefits system.

When comparing prices over time, we have only included local authorities where we have data for both 2020 and 2021. This is to avoid results being skewed by different local authorities having missing data year-on-year.

Changes are weighted against this year's population data as described above. In some cases, we received 2020 data after the survey deadline for the year, but 2021 data within the deadline: in these cases, we have included the data in our calculations although they do not appear in the 2020 survey. This approach produces slightly different results to comparing regional weighted prices from the 2020 survey to regional weighted prices in the 2021 survey – we believe it gives a more accurate reflection of the changes experienced by families.

Data we do not collect

We do not collect data on the costs and availability of nannies and au pairs. This is because this data is not held by local authorities, and because they are used by a very small proportion of the population. Necessarily, the survey also excludes all types of informal childcare (e.g. grandparents, friends, babysitters). Information on families' use of formal and informal childcare can be found in the Department for Education's report series Childcare and Early Years Survey of Parents – the latest edition is for 2019. We exclude Northern Ireland because the childcare funding system is very different, making it hard to draw direct comparisons.