



Department
for Work &
Pensions



Government
Social Research

Universal Credit childcare costs support research

Contents

1

Introduction and research overview

2

Understanding the survey population

3

Parents' use of childcare

4

Work and Childcare

5

UC childcare costs support

6

Reasons for not using UC childcare

7

User experience of UC childcare



Department
for Work &
Pensions



Government
Social Research

1

Introduction and Research Overview

Research context and aims

The aim of the research was to understand UC claimants' **childcare choices**, the impact of **different forms of government childcare support**, and how this feeds into whether they feel able to **work, look for work, stay in work, or to work more**.

1 Childcare

- What are parents' childcare preferences?
- How do they make decisions on which childcare to use, and how much?

2 Work

- What are the barriers parents face to working, working more, or progressing in work?
- How does childcare fit in and what support do claimants need to overcome these barriers?

3 Universal Credit

- What are the barriers to using UC childcare and how does uptake compare to other government support?
- What impact does UC childcare have / could it have on parents?
- How does the offer interact with other government childcare support?
- What could improve uptake of UC childcare?

¹ <https://www.gov.uk/government/statistics/universal-credit-claimants-eligible-for-and-receiving-the-childcare-element-march-2021-to-february-2022/universal-credit-claimants-eligible-for-and-receiving-the-childcare-element-between-march-2021-to-february-2022>

Overview of method

Large-scale survey and qualitative research with UC claimants with children aged up to 16.

1 Survey

- Mixed mode: Online survey followed by targeted telephone follow-up
- 6 October – 11 November 2021
- 12,910 claimants weighted to be representative of the UC population of those with children working and claiming UC childcare costs support, working but not claiming, and not working

2 Qualitative research

- 60 in-depth interviews with survey participants purposively sampled to reflect demographic and attitudinal diversity
- Testing 4 different scenarios
- Mobile diaries pre- and post-interview using Ipsos AppLife

All quantitative findings are weighted (to the profile of the specified UC population) but we include the **unweighted base** for all charts, so you can see how many people answered each question.

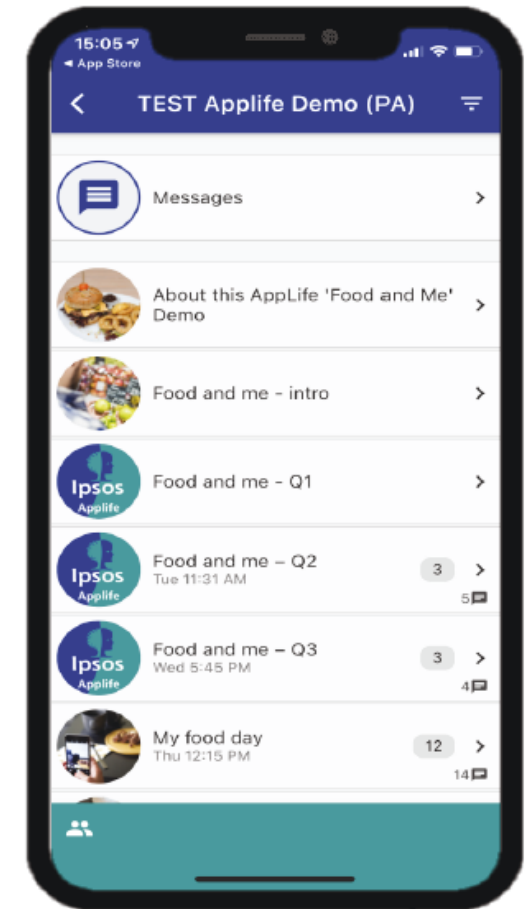
All subgroup differences identified are significantly different at the 95% confidence level.

Overview of method

AppLife questions and diary task

AppLife mobile platform

- **60 participants** used the mobile platform **AppLife** to answer questions about their childcare use and work status before and after their depth interview.
- They also filled out an **online diary**, providing daily updates about their feelings and decisions about work and childcare.
- These exercises:
 - **guided discussion** in the interviews,
 - **enriched the quantitative findings**, and
 - revealed how participants' childcare use and work **may have changed** over the fieldwork period.





Department
for Work &
Pensions



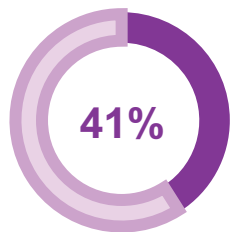
Government
Social Research

2

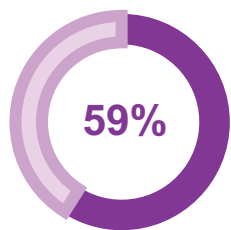
Understanding the survey population

An overview of the survey population

The key characteristics shaping claimants' use of childcare, working practices, and views of UC childcare



Have one child



Have multiple children

PRE-SCHOOL AGE ONLY



SCHOOL AGE ONLY



MIX OF PRE- AND SCHOOL AGE



22%

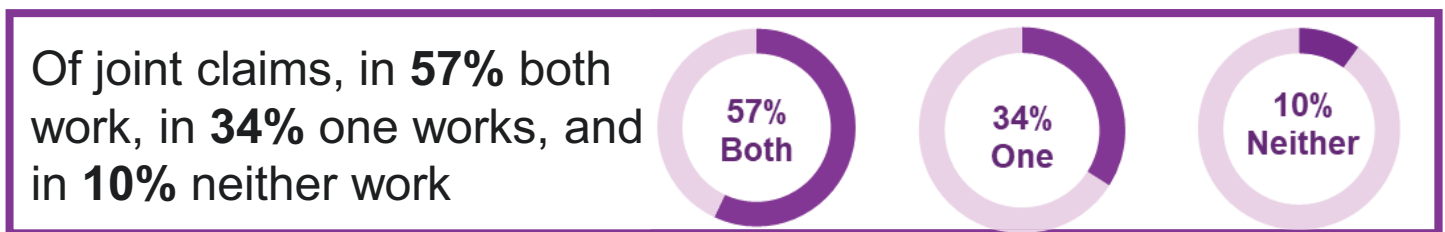
of respondents have a long-term disability or health condition that impacts their ability to work. **22%** have a child with SEN, a health condition or disability.



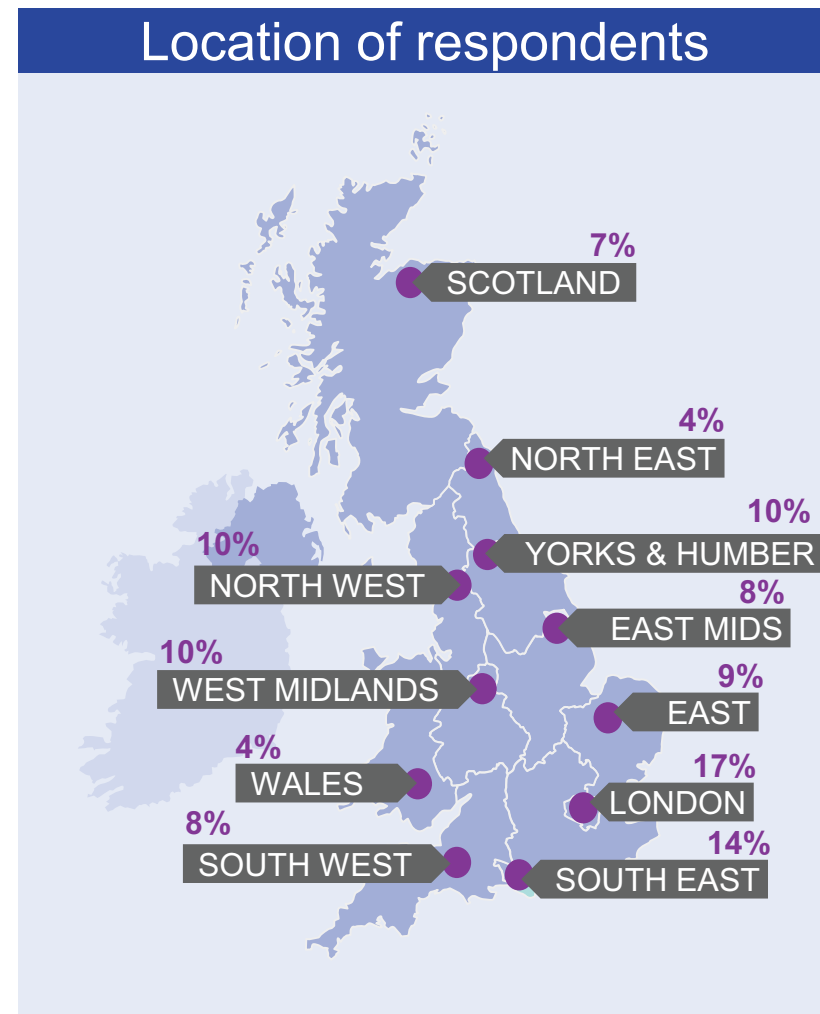
Base (unweighted): All respondents (12,910)

An overview of the survey population

The key characteristics shaping claimants' use of childcare, working practices, and views of UC childcare



Base (unweighted): All respondents (12,910), all in work (8,420), all with a joint claim (4,776)



Three key groups of interest

Group 2 are more likely to have joint claims and school age children. Group 3 have higher proportions of parents and children with SEN, health conditions or disabilities

6%

Group 1

Using UC childcare

- Working part-time **50%**
- Joint claim **33%**
- Pre-school age only **33%**
- School age only **34%**
- Child health condition or disability **13%**
- Parent (respondent) health condition or disability **12%**

63%

Group 2

Working and not using UC childcare

- Working part-time **52%**
- Joint claim **62%**
- Pre-school age only **15%**
- School age only **63%**
- Child health condition or disability **18%**
- Parent (respondent) health condition or disability **14%**

32%

Group 3

Not working and not using UC childcare

- Not working **100%**
- Joint claim **28%**
- Pre-school age only **17%**
- School age only **57%**
- Child health condition or disability **32%**
- Parent (respondent) health condition or disability **40%**

Base (unweighted): All respondents (12,910), Group 1 - Using UC childcare (4,739), Group 2 - Working and not using UC Childcare (4,142), Group 3: Not working and not using UC Childcare (4,029)

The working patterns of Groups 1 and 2

Group 2 are more likely to have variation in the number of hours they work each week, to work weekends, and are less likely to work between 8am – 6pm (core nursery / childcare hours)

6%

Group 1

Using UC childcare

- Single claimants (**69%**), joint claim both working (**28%**), joint claim one working (**3%**)
- Number of hours they work varies each week (**17%**)
- Work weekends (**28%**)
- Work in the day (8am-6pm) (**94%**)

63%

Group 2

Working but not using UC childcare

- Single claimants (**38%**), joint claim both working (**43%**), joint claim one working (**20%**)
- Number of hours they work varies each week (**27%**)
- Work weekends (**37%**)
- Work in the day (8am-6pm) (**86%**)

Base (unweighted): All Group 1: Using UC childcare (4,739), Group 2: Working and not using UC childcare (4,142), all with a joint claim in Group 1 (1,652), all with a joint claim in Group 2 (1,525).



Department
for Work &
Pensions



Government
Social Research

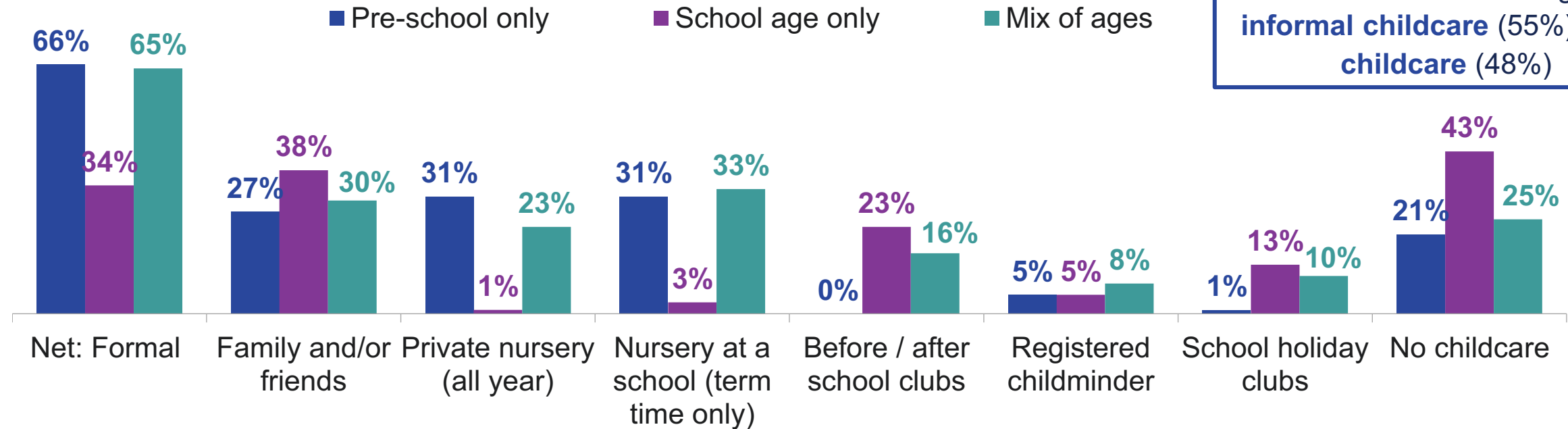
3

Parents' use of childcare

Why they use it, why they don't, and what the barriers are to using (more) childcare

Use of formal childcare is highest for those with children of pre-school age and mixed ages

No childcare or informal childcare is more common for those with school age children



Those using **only formal childcare** are more satisfied with their childcare arrangements (66%) than those who are using **only informal childcare** (55%) or **no childcare** (48%)

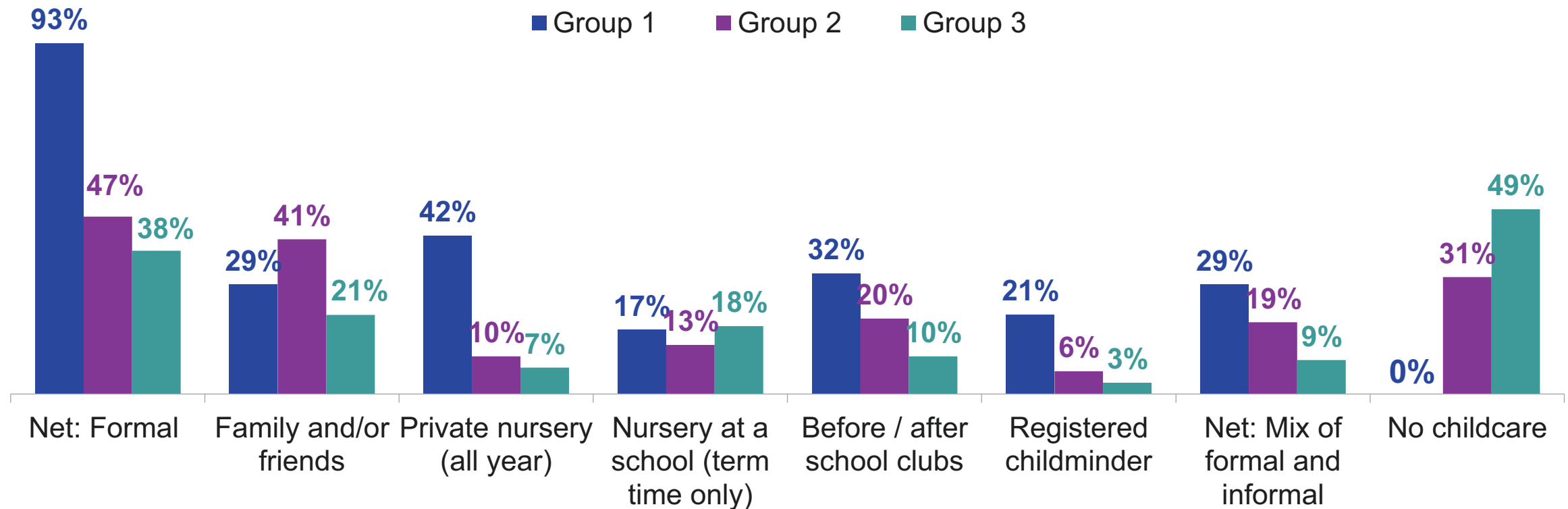
Base (unweighted): All respondents (12,910), all with pre-school children only (3,164), all with school age only (6,323), all mixed (3,421), all who use formal childcare only (5,501), all who use informal childcare only (1,410), all who use a mix of childcare (2,714), all who don't use any childcare (3,285).

B1: Which, if any, of the following types of childcare do you use? | B5: How satisfied or dissatisfied are you with your current childcare arrangements?

NB. Respondents could select multiple codes at this question.

Almost half in Group 2 and over a third in Group 3 use formal childcare

Three in ten of Group 2 and almost half of Group 3 do not use any childcare

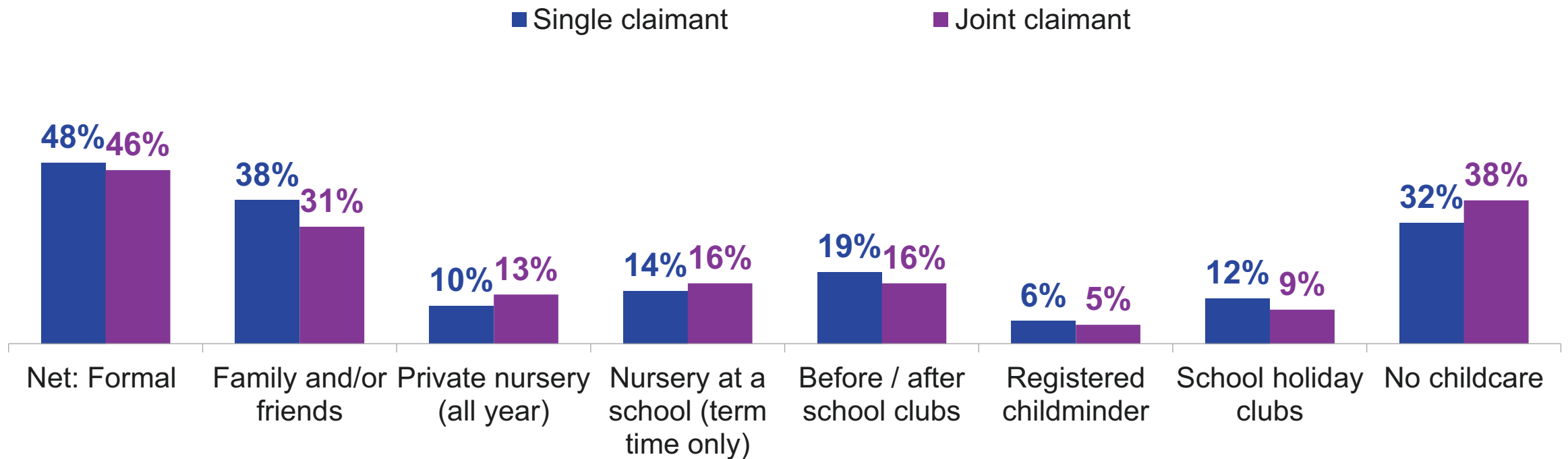


Base (unweighted): All respondents 12,910 (G1 - Using UC childcare: 4,739; G2 - Working and not using UC childcare: 4,142; G3 - Not working and not using UC childcare: 4,029).

B1: Which, if any, of the following types of childcare do you use? By childcare we mean time outside of school your child(ren) are cared for by someone who is not their parent / guardian. Please think about term-time and school holidays.

Single claimants are more likely to use childcare than joint claimants

Single claimants tend to use formal instead of informal care providers when using childcare



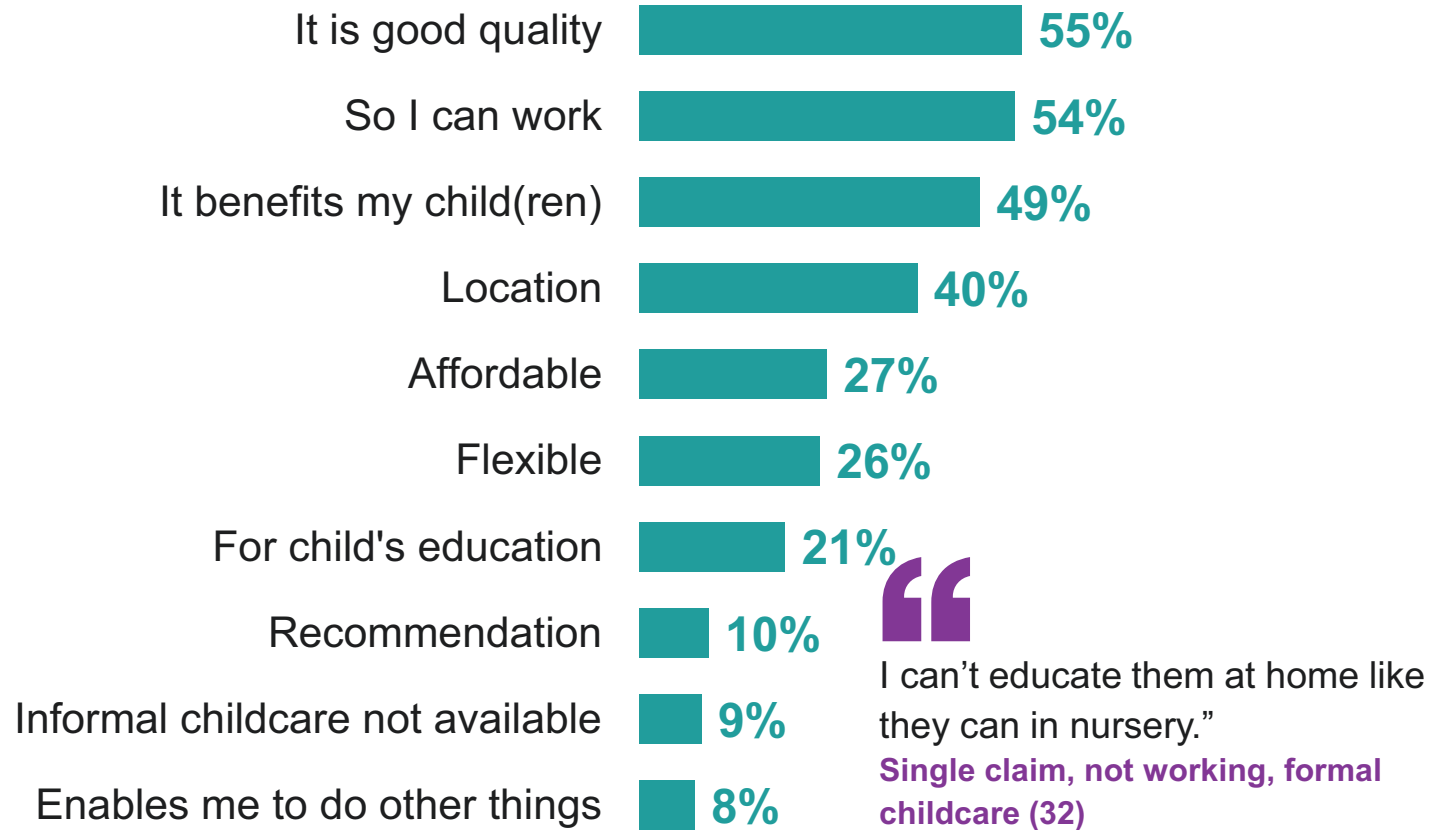
Base (unweighted): All single claimant households (8,134), all joint claimant households (4,776).

B1: Which, if any, of the following types of childcare do you use?

NB. Respondents could select multiple codes at this question.

Over half use formal childcare to enable them to work

The perceived quality of the setting and benefitting the child were other main reasons for using formal childcare



Qualitative insights into use of formal childcare

- Helps with **social development** and **school readiness** by getting children into daily routines.
- **Government subsidies** (e.g., free funded hours for pre-school children), reducing childcare costs through providing financial assistance
- Childcare choices are influenced by **word of mouth**, relying on the recommendations of others both online (e.g., forums) and offline (e.g., in the playground) for care options

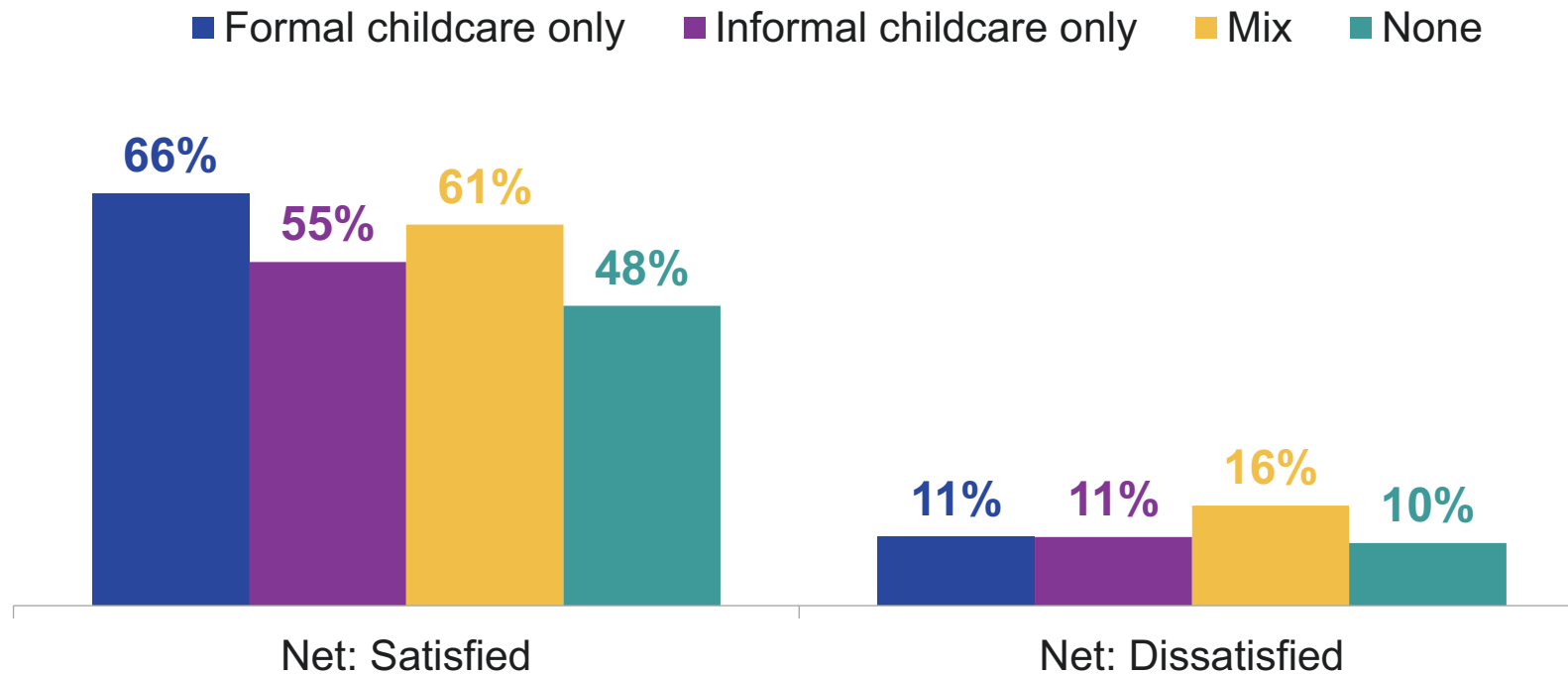
Base (unweighted): All who use formal childcare (9,484). Please note 'So I can work' was only shown to those in work (5,282).

B9: You've said you use childcare to look after your child(ren). Why do you use this type(s) of childcare for your child(ren)?

NB. Respondents could select multiple codes at this question.

Those using formal childcare are most likely to be satisfied with their childcare arrangements

Overall, 6 in 10 are satisfied with their arrangements (29% are 'very' satisfied)



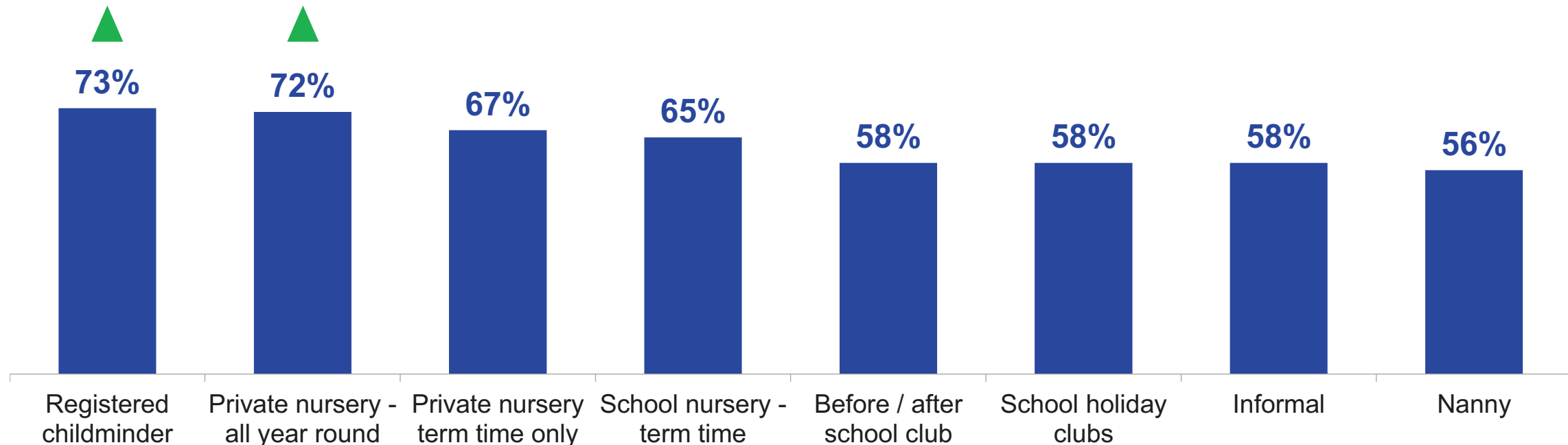
Respondents using **only formal childcare** are more satisfied with their childcare arrangements (66%) than those who are using **only informal childcare** (55%) or **no childcare** (48%)

Base (unweighted): All respondents (12,910), all who use formal childcare only (5,501), all who use informal childcare only (1,410), all who use a mix of childcare (2,714), all who don't use any childcare (3,285), all employed (8,420), all unemployed (4,490).
B5: How satisfied or dissatisfied are you with your current childcare arrangements?

Satisfaction is higher for childcare types which offer greater availability and flexibility


These differences in satisfaction by childcare type are small but still statistically significant

Net satisfaction by childcare type



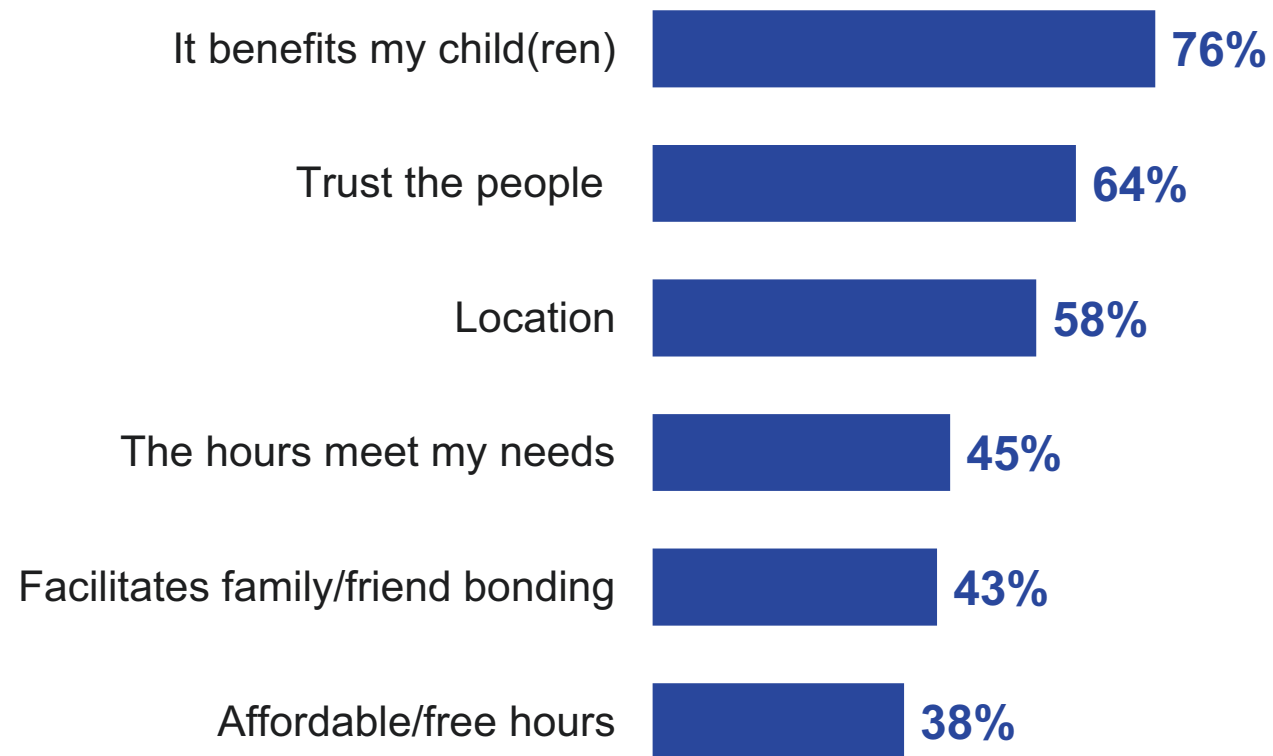
Base (unweighted): All respondents (12,910)

B5: How satisfied or dissatisfied are you with your current childcare arrangements?

 Indicates significantly higher than satisfaction with other forms of childcare

Parents' reasons for satisfaction with childcare are slightly different to the reasons for using it

Reasons for satisfaction amongst those using formal childcare only



Qualitative insight into reasons for satisfaction with formal childcare

- Good **parent-staff relationships** are formed through active engagement. Parents are kept informed of their child's development through progress reports, apps, and journals.
- Benefits child development by **encouraging independence** and **socialisation** with others. Achieved through dedicated environments designed for play and learning.
- Enables parents to **work** (and/or **increase standard hours**) as well as provides cover for school holidays, reducing the need to take (un)paid leave.

Base (unweighted): All who are using formal childcare only and are satisfied with their childcare (4,056).

B6: Which, if any, of the following are reasons why you are satisfied with your childcare arrangements?

NB. Respondents could select multiple codes at this question.

Qualitative research found that familiarity, comfort, and recommendations determined trust in providers

Reasons why parents trust formal childcare providers

Recommendations:

- **Informal:** friends, family, and online forums – e.g., Mumsnet, Facebook forums
- **Formal:** Needs to be Ofsted-registered, or rated highly by Ofsted. Ofsted registration is particularly important for parents of older children as it enables them to access childcare funding

Comfort:

- Child feels at ease when in provider's care
- Provider is attentive to the specific needs of children, particularly SEN and are qualified in providing one-to-one care

Familiarity:

- Have previously used the provider for an older child



They've [children] both got key workers that spend a lot of one-to-one time with them, which I think is really important."

Single claim, not working, formal childcare (32)



I personally wouldn't put my child with non-Ofsted childcare, if I didn't know them."

Joint claim, both working, formal and informal childcare (11)

Trusting providers is more important for parents of pre-school and **SEN children**

For early years, Ofsted registration is an important factor for determining quality. For older children, its importance is tied to accessing funding

Parents using formal childcare were most aware of Ofsted

Early years

- Parents using core nursery hours were unwilling to use a childcare provider which was not Ofsted registered – this is an important quality control factor. They had not experienced difficulties finding Ofsted registered childcare so did not see this as a barrier.
 - They feel it is appropriate to only be able to use UC childcare for Ofsted registered providers, to ensure quality control.
- Those who needed out of hours childcare and relied on nannies – which were more expensive – were happier to use a non-Ofsted registered nanny to reduce the costs. UC Childcare costs support enabled them to afford an Ofsted registered nanny.

School age

- For older children, Ofsted is less of a consideration as they use less childcare out of school. Wraparound care is provided by their school.
- Amongst parents wishing to use childcare funding for older children, Ofsted registration is essential for doing so. However, it is the funding access rather than the quality assurance of Ofsted registration which is important in this instance.
- Being able to use UC Childcare cost support for extra-curricular enrichment activities which are not Ofsted registered would enable parents to afford this type of activity.

Importance of Ofsted for pre-school children

“

I personally, for me, wouldn't put my child with non-Ofsted childcare, if I didn't know them.”

Joint claim, both working, no childcare (11)

“

I personally wouldn't really leave my little one with a childminder, or in any kind of childcare, that wasn't checked and official.”

Single claim, working, formal and informal childcare (9)

“

I didn't realise there were childminder people around who weren't Ofsted registered.”

Joint claim, working, formal and informal childcare (7)

“

I've always looked at Ofsted registered providers... I don't think I've seen many at all that weren't.”

Single claim, not working, formal and informal childcare (13)

“

I actually looked at the Ofsted report before I put her into nursery, because there's no way on Earth that I'd put her into a nursery that had a really crappy report.”

Joint claim, working, formal and informal childcare (7)

“

I wouldn't let my child be looked after by a random person who hasn't been Ofsted registered.”

Single claim, one working, formal and informal childcare (18)

A good environment and staff helped parents determine if childcare provider was good quality

Key quality indicators

Positive environment:

- Sensory toys, outdoor play, and messy play
- Natural toys and a focus on non-electronic/non-screen-based toys
- Shared values – e.g., religious or no-electronics

Regular communication:

- Updates on child's activities throughout the day

Staff:

- Warm, welcoming and engaged with the child
- Specially trained staff where needed e.g., speech therapy, autism, and ADHD (it is harder to find staff trained in managing physical health conditions)



We've viewed quite a few and [...] the environment they were in was a huge factor. We felt very comfortable with staff and the setting.”

Single claim, one working, formal and informal childcare (4)



[...] the final touch really for me to pay extra. They update everything that he does through the day [...] that was quite important.”

Single claim, not working, formal childcare (25)



The nursery we went to, they were the only one that actually paid attention to him [...] it was a big thing for me [...] I've got a really good relationship with his key worker.”

Joint claim, both working, formal childcare (6)

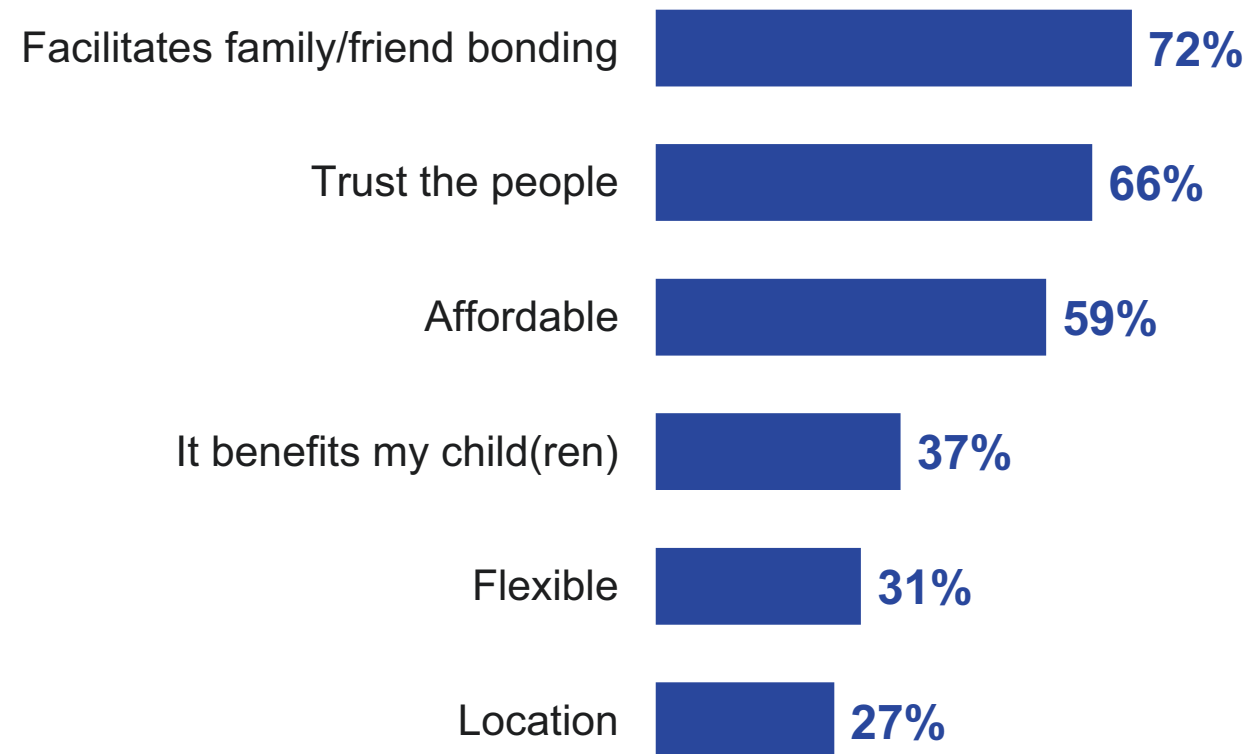


That nursery that he's in at the moment has got a certificate to help with speech and language therapy [...] he's thriving [...] that's really lovely.”

Single claim, one working, formal and informal childcare (4)

Benefits of spending time with family and friends and trust are main reasons for satisfaction with informal childcare

Reasons for satisfaction amongst those using informal childcare



Base (unweighted): All using informal childcare and are satisfied with their childcare (774).
B6: Which, if any, of the following are reasons why you are satisfied with your childcare arrangements?
NB. Respondents could select multiple codes at this question.

Qualitative insight into satisfaction with informal childcare

- Greater **familiarity** with friends and family compared with formal providers.
- Opportunities for children to spend **time with relatives outside of the household**.
- More trust in friends and family to provide **specific needs** for children with health conditions or disabilities.
- Comparatively **cheaper** (or **free of charge**) than formal providers.

“ My mum normally just has her because you can't trust her with anybody else. Yes, I wouldn't want to put that on anyone else, and then something really bad happens.”

Single claim, not working, no childcare (38)

Qualitative findings suggest cost, convenience and trust are key reasons for using only informal childcare

Cost

- **Free** to use
- Friends/ family members **cover each others' childcare needs** instead of needing to pay for care

Convenience

- Enables **work outside of nursery opening hours**
- Can **access additional childcare** when needed
- **Reduces travel time** and increases convenience for parents
- **Less urgency** around drop off/pick up times

Trust

- Children are **comfortable with friends/relatives**, and happier to spend time with them than 'strangers'
- Relatives of children with SEND are likely to be **familiar with the child's health condition(s)** and accustomed to their routine

Those using informal childcare only:

- Working 11-20 hours (**33% vs 27%** using formal childcare)
- Single claim – **55% vs 49%** using formal childcare



Those working evenings / weekends / irregular hours more likely to rely on a mix of formal and informal childcare.

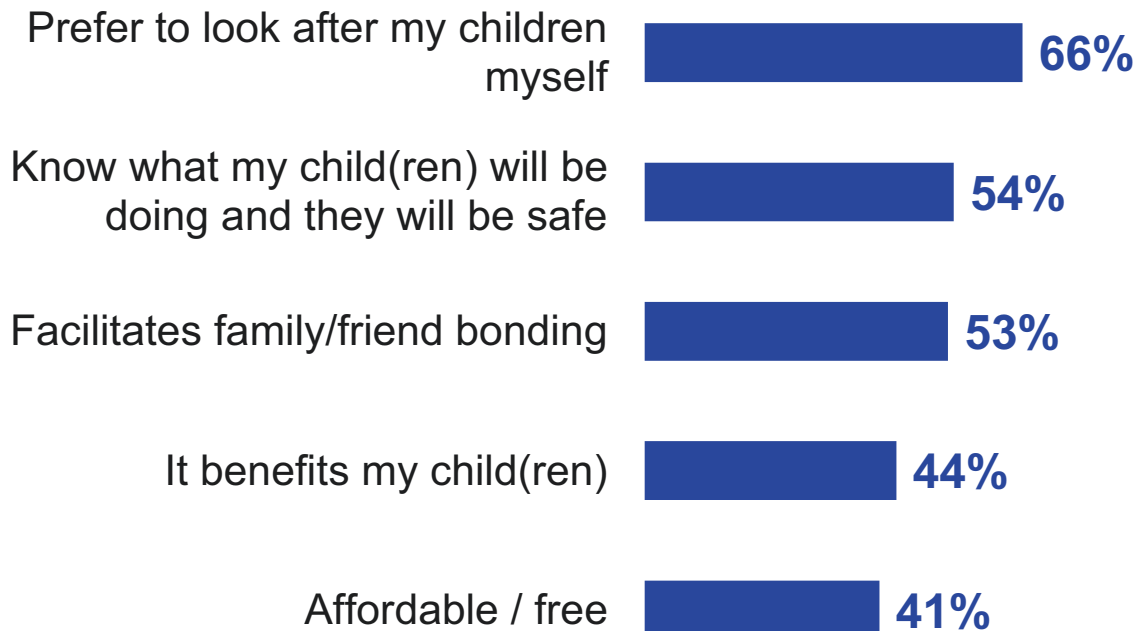


If need be, I can ask if they [grandparents] could have him a little bit less or a little bit more and it's not costing me."

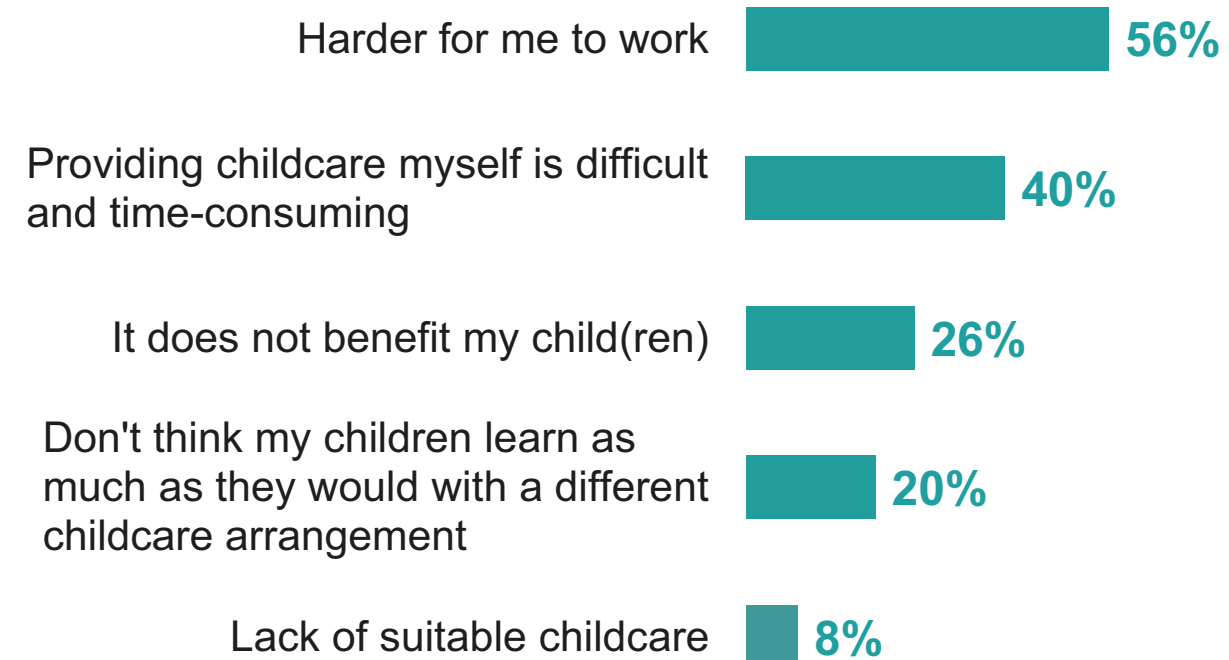
Single claim, working part-time, informal childcare (9)

Attitudes to work and childcare determine whether people are satisfied with not using childcare

Reasons for satisfaction among those not using childcare



Reasons for dissatisfaction among those not using childcare



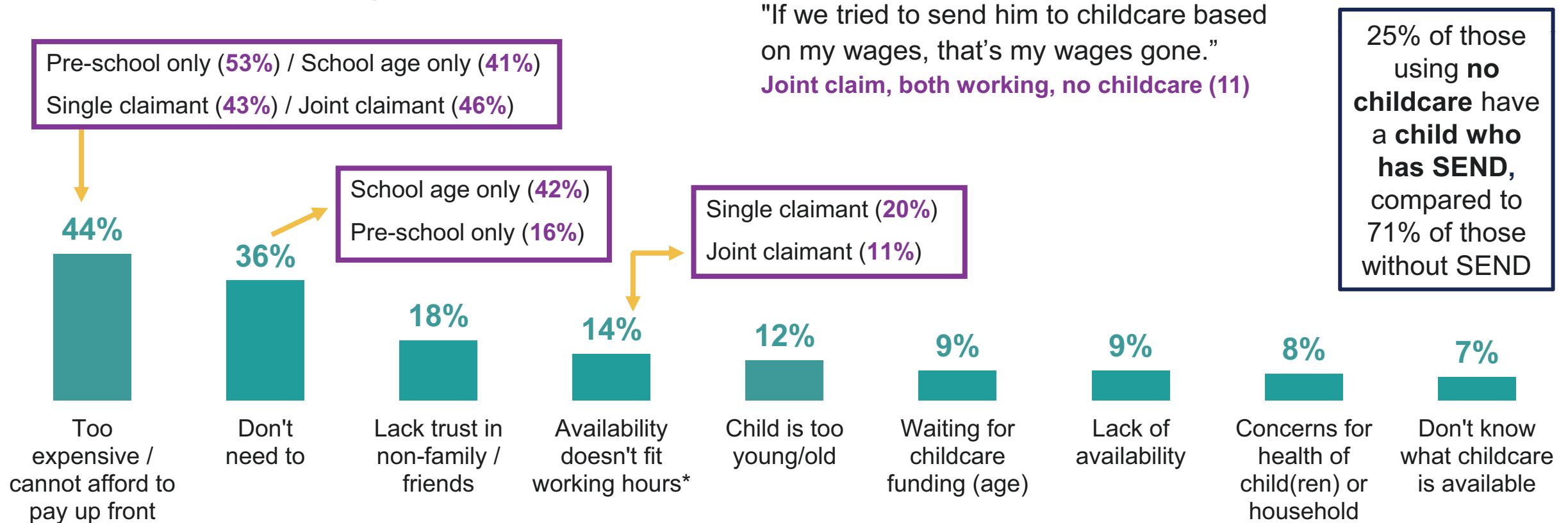
Base (unweighted): All who are not using childcare and are satisfied (1,525) / dissatisfied (348) with their childcare.

B6/B7: Which, if any, of the following are reasons why you are satisfied/dissatisfied with your childcare arrangements?

NB. Respondents could select multiple codes at these questions.

The main reason why parents don't use formal childcare is cost. It is also seen as less necessary for older children

Reasons for not using formal childcare

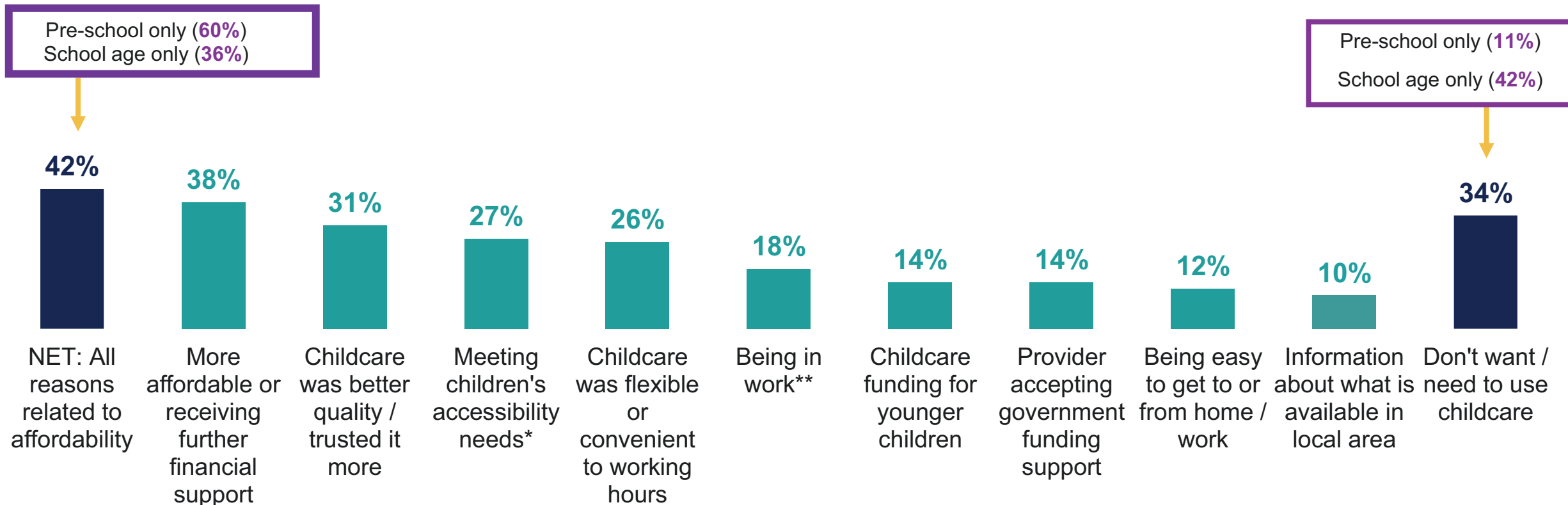


Base (unweighted): All who aren't using formal childcare (4,856), all pre-school only (819), all school age only (3,179), all single claimant households (2,846), all joint claimant households (2,010). Top answers shown only. B10: Why don't you currently use formal childcare for your child(ren)?

NB. Respondents could select multiple codes at this question | * Options only shown to those in work

Making formal childcare more affordable could encourage parents to start using it

How non-users could be encouraged to start using formal childcare



Base (unweighted): All who do not use formal childcare (4,856), all pre-school only (819), all school age only (3,179), all employed (2,260), all unemployed (2,596), all single claimant households (2,846), all joint claimant households (2,010). *This option was only shown to those with children with a health condition/disability (1,153), ** this option was only shown to those unemployed (2,596) B11: What, if anything, would encourage you to start using formal childcare?

NB. Respondents could select multiple codes at this question.

Qualitative findings suggest affordability, availability, and accessibility are key to using formal childcare

Affordability

- Encourage more providers to **accept government childcare funding**, as those that do tend to be fully booked, limiting the pool of affordable childcare providers

Availability

- **Extended opening hours**
- Greater **availability** of childcare providers (particularly in rural areas)
- Wider **range of childcare available** to older children (e.g., more age appropriate activities)

Accessibility

- More **information** on the childcare available in local areas
- Increase the **number of childcare providers** able to care for children with health conditions and disabilities



As they start scaling up in age, I don't think the Ofsted-registered school holiday schemes and that exist [...] The Ofsted-registered ones seemed to be geared up for small kids.”
Single claim, working full-time, informal childcare (54)

Parents of children with SEND face specific challenges to using childcare

Childcare needs

- **Type of support needed relates to the SEND of the child.** For example, children with autism require routine and a quiet environment.
- Children with medical conditions need a setting which can confidently support them.
 - **Example:** One child in our sample had a severe form of epilepsy and sometimes required sedating.

Childcare use

- Parents may be **reluctant to use formal childcare** for a child with SEND (apart from a school).
- They had concerns about whether it is right for the child and a preference to have them at home where they were comfortable and parents confident about care they are receiving.
- Parents who were open to using childcare **need one-to-one support** with highly trained carers/nannies.

Other funding used to enable childcare use

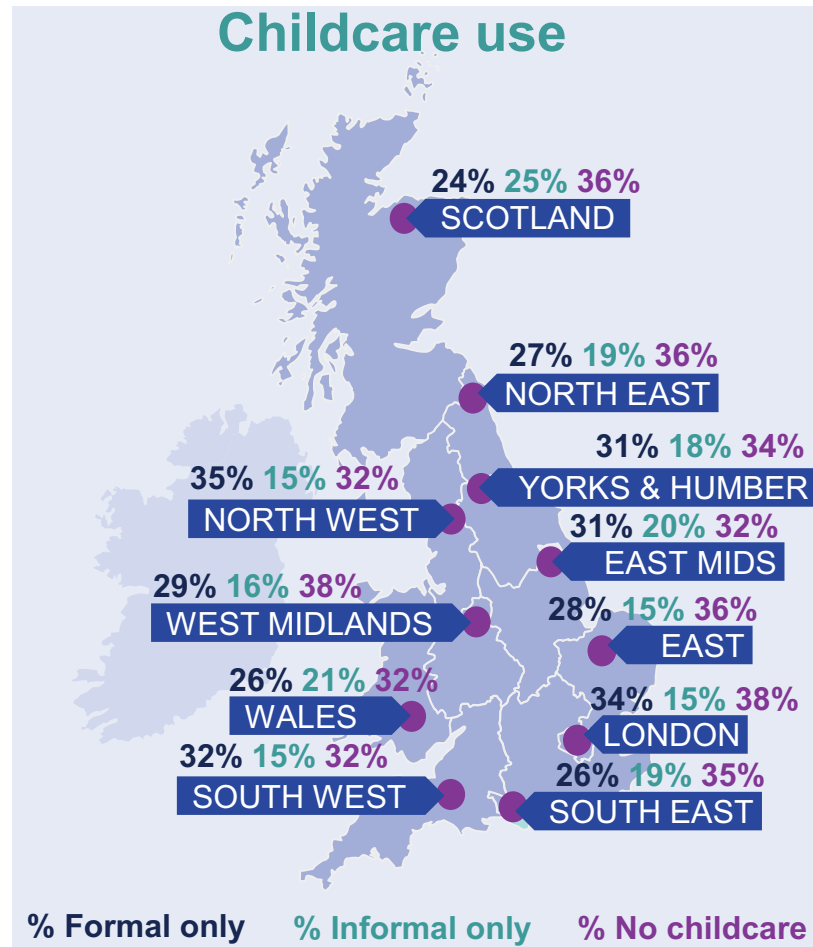
- **Direct Payments** – a payment card which allows parents to arrange care and services themselves rather than receive them directly from their Local Authority.
- **Disability Living Allowance for children** – tax free benefit for those caring for children with disabilities.
- **Carers Allowance** – offered to people who give regular and substantial care to a disabled person.



Finding childcare is really, really difficult. Childminders don't want to take the responsibility on [...] I was told that it would be too much for them as [child] would need one-to-one."

Joint claim, working part-time, informal childcare (27)

An overview of regional differences in use of childcare

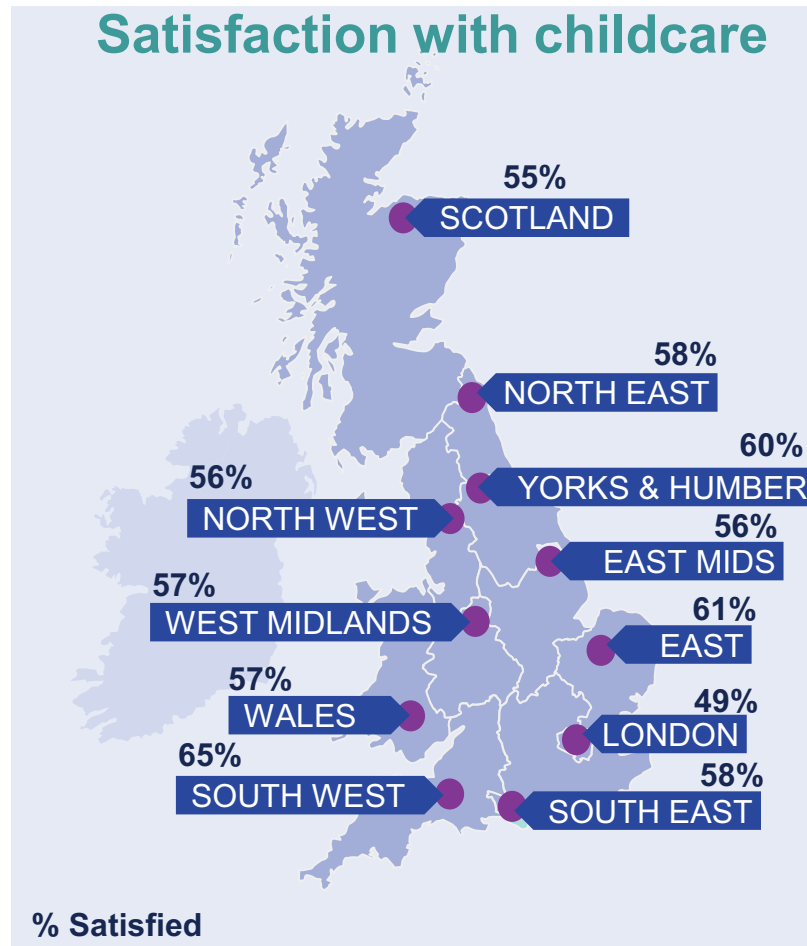


Patterns of childcare use are similar across the country.

Base (unweighted): All respondents (12,910).

B1. Which, if any, of the following types of childcare do you use?

An overview of regional differences in satisfaction with childcare



Satisfaction with childcare arrangements are broadly similar across the country, except **London** where satisfaction levels are significantly lower

Base (unweighted): All respondents (12,910).

B5. How satisfied or dissatisfied are you with your current childcare arrangements overall?



Department
for Work &
Pensions



Government
Social Research

4

Work and childcare

Barriers to working, progressing or increasing hours; how childcare is a barrier to work; attitudes to work

A woman with blonde hair tied back, wearing a yellow sleeveless dress and a white polka-dot headband, is holding a baby in a pink outfit. She is talking on a white mobile phone. The background shows a kitchen with a white brick wall, a refrigerator with magnets, and a wooden table in the foreground with a laptop, a notebook, and a glass of water.

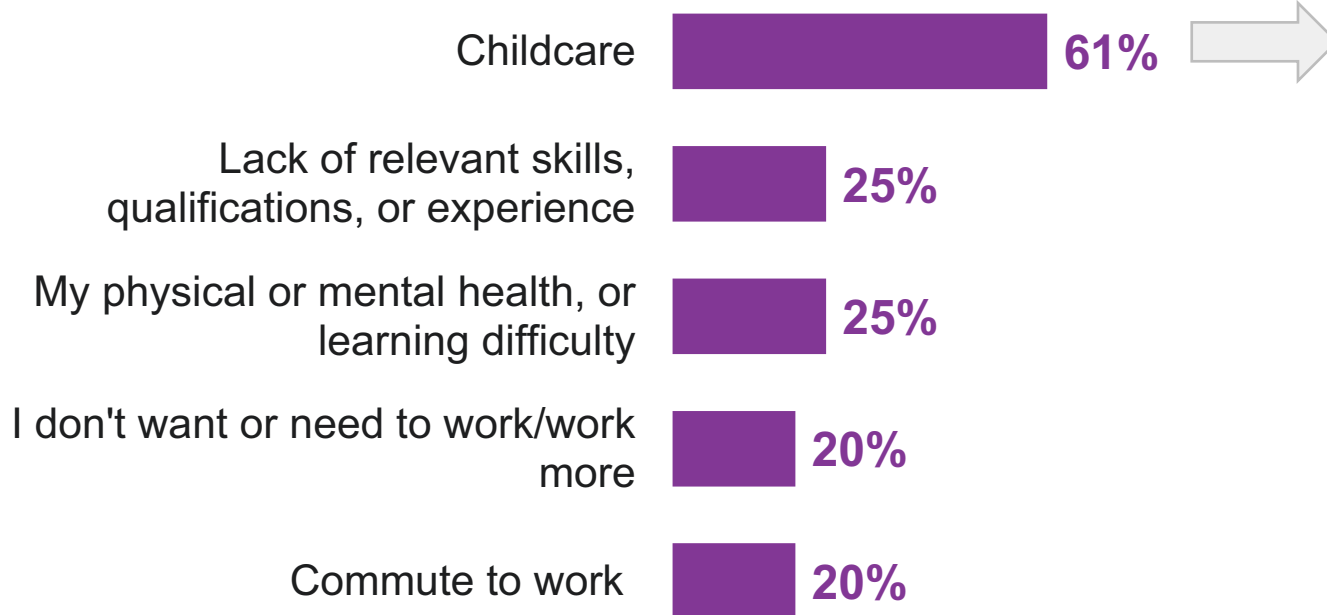
When it comes to work, childcare is the biggest barrier parents face

61%




find childcare makes it difficult to find work or increase their earnings

Childcare is by far the biggest barrier to work

Three in five parents say childcare makes it difficult to get into work or increase their earnings, which rises to three in four parents with pre-school children



Higher amongst

-  **74%** with pre-school aged children only v. **51%** with school aged children only
-  **65%** of single claimants report childcare as a barrier to work v. **56%** of joint claimants
-  Among joint claimants, **63%** when both work, **50%** where one parent works, and **38%** where neither parent works

Base (unweighted): All respondents (12,910), single claimants (8134), joint claimants (4,776), joint claimants, both working (2,295), joint claimants, one working (1523), joint claimants, neither working (958), pre-school age only (4,166), school age only (5,333). Top answers shown only
B4: Which, if any, of the following make it more difficult for you to work/increase your earnings? (12,910)

Affordability is the biggest issue with childcare

High costs prevent parents from working and prevent formal childcare being used

67%

would like to work (more) but feel childcare is too expensive to make it worthwhile

This is a bigger issue for parents of **pre-school age** children only (77% v. 60% of school age only) and **joint claimants where both are working** (71% v. 60% where one is working)

44%

of parents say they don't use formal childcare because it's **too expensive** – the top reason



I just can't physically afford that amount of money ... my [family members] could take her out for the day and watch her [instead].”

Joint claim, one working, informal childcare (48)

39%

who are **dissatisfied** with their childcare arrangements attribute this to **cost** – the top reason

Base (unweighted): All respondents (12,910), pre-school age children (4,166), school age only (5,333), joint claimants, both working (2,295), joint claimants, one working (1,523). All who don't use formal childcare (4,856), all who are dissatisfied with their childcare arrangements (1,355).

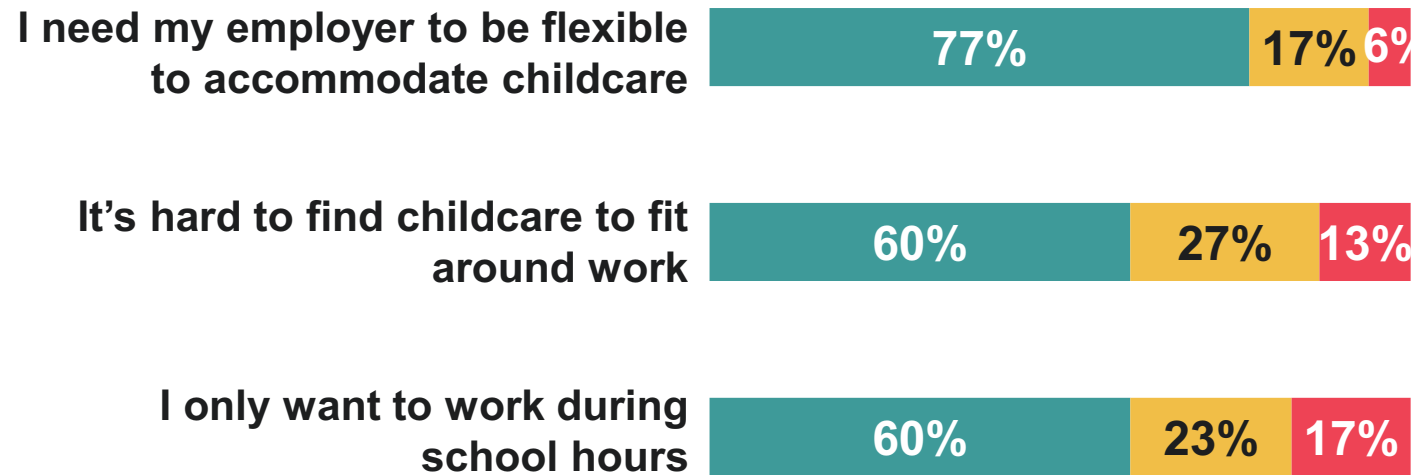
B3_5: And how much do you agree or disagree with these statements? “I would like to work but the childcare available is too expensive to make it worthwhile” (12,910)

B10: Why don't you currently use formal childcare for your child(ren)? (4,856)

B7: Which, if any, of the following are reasons why you are dissatisfied with your childcare arrangements? (1,355)

Parents need flexibility from their employer and childcare that fits around work

■ Agree ■ Neither agree nor disagree ■ Disagree



“

The only way that I'm going to go and get back into a decent career with prospects is not until my son's in school.”

Joint claim, working, formal childcare (2)

“

You do feel like, a lot of the time, you're working to pay for the nursery bills.”

Joint claim, one working, formal and informal childcare (5)

Base (unweighted): All respondents (12,910)

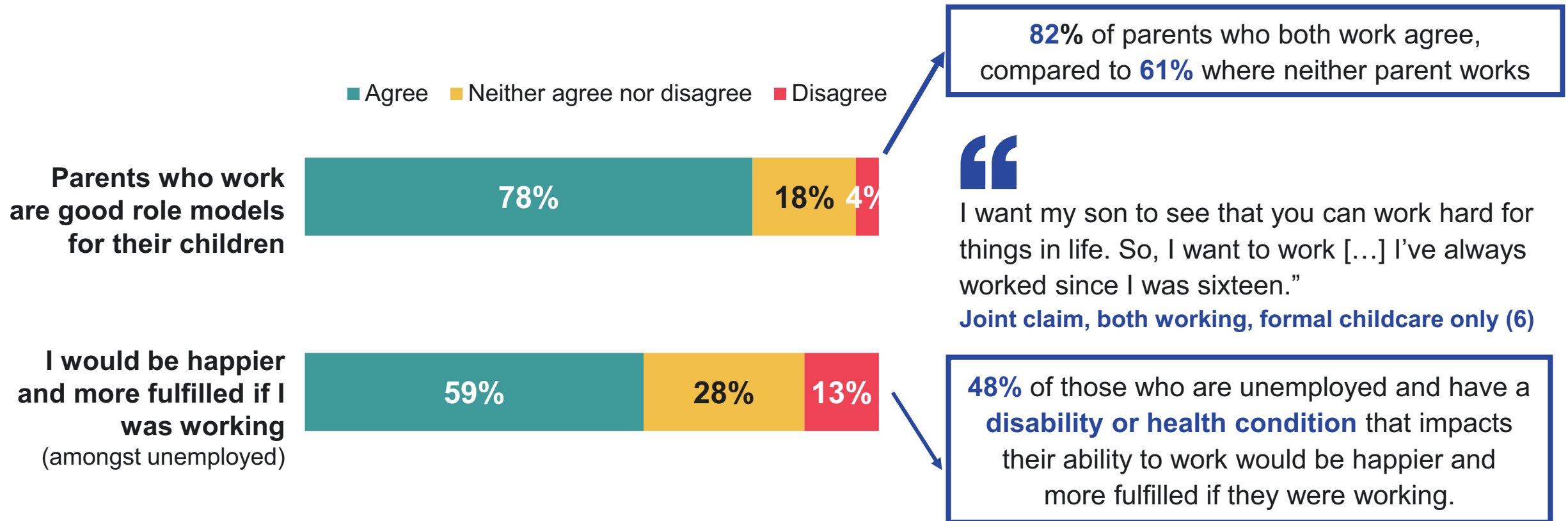
And how much do you agree or disagree with these statements?:

B3_1: I only want to work during school hours | B3_4: I need my employer to be flexible to accommodate my childcare commitments |

B3_6: It's hard to find childcare to fit around my working hours/the hours available jobs offer

Parents want to work to set a good example for their children and, to a lesser extent, for their own fulfilment

Attitudes to work are not a barrier for parents to get into work or increase their hours



Base (unweighted): B3_3: How much do you agree or disagree: Parents who work are good role models for their children (all respondents 12,910)

B2_2: How much do you agree or disagree: I would be happier and more fulfilled if I was working (all unemployed (4,490), all unemployed with disability or health condition (1,642))

Parents have to piece together work, childcare, personal circumstances, and their finances

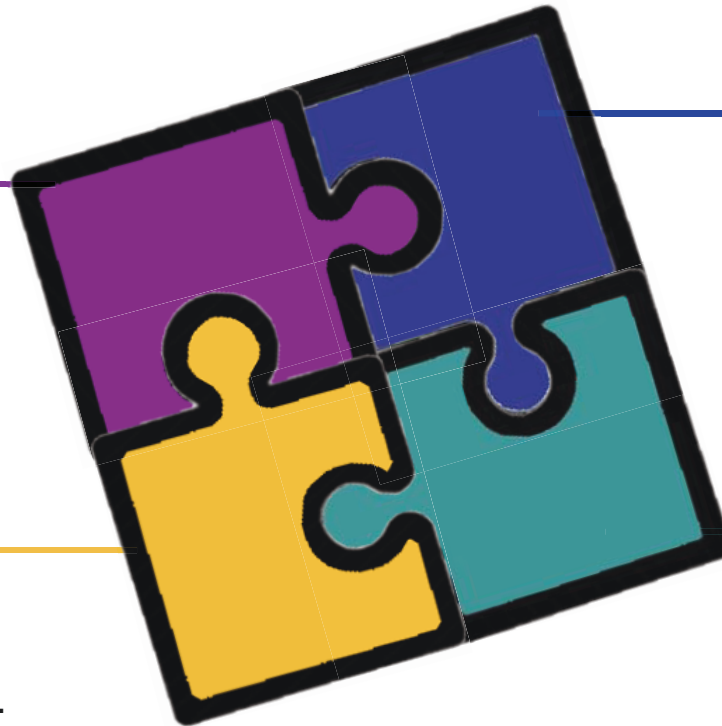
All four feed into decisions, but the 'main' factor depends on personal choice and circumstance

Work

Hours available, location, employer flexibility, skills match, taking a 'temporary' versus a long-term job, personal importance of work.

Money

How much is needed (for childcare and lifestyle), what would make parents better off.



Formal and informal childcare

Formal: How much parents can afford, how much is right for their child, location, quality

Informal: Availability, how much time parents want to spend with children

Interpersonal and health

Children's health needs shape the care they need; parents' health needs shape whether they can work; for joint claims: what works best for the couple.

Examples of parents piecing together work, childcare, personal circumstances and their finances.

Work



The nursery fees ... they took up my whole wage packet. I was working for literally nothing. I did it because I wanted to work.”

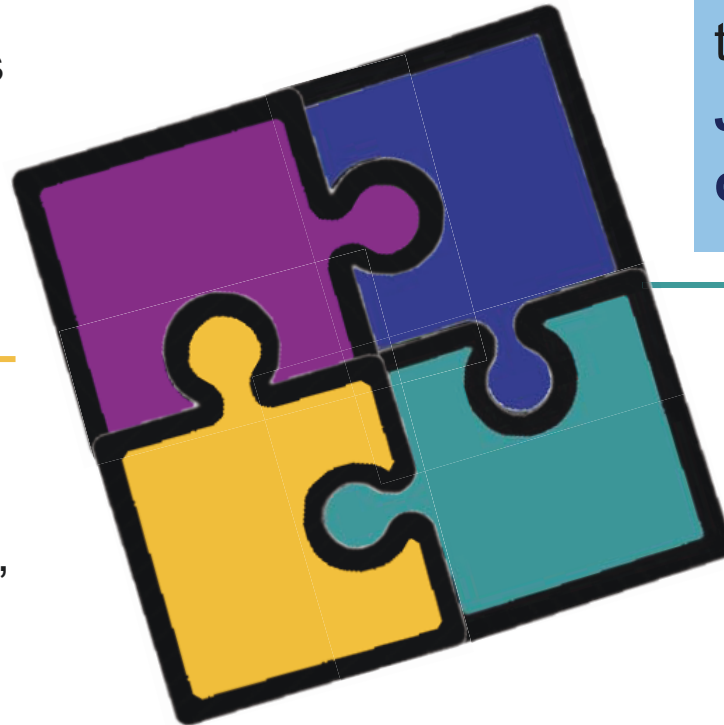
Single claim, working, formal and informal childcare (32)

Money



You do feel like, a lot of the time, you're working to pay for the nursery bills.”

Joint claim, one working, formal and informal childcare (5)



Formal and informal childcare



We went around looking and just went with the closest place at the time.”

Joint claim, one working, formal childcare (26RR)



Interpersonal and health

I do feel that it should never be taken away from a mother to reach those milestones with their newborns, and I do feel as if the whole system is just trying to force parents straight into work... and they miss out those milestones.”

Single claim, not working, informal childcare only (60)

Case study: Balancing work, childcare and affordability

Who are they?

Two-parent household, with an 18-year-old (doing an apprenticeship), two teenagers (at school) and a four-year-old (who has just started primary school). Her current partner is the father of the four-year-old

The respondent works full-time Monday to Friday as an accounts assistant, and her partner works full-time Monday to Friday as a carpet fitter. They 'get by' financially, living month to month, and feel their finances are better now their youngest has started school. They use breakfast and after school clubs attached to the primary school for the four-year-old, and also have support from a grandparent who works part-time. The decision on the balance of childcare was based around the hours on offer. They pay extra for the later session at 6pm so they have the flexibility to pick their child up after work (the other option was 4.15pm which was impossible). They are happy with their childcare as it works well with their work, provides flexibility, and isn't too expensive.

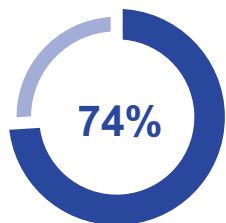


We had to check it was going to be affordable, or whether we'd have to try and use family. But it's mainly the reliability of paying for childcare as well [...] if you use family [they might have other plans and] you might not have someone to cover."

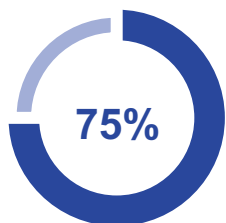
Joint claim, both working, formal and informal childcare (1)

The jigsaw is hardest for parents with younger children

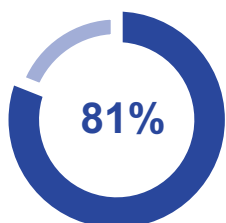
They need more care, which is more expensive, harder to fit around work, and parents want to spend time with them while they are young



with pre-school age children only say **childcare is a barrier** (v. 51% with school age only)



with pre-school age children only want to **work when their children are older** (v. 60% with school-age children only)



with pre-school age children only would find it **difficult to increase their hours**, even if offered (v. 72% with school age only)

The following factors lead parents to **waiting until their children are older** or start school to move back into work:

- The high cost of childcare for younger children (as they need more hours)
- Substantial government support not starting until children are 3
- Lack of availability – some providers not taking under 2s



I do want to go back to work. I probably will wait until my youngest turns three, though, and once she's in nursery for the fifteen hours.”
Joint claim, not working, formal and informal childcare (13)

Base (unweighted): All respondents (12,910); for B4 & B3_2: all with pre-school aged children only (4,166), all with school aged children only (5,333); for B2_3: all with pre-school aged children only (2,711), all with school-aged children only (3,537)

B4: Which, if any, of the following make it more difficult for you to work/increase your earnings?; B3_2: I would like to work when my children are older - agree/disagree; B2_3: It would be difficult for me to increase my hours of work now, even if I was offered it - agree/disagree

For those open to using childcare, the ideal arrangements are those that facilitate work and benefit the child

Parents who would like to use childcare need to be able to comfortably afford this

“

Personally, for me, **I'd like to go back to work full time**. I'd like to go back into my career. Yes, that's what I would want to do if I had the choice."

Joint claim, both working, formal and informal childcare (1)

“

It's really difficult to **find a job that allows me to work for an hour**, [but it's good for my child] to know other kids and to play with them and **enjoy a different experience** [at nursery]"

Single claim, working, informal childcare (6)

“

I would have **liked to have put him in nursery a bit longer**. Because I feel like he benefits from it quite a lot... But, **the money's just not feasible** for me."

Joint claim, both working, formal and informal childcare (6)

“

I'd like to **get back to having a job**, but I don't want to have to, kind of, work to pay for the nursery bills but I do find it so **good for their development**."

Joint claim, not working, formal and informal childcare (5)



Department
for Work &
Pensions



Government
Social Research

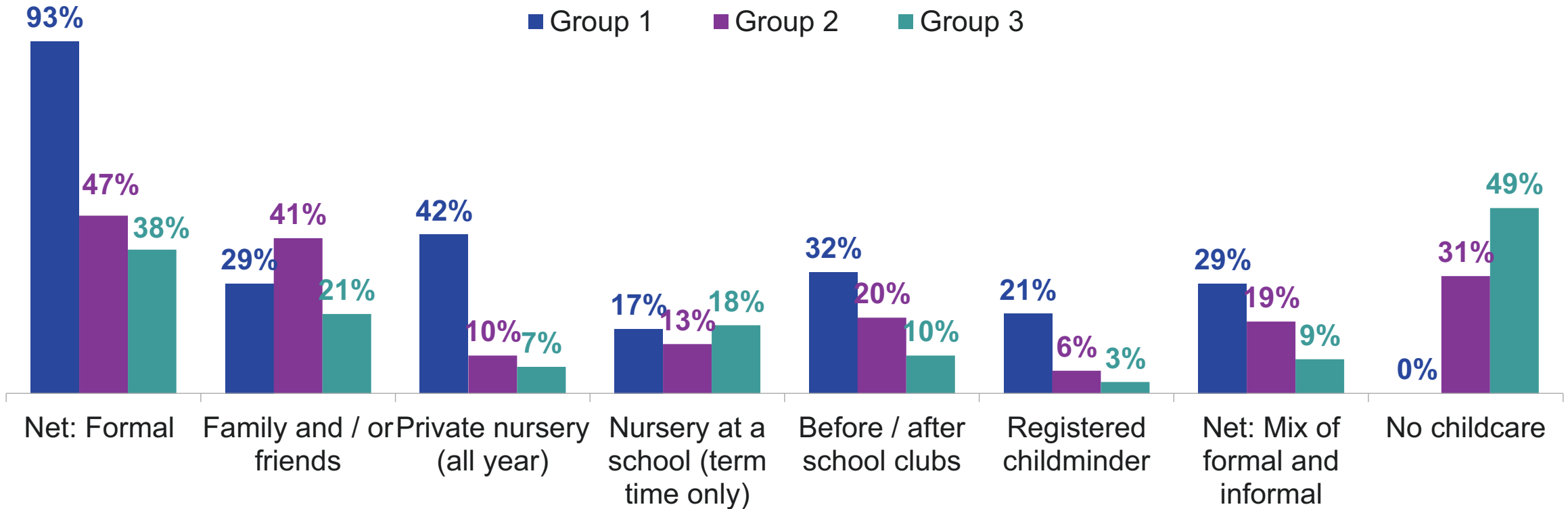
5

UC childcare costs support

Awareness and understanding; barriers and levers to take-up and the impact of the offer

Almost half in Group 2 and a third in Group 3 use formal childcare

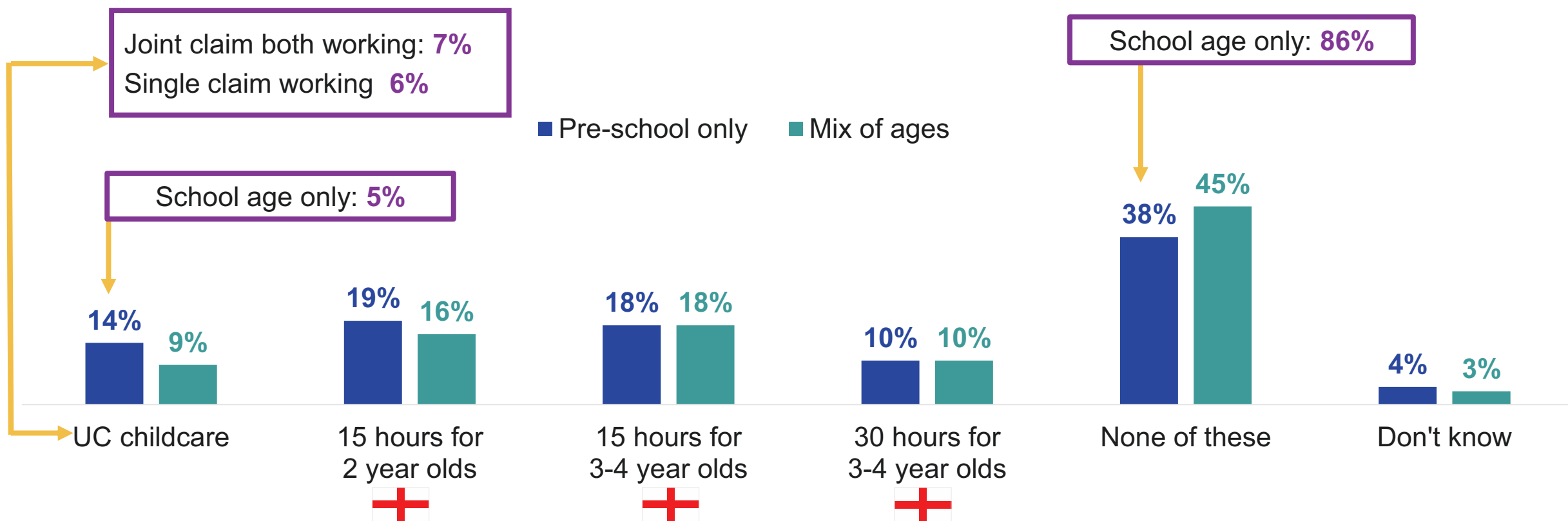
Three in ten of Group 2 and half of Group 3 do not use any childcare



Base (unweighted): All respondents 12,910 (G1 - Using UC childcare: 4,739; G2 - Working and not using UC childcare: 4,142; G3 - Not working and not using UC childcare: 4,029).

B1: Which, if any, of the following types of childcare do you use? By childcare we mean time outside of school your child(ren) are cared for by someone who is not their parent / guardian. Please think about term-time and school holidays.

15 hours free for 2-year-olds and 3 to 4-year-olds are the most commonly used forms of support



Base (unweighted): All aware of each option (10,951). Flags denote that these options were only shown to those from the regions to which they apply.
 D2: And which, if any, of the following are you currently using?

The qualitative research identified common themes in the types of parents who were more likely to rely on multiple childcare offers

Parents were typically made aware of offers through Jobcentre Plus, DWP, Google, employment, school/nurseries, friends or family.

Multiple childcare offer claimant characteristics:

With children of **pre-school or primary school age**. Those with children in secondary school are less likely to use any childcare offers, and instead use informal care or trust their children to provide their own care.

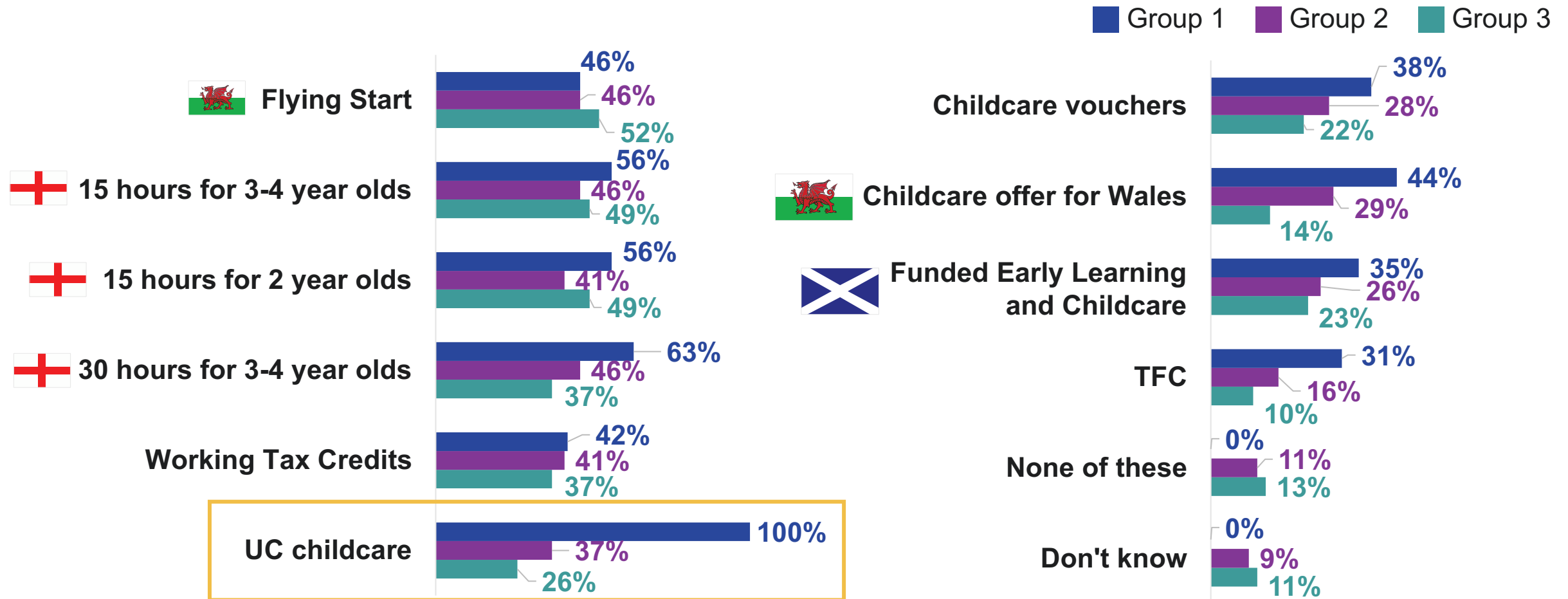
Lone parents, particularly those who do not receive financial/parental support from the other parent.

Working at least part time to be eligible for 30 hours free / UC childcare.

Some parents with more than one child use more than one childcare offer, depending on their eligibility.

Awareness and understanding of the offer

Those using UC childcare are, on the whole, more aware of government support than those who are not

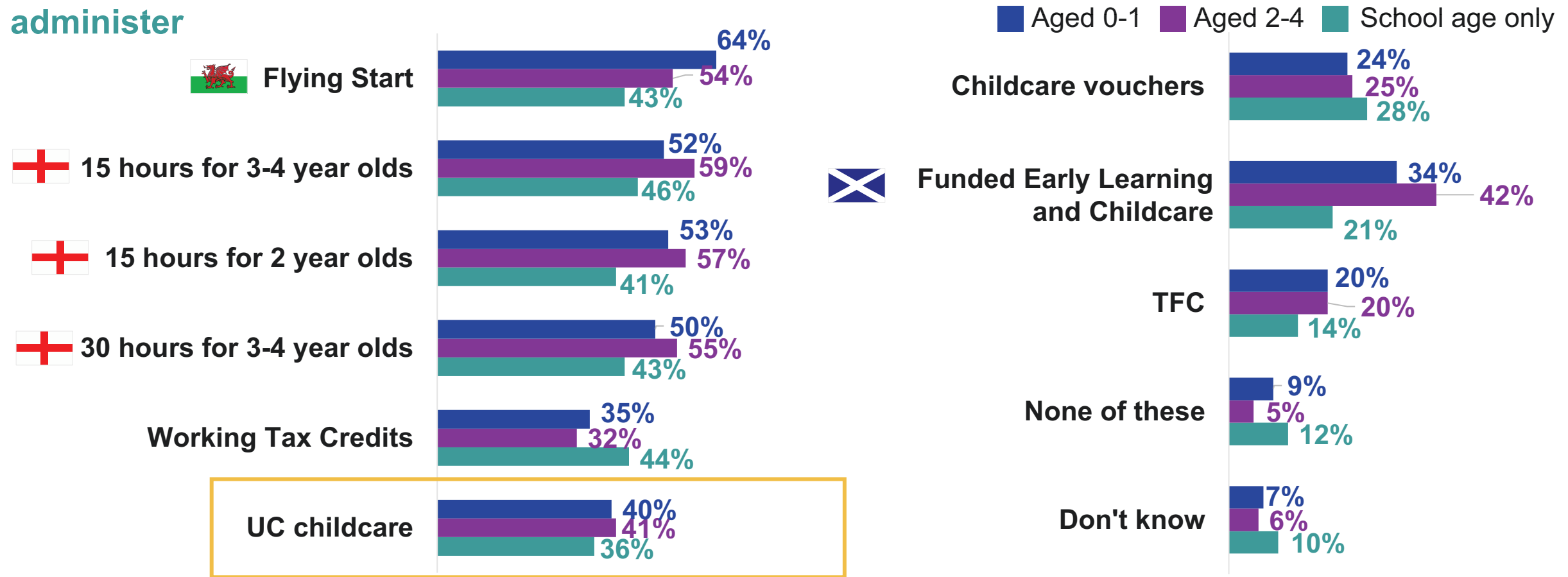


Base (unweighted): All respondents (G1 - Working and using UC childcare: 4,739; G2 – Working and not using UC childcare: 4,142; G3 - Not working and not using UC childcare: 4,029), Wales (G1: 208; G2: 173; G3: 195), England (G1: 4,739; G2: 3,714; G3: 3,536), Scotland (G1: 312; G2: 255; G3: 298). Flags denote that these options were only shown to those from the regions to which they apply.

D1: Which, if any, of the following government financial support for childcare had you heard of before today?

People are more likely to be aware of childcare offers targeted at their child/ren's age group

Awareness is highest of 15 and 30 hours free schemes, which are simplest for parents to administer



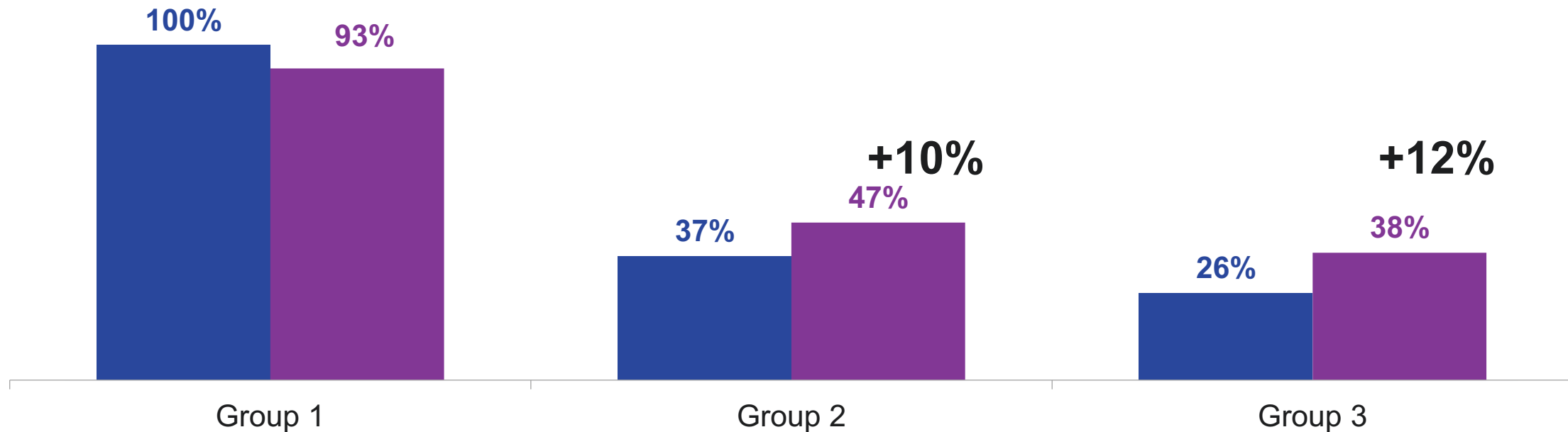
Base (unweighted): parents of children aged 0-1 years (3,407), parents of children aged 2-4 years (3,179), all parents of school age children only (6,323); Wales (0-1 year olds: 155; 2-4 year olds: 145; school age only: 261), England (0-1 year olds: 3,023; 2-4 year olds: 2,820; school age only: 6,253), Scotland (0-1 year olds: 228; 2-4 year olds: 214; school age only: 454). Flags denote that these options were only shown to those from the regions to which they apply.

D1: Which, if any, of the following government financial support for childcare had you heard of before today?

There is a clear gap between those using formal childcare and awareness of UC childcare costs support

Awareness of UC childcare costs support and use of formal childcare

■ Aware of UC Childcare costs support ■ Using formal childcare



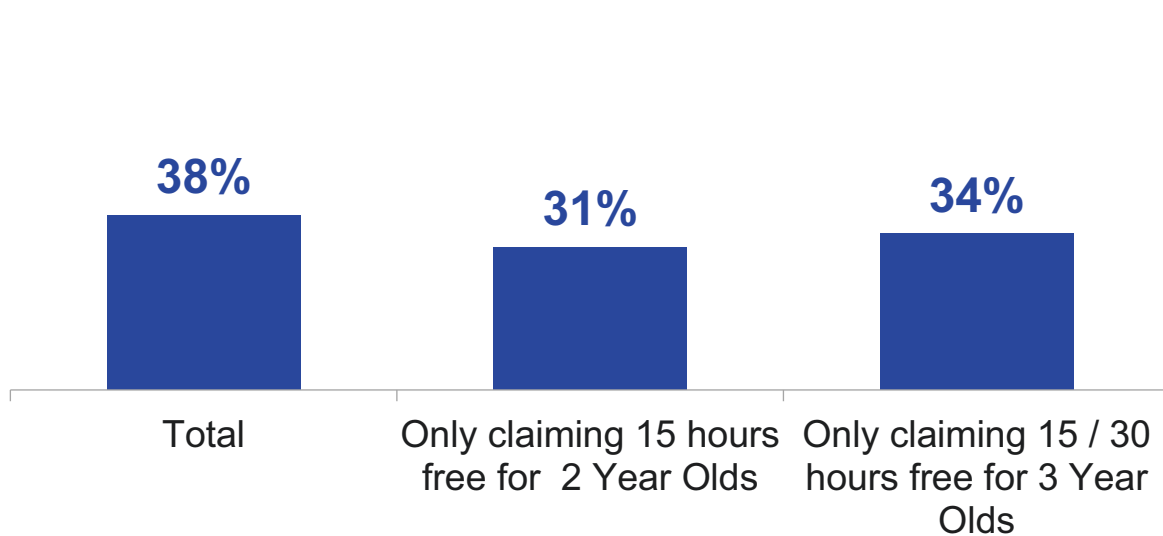
Base (unweighted): All respondents 12,910 (G1 - Working and using UC childcare: 4,739; G2 - Working and not using UC childcare: 4,142; G3 - Not working and not using UC childcare: 4,029).

B1: Which, if any, of the following types of childcare do you use? By childcare we mean time outside of school your child(ren) are cared for by someone who is not their parent / guardian. Please think about term-time and school holidays. D1: Which, if any, of the following government financial support for childcare had you heard of before today?

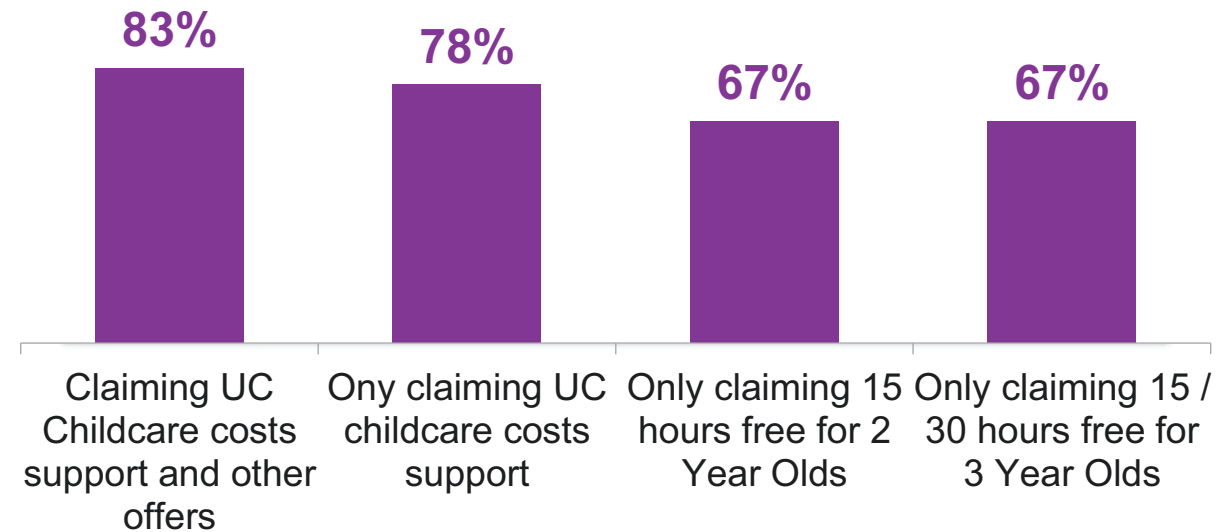
Those using only the free hours offers are less aware of UC childcare

They are also less satisfied with their childcare than those claiming UC childcare costs support

Awareness of UC childcare costs support by use of other offers



Satisfaction with childcare by offers used

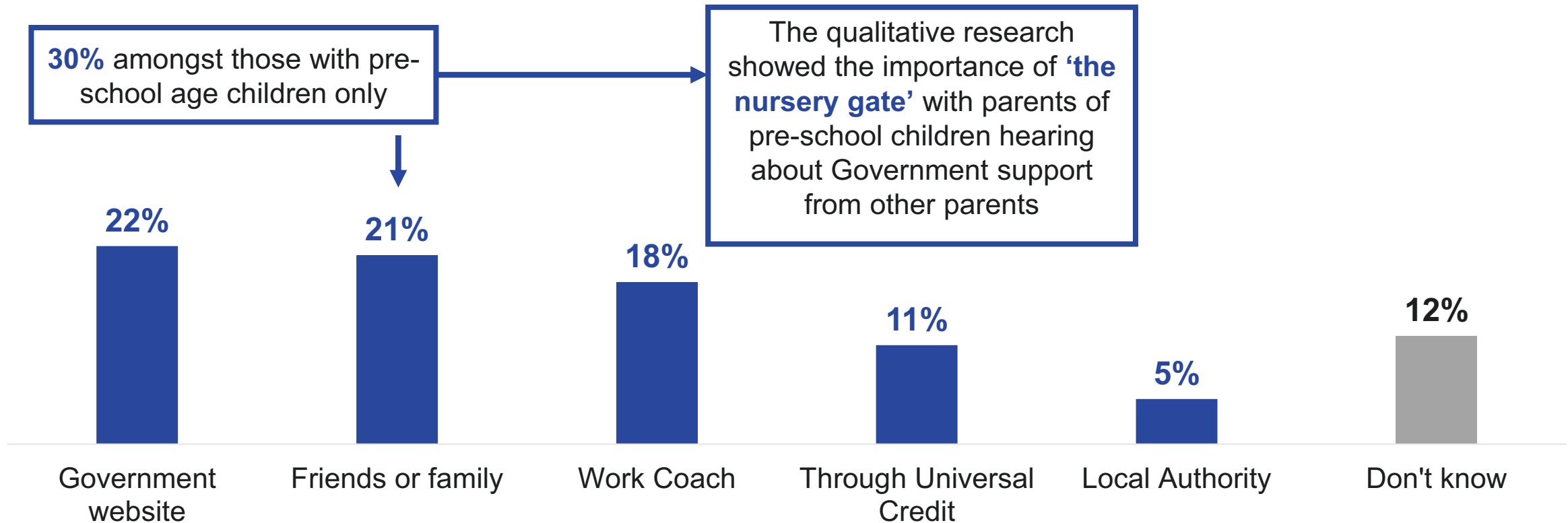


Base (unweighted): All respondents 12,910

B1: Which, if any, of the following types of childcare do you use? By childcare we mean time outside of school your child(ren) are cared for by someone who is not their parent / guardian. Please think about term-time and school holidays. | D1: Which, if any, of the following government financial support for childcare had you heard of before today? | B5 - How satisfied or dissatisfied are you with your current childcare arrangements overall?

GOV.UK and friends or family are the most common places claimants first hear about UC childcare

There is little variation in levels of awareness of UC childcare by claimant type



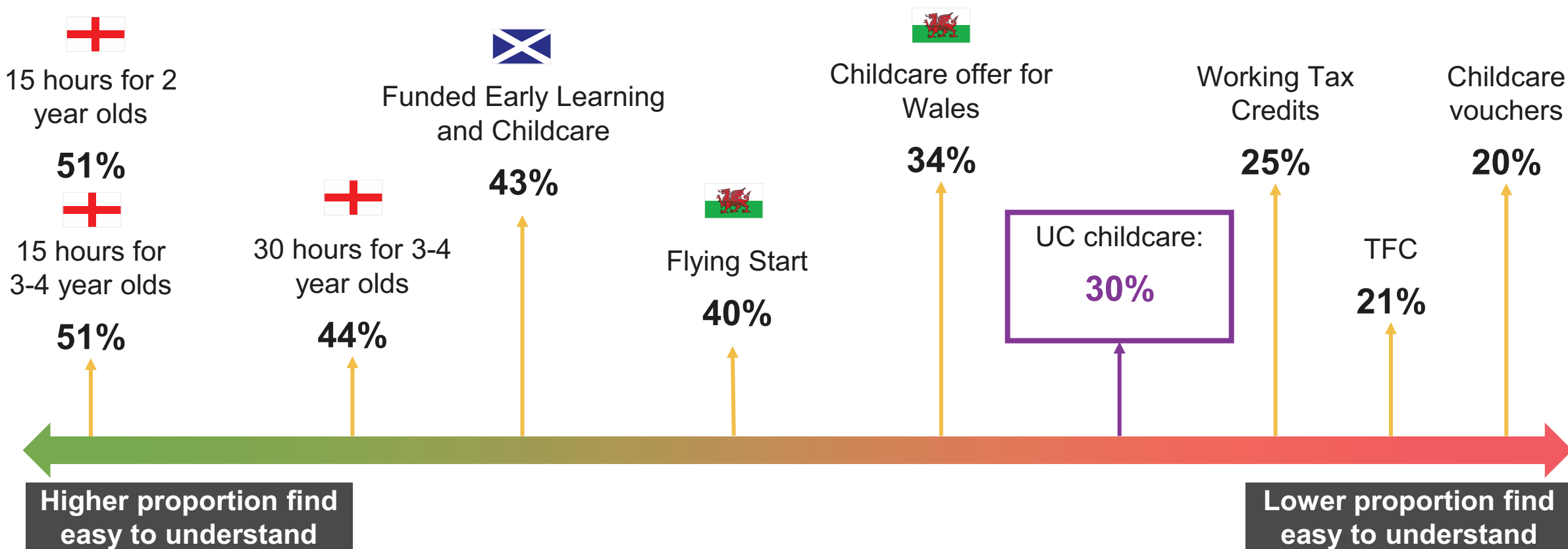
Base (unweighted): All who are aware of UC childcare (7,400) and who have pre-school age children only (1,939). Top answers shown only. Respondents could select multiple responses.

E1: Where did you first hear about help with childcare costs for people claiming Universal Credit?

NB. Group 1: Using UC Childcare, Group 2: Working and not using UC Childcare, Group 3: Not working and not using UC Childcare.

One third of parents find UC childcare easy to understand

% shown for those who find each scheme easy to understand ('very' or 'fairly' easy)



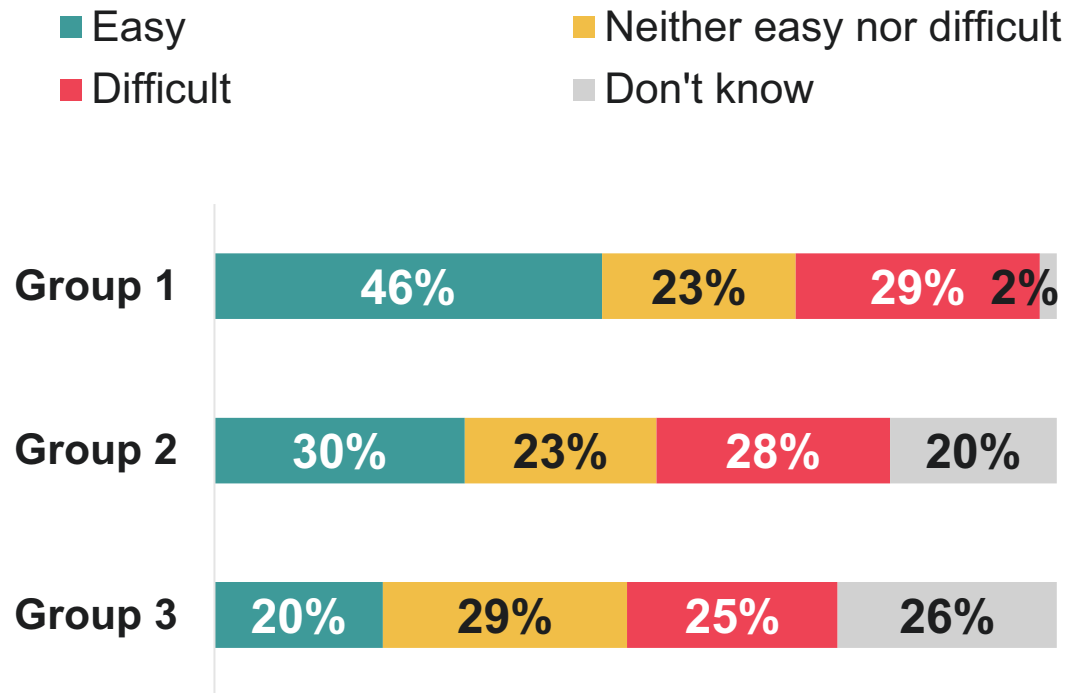
Base (unweighted): All who are aware of each scheme – childcare vouchers (3,842), TFC (2,557), WTC (5,133), UC childcare (7,400), Flying Start (286), Funded Early Learning and Childcare (247), Childcare offer for Wales (176), 30 hours for 3-4 year olds (5,803), 15 hours for 2 year olds (5,781), 15 hours for 3-4 year olds (5,933).

Flags denote that these options were only shown to those from the regions to which they apply.

D4: How easy or difficult have you found understanding the following childcare costs support schemes?

Less than half who use UC childcare find it easy to understand, whilst non-users find it difficult or don't know

How easy or difficult have you found understanding UC childcare?



Claimants heard about UC childcare through **word of mouth** or their **own internet searches**. They find the basics **easy to understand** but lack understanding of how it applies to their own situation and **how much money they will receive**. This **uncertainty** is a **key barrier** to take-up.

“

It's not 85%. It misinforms people... they'll just see 85% and think 'great, that's 85% of my childcare paid'. Well, it's not. It's only up to £646, which a lot of the childcare, for private childcare, is way above that.”

Joint claim, both working, no childcare (on maternity leave)

Base (unweighted): All who are aware of UC childcare in Group 1 - Working and using UC childcare (4,739), Group 2 - Working and not using UC childcare (1,582), Group 3 - Not working and not using UC childcare (1,079).

D4_1 - How easy or difficult have you found understanding the following childcare costs support schemes? Universal Credit childcare costs support

Those using UC childcare as well as other government support found the other support easier to use

The qualitative interviews showed that:

- Parents didn't really think about how their UC childcare payments and their other government support payments 'interacted'
- All found applying for 15 and / or 30 free hours **easier** than the UC childcare application, as well as the ongoing management of the scheme
- Formal childcare providers were **able to help** with 15 or 30 free hour applications – but seemed less able to help with UC childcare
- Parents **didn't need to worry** about 15 or 30 hours after the initial application, but had to keep providing evidence to DWP

“

We found it [30 hours free] very easy, yes. I can't remember there being any issues with that... I think it was maybe a couple of emails. It was all done very swiftly.”

Joint claim, both working, formal and informal childcare

“

They [15 & 30 free hours] were so much easier [than UC childcare]. It was just so much easier, it was just the nursery helps a lot.”

Single claim, working, formal childcare used

“

It [application for 15 hours free] was really straightforward, I filled out a form online and within a couple of weeks, I'd received a message back to say, 'You got it, this is your code,' and that was it.”

Joint claim, one working, formal childcare used

Those claiming either UC only or free hours only were broadly satisfied with their care arrangements

UC childcare support can overcome barriers around limited hours offered by free funding, whereas free funding requires little to no intervention once set up, unlike UC childcare.

Free hours only:

- Most are satisfied with being able to use free childcare, without which some wouldn't be able to afford childcare.
- 15 hours is perceived to be too few hours to work and is mainly to benefit the child through socialisation.
- 30 hours fits better with supporting work. Parents using this offer and not UC childcare costs support did not need any additional childcare hours.
- Parents report not having a choice of when / how to use the hours when this is set by the nursery.

UC childcare only :

- Parents benefit from being able to use more childcare hours than using free hours only.
- Parents are using UC childcare only because they are not entitled to other alternative childcare offers. Reasons for this include their child being either too young (i.e., under 2 years old) or too old (i.e., of school age).

Those aware of the UC Childcare offer are more likely to be satisfied with their childcare arrangements than those who are not.

Non-use of any government childcare funding support was due to lack of awareness

Qualitative insight into reasons for not using government childcare schemes

- **Lack of awareness** – parents found out about the schemes from nursery or through word of mouth
- **Ineligible** for schemes as children were either too young or too old to qualify
- Not using any formal childcare for **children in full-time education** and / or old enough to be on their own after school – working from home led to a reduction in use of wraparound childcare. Parents view this positively: wraparound is not seen as educational / benefitting child so a reduction in use is helpful and cost-saving.
- **Confusion and uncertainty** about how to use the schemes.



When you apply for Universal Credit, and obviously you apply, they know I'm working, and they know, you know, what I'm getting, and they never mentioned, 'Oh also, would you like to apply for this at the same time, you could be entitled to?' So, you know, that was something that I found really quite strange, and I thought, 'Why did they not say?.'

Single claim, working, informal childcare (56R)



It's difficult to know the system [Government childcare offers] that can help so you struggle on your own, you don't get anything."

Single claim, working, informal childcare (19)

Around 8 in 10 people report the UC offer has helped them move into work or work more

But those in work feel it's not worth working more as they believe they will lose their UC and be worse off



Base (unweighted): All Group 1 (4,739)

D5_1: To what extent has Universal Credit childcare costs support helped you to move into work or work more hours?

- Qualitative findings suggest that UC childcare has had a **positive impact** on those who use it – in terms of helping them move into work and on their finances. This is particularly the case for those whose wages are less than the nursery fees
- However, when some do the maths, they feel they are **better off financially** by keeping to part-time hours (even if they would like to work more). They have to think about the impact of working more on their UC claim, as well as the cost of childcare. They do this by thinking about the **jigsaw puzzle** mentioned earlier



It's brilliant. Without it, I wouldn't be able to manage. It's so vital for me to be able to work. If I didn't get it, I would have to look after the children; I wouldn't be able to work because nobody would really employ me."

Single claim, working, formal childcare (50)



We're not using the maximum we can get from UC childcare. We'd like a third day at nursery, ideally, which means I could work an extra day. But my additional salary, plus the 15% extra we'd have to find for childcare would make us worse off overall."

Joint claim, both working, formal childcare (6)

**What are the differences
between those who use the
offer and those who do not?**

The CHAID analysis shows that those using the UC Childcare offer are more likely to be...

- Working 26+ hours PW
- Single claim or working partner

- Working 16 – 25 hours
- Satisfied with childcare

- Working 0 – 15 hours
- Didn't find it hard to find childcare

- Not working
- Have working partner

Parents are using UC childcare because they need to, are happy with the provision available to them and did not find it hard to access.



Department
for Work &
Pensions



Government
Social Research

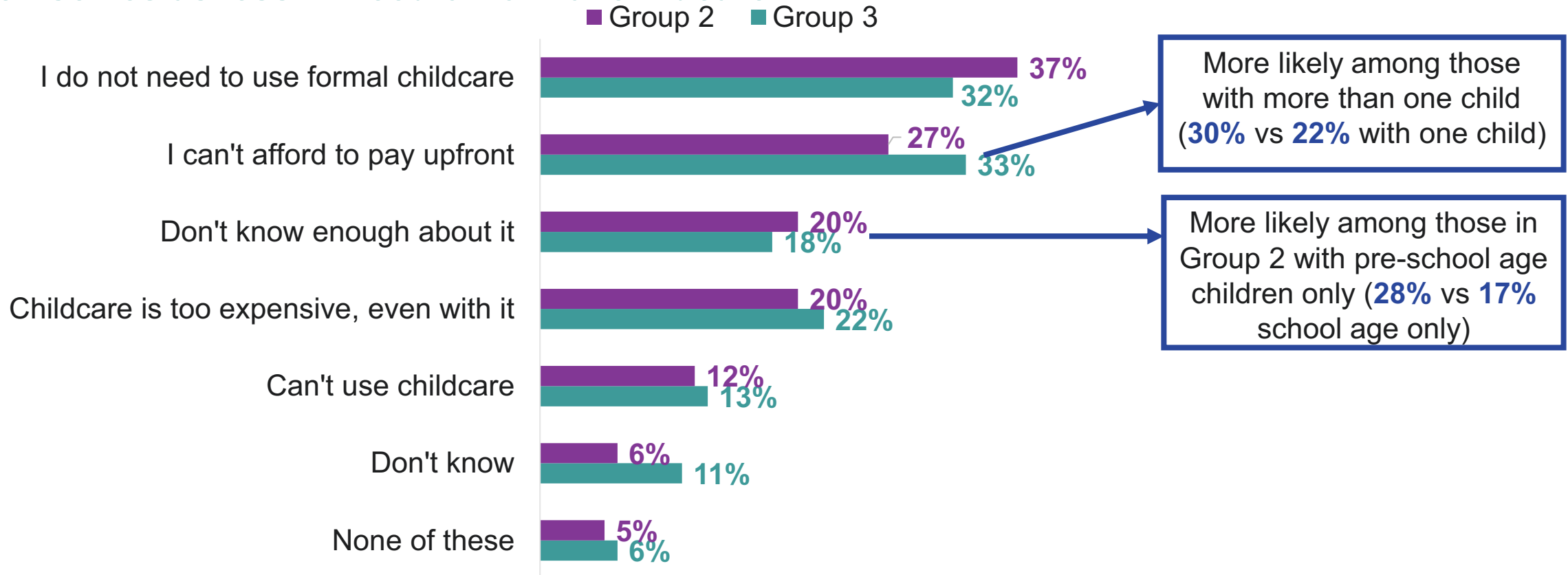
6

Reasons for not using UC childcare

Why do parents not use UC childcare and what are the barriers to take up?

Claimants aware of UC childcare do not use it because they do not need formal childcare or cannot pay upfront

63% of Group 2 and 57% of Group 3 only have school-age children – so are likely to see themselves as less in need of formal childcare



Base: All aware of UC childcare but not using it in Group 2 - Working and not using UC childcare (1,373), Group 3 - Not working and not using UC childcare (559).
 E3 You mentioned you were aware of Universal Credit childcare costs support, but not currently using it. Why don't you use Universal Credit childcare costs support?

Characteristics of claimants who do not use UC childcare

Claim type

Don't know enough about it (joint: 23% v. single: 16%)

Qualitative findings:

- Two-parent households have to juggle both working commitments, childcare and finances.
- One parent **may not work** and be the main caregiver.
- **Upfront cost** is a key barrier.

Number of children

Childcare is too expensive, even with it (one child: 17% v. multiple: 22%)

Qualitative findings:

- Parents' awareness and **understanding of government support improves over time** – they know more for subsequent children.

Age of children

Don't know enough about it (pre-school only: 28%; school-age only: 17%)

Don't need or want to use (school-age: 46% v. pre-school: 18%)

Can't use childcare (school-age: 14% v. pre-school: 7%)

Qualitative findings:

- Parents learn more about the support available over time.
- **Childcare is less important for older children**, particularly once they start school.
- Parents also struggle to find **Ofsted-registered childcare** for older children

Working status

Don't need or want to use (part-time: 40%; full-time: 32%)

Qualitative findings:

- Those working part-time **care for their children** when they are not working, and so do not need to use formal childcare full-time (and therefore don't need to use UC childcare)

Base (unweighted): All who are aware of UC childcare but not using it (1,932), single claimants (1,164), joint claimants (768), one child (790), multiple children (1,142), pre-school age only (575), school age only (863), working part-time (789), working full-time (467).

E3: Why don't you use Universal Credit childcare costs support?

Qualitative research showed that those using formal childcare but not claiming UC childcare were using a free hours offer

The reimbursement model was also a barrier to using UC childcare

Challenges with using the free hours funding

- Free hours limits the amount of childcare parents can use each week
- The limited amount of free hours available can restrict the number of hours parents work
- Parents will often need to “top up” or work around their childcare arrangements in order to cover the free hours
- The scheme only starts at age 2 or 3 which further limits the ability of those wanting or needing to return to work sooner following their maternity/paternity leave

Challenges with the reimbursement model

- Parents would find it difficult to find the extra money to pay fees upfront – and considered even more challenging amongst those who are on low income or not working
- They would prefer fees to be paid directly to the childcare provider (i.e. cutting out the “middle man”)

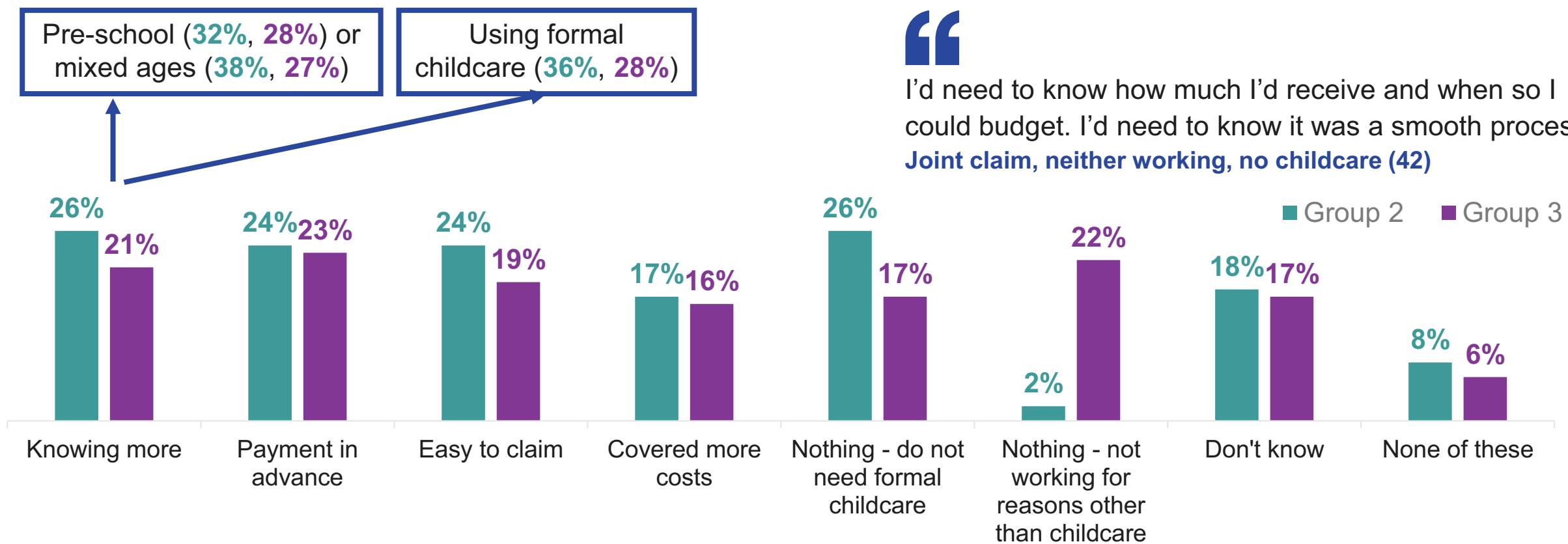


So many women like me, they don't have the level of saving, you know, don't have enough spare to pay [upfront], you know? They're really struggling, they really rely on the amount when they get it, once they get it they have to pay the bills and everything. They don't have two, three, four, five hundred pounds to pay upfront."

Single claim, working part-time, formal and informal childcare (23)

1 in 4 would consider using UC childcare costs support if they knew more about it, it was paid in advance, or it was easy to claim

However, a quarter also say they do not want or need to use formal childcare



Base (unweighted): All who are not interested in UC childcare in Group 2 - Working and not using UC childcare (1,385), Group 3 - Not working and not using UC childcare (2,066). Top answers shown only.

E6: What, if anything, would have to change about UC childcare to make you interested in using it?

Parents who find the upfront costs of UC childcare to be a barrier



I would say most people on benefits don't just have a big savings pot that they can just, you know, just chuck on childcare... It's hard to save money as it is. So, yes, ideally, it would be paid upfront."

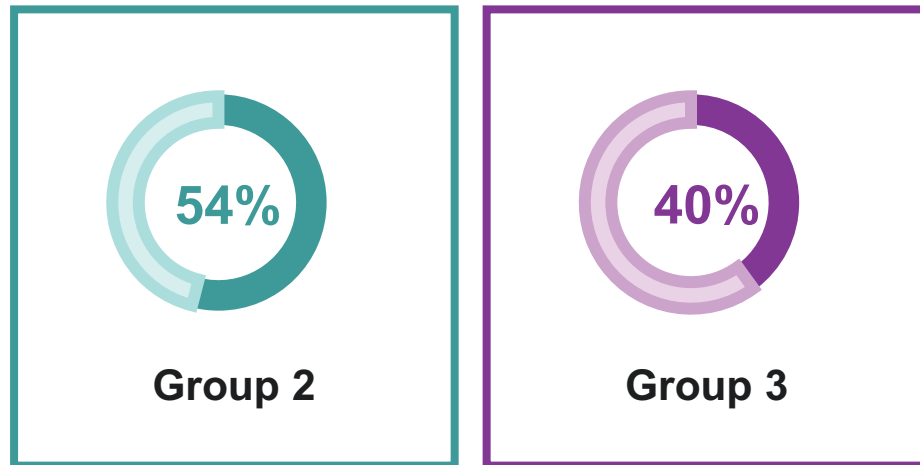
Joint claim, one working, mix of formal and informal childcare (13)

I've spoken to the Jobcentre and that about it though, they say, like, 'Oh yes, we can give you 85% of your childcare,' but I have to pay it first. Then it can take up to three months to get the money back, but I'm not in a position where I can afford to do that"

Single claim, one working, mix of formal and informal childcare (20)

Over half of those in group 2 and four in ten of group 3 who were previously unaware of UC childcare would be interested in using the scheme

Interest in using the scheme now claimants know more about it



Base (unweighted): All who were previously unaware of UC childcare in Group 2 (2,560), Group 3 (2,950). Figures for 'no': G2 – 21%; G3 – 21%. Figures for 'don't know': G2 – 26%; G3 – 34%.

E4: Now you are aware of Universal Credit childcare costs support, does this sound like something you would be interested in using?

Interest in using the scheme is higher amongst the following claimant types...



Pre-school age children only (70%, 52%) or with a mix of pre-school and school age (68%, 48%)



Those using only formal childcare (75%, 52%)

Base (unweighted): All who were previously unaware of UC childcare with pre-school age children only (G2 – 744; G3 – 901), with a mix of pre-school and school-age children (G2 – 558; G3 – 811), using formal childcare providers (G2 – 823; G3 – 963).

Group 2 - Working and not using UC childcare

Group 3 - Not working and not using UC childcare

Having to pay costs upfront is one of the main reasons why claimants who are open to using formal childcare don't use UC childcare

However, the upfront costs don't put off those who are already interested in using the scheme



Those not using UC childcare

Amongst those not using the offer (Group 2 and Group 3) the main reason for doing so are the **upfront costs** (Group 2: **27%**; Group 3: **33%**)



Those who aren't interested in the scheme

Receiving payment in advance was cited as a change to UC Childcare which would help around a quarter of people not currently interested in the scheme to consider it (Group 2: **24%**; Group 3: **23%**)



Those who are interested in the scheme

Amongst those who are **interested** in using the scheme, 7 in 10 are still interested once they find out about the upfront costs (Group 2: **77%**; Group 3: **72%**)

Base: All respondents (12,910), all Group 2 (4,142), all Group 3 (4,029), all Group 2 not interested in using UC childcare (Group 2: 1,385; Group 3: 2,066), all who are interested in UC childcare (Group 2: 1,488; Group 3: 1,236).

E3: Why don't you use Universal Credit childcare costs ?

E6: What, if anything, would have to change about Universal Credit childcare costs support to make you interested in using it?

E5: Knowing this, would you still be interested in using Universal Credit childcare costs support?

The upfront payment is a risk some aren't willing to take

And the design of the offer is not attractive enough to overcome the risk

Qualitative findings suggest:

- Those on the **lowest incomes** cannot afford to pay for childcare initially and then be reimbursed, despite feeling the amount available is **generous**
- They are **afraid of falling into debt** and if they are **financially stable** with their current working situation, then they will maintain this rather than look to start work or work more, leading to higher childcare costs
- Some have had **bad experiences** with **late UC payments** in the past and worry UC childcare would be the same – further putting them at risk of debt
- The **'up to 85%'** makes it hard to work out how much they could get and to work out where UC childcare fits into the **jigsaw**
- Some would use the scheme if it could be paid **directly to the provider** or to **parents**



It's the same as the one you get when you first take up Universal Credit, you have to take that loan to get you through the five weeks, but then you're putting yourself in debt for a year or more to pay it back, so it's not really helpful [...]
Realistically, who on benefits can afford to save £600 or more?"

Single claim, not working, no childcare (34)



It seems madness if you want to get people back into work but the first month you've got to try and come up with this money yourself. If you've got no money, it's a real barrier I think."

Single claim, working, formal childcare (30)

Case study: Affordability barriers to working

And to using UC childcare

Who are they?

Two-parent household, with a **6 year old** (primary school), and a **4 month old**.

The mother is currently on **maternity leave** but used to work in a nursery. The father of the 4 month old works **full time** for the civil service.

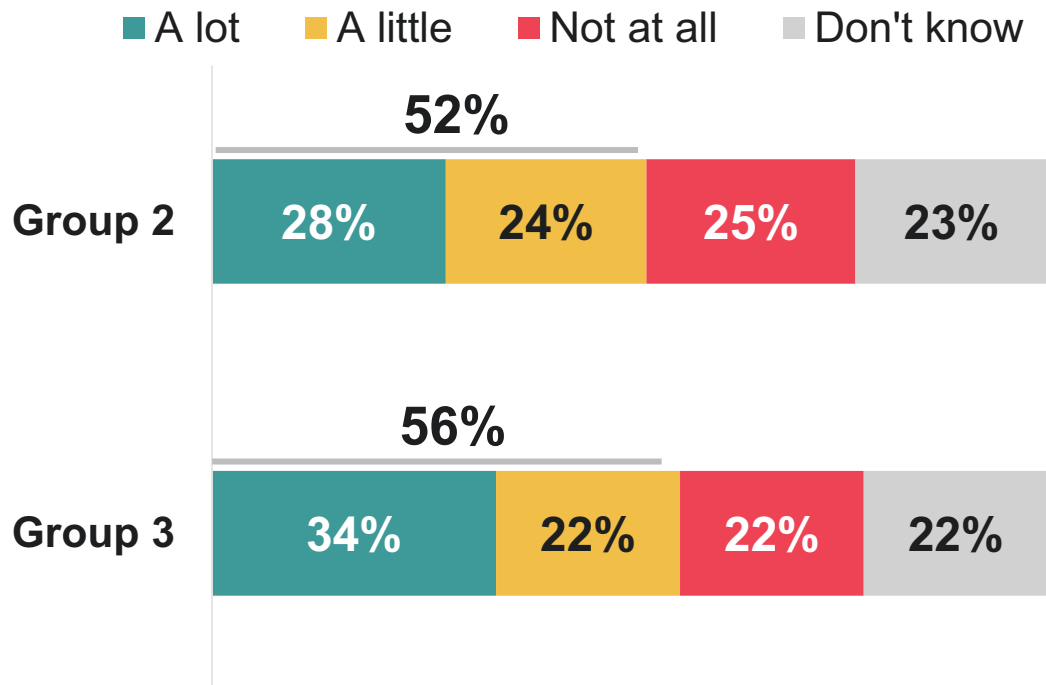
They describe their financial situation as fairly comfortable and their UC forms around a third of their total income. She is happy with her current situation (on maternity leave) but very dissatisfied with potential future arrangements and has decided not to go back to work as childcare is too expensive. She would prefer to go back to work full-time if she could afford to. She had looked into this in depth, considering a range of different roles and shift patterns, but they were always worse off financially (in the short term). She could go back to work when 30 hours kicked in, but said this would be a low-skilled job, with limited progression, due to the hours available that fit around childcare. She was therefore more likely to wait until her son was 6 or 7 to think about a career.



It's silly. Whatever way I've done it, how can I be better off if I just don't work at all? [...] They're telling people they want to help people get back to work [...] but they don't make it easy for you. Basically, you're penalised for having children."

Joint claim, both working (mother on maternity leave), no childcare (2)

Over half of customers in Groups 2 and 3 think that UC childcare could help them move into work / work more hours



Qualitative findings suggest:

- As Group 2 are in work, they are in a **better position** to see where UC childcare could fit (but often they have arrangements in place other than formal childcare)
- Group 3 need to **find work** before they can think about UC childcare. They see UC childcare as a helping hand once they've sorted work and childcare, rather than as a pull factor to encourage them into work



I've tried to manipulate it to, kind of, keep us on an even keel and keep us in the same position that we are in now, and whatever way I do it, whether I go back two days a week, whether I go back doing my full-time hours, I am still a lot better off if I don't work."

Joint claim, one working, no childcare (maternity leave) (2)

Base: All not currently receiving UC childcare: Group 2 - working and not using UC childcare (2,824), all Group 3 - not working and not using UC childcare (1,571)
E7: To what extent do you think Universal Credit childcare costs support would help you move into work / work more hours?

24%
of Group 3

aren't
interested in
UC childcare.
Their reasons for
not working do
not relate to
childcare

% SEND within Group 3 (non-users) ■ Group 3 ■ All claimants



Qualitative findings suggest:

- Parents didn't want to use or couldn't find suitable childcare for children with **health conditions** or **disabilities** (particularly autism, anxiety or ADHD)
- Some parents' work options were limited by their **own health conditions** or those of their partner
- Those who feel their capability to work is limited **did not see the benefit of UC childcare**



I'm not looking for work at the moment due to being a carer for my daughter. Her needs make it difficult to find a job as I need to be close by during the school day. I'm hoping this will change as she gets older and more independent."

Single claim, not working, no childcare (34)

Base: All respondents (12,910), Group 3 - not working and using UC childcare (4,029)



Department
for Work &
Pensions



Government
Social Research

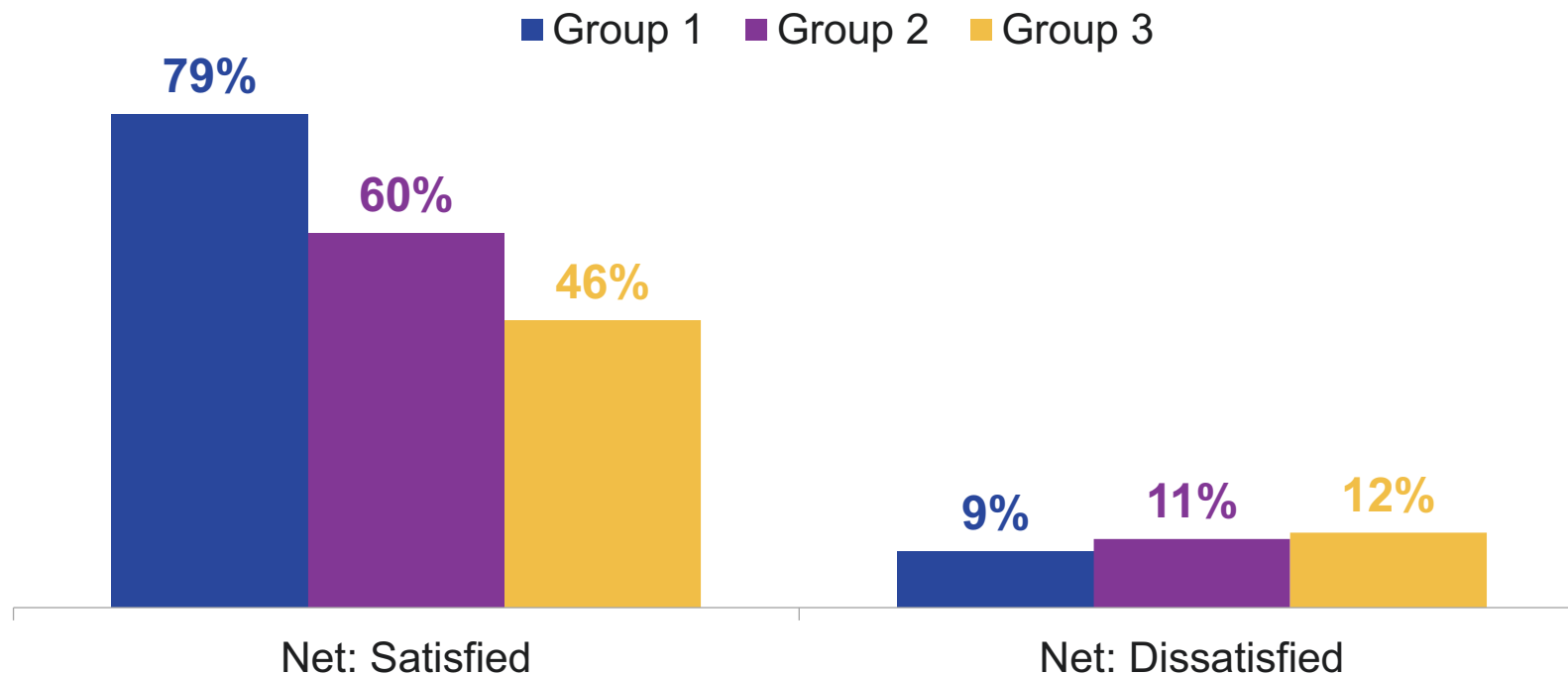
7

User experience of UC childcare

User experiences of UC childcare

Those using the offer (Group 1) are most likely to be satisfied with their childcare arrangements

Satisfaction with childcare arrangements



Respondents in Group 1 are more likely to have **pre-school age only children** – also a factor influencing satisfaction with arrangements



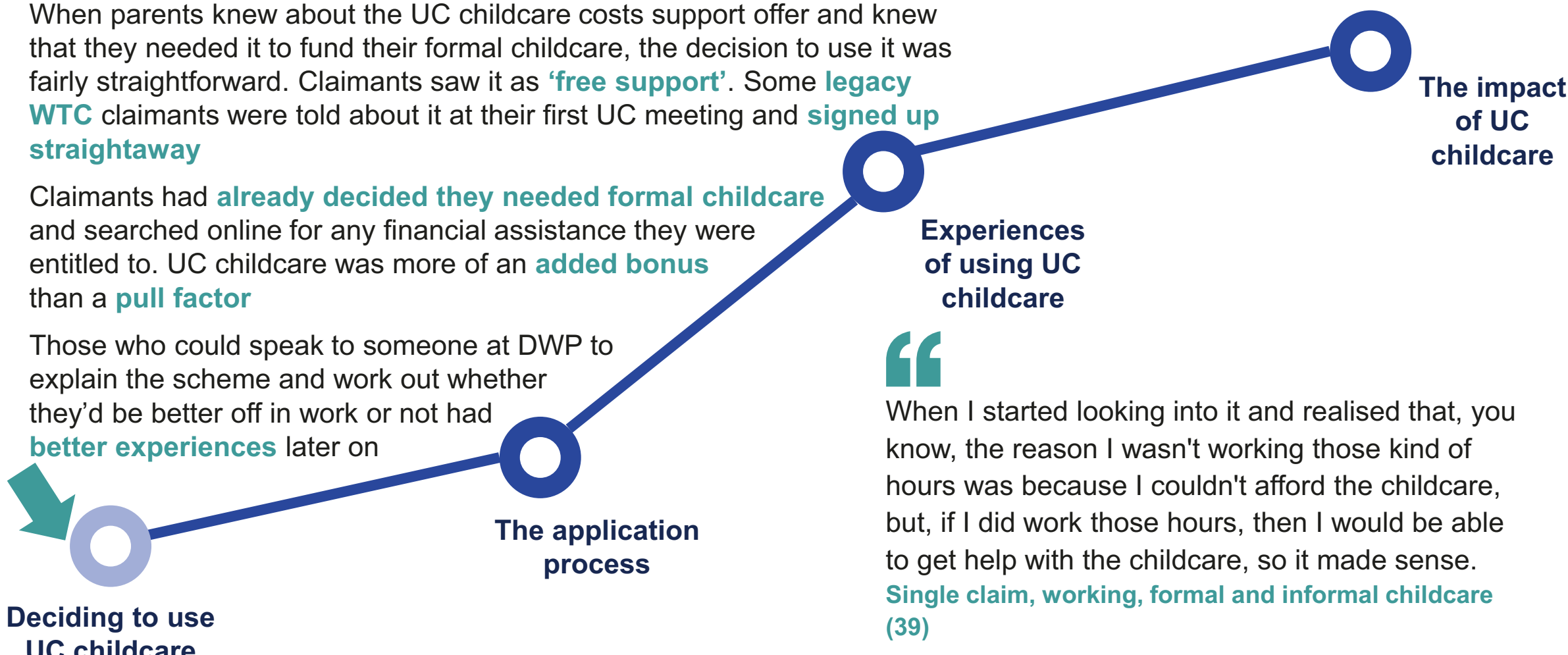
The qualitative research found that this group had a much **stronger motivation to work** and saw this as being beneficial for themselves and their child

Base (unweighted): All respondents (12,910), (G1 - Using UC childcare: 4,739; G2 - Working and not using UC childcare: 4,142; G3 - Not working and not using UC childcare: 4,029).

B5: How satisfied or dissatisfied are you with your current childcare arrangements?

It was an easy decision for parents to use the UC offer if they needed formal childcare

- When parents knew about the UC childcare costs support offer and knew that they needed it to fund their formal childcare, the decision to use it was fairly straightforward. Claimants saw it as **'free support'**. Some **legacy WTC** claimants were told about it at their first UC meeting and **signed up straightaway**
- Claimants had **already decided they needed formal childcare** and searched online for any financial assistance they were entitled to. UC childcare was more of an **added bonus** than a **pull factor**
- Those who could speak to someone at DWP to explain the scheme and work out whether they'd be better off in work or not had **better experiences** later on



Deciding to use UC childcare

The application process

Experiences of using UC childcare



When I started looking into it and realised that, you know, the reason I wasn't working those kind of hours was because I couldn't afford the childcare, but, if I did work those hours, then I would be able to get help with the childcare, so it made sense.

Single claim, working, formal and informal childcare (39)

The impact of UC childcare

Applying is straightforward, but claimants don't always have a clear understanding of how the scheme will work in practice

- Most found applying easy, but on reflection feel they **weren't fully informed of how to use the scheme**, e.g. uploading receipts, how much they are entitled to, how this might vary each month or if they changed their hours, and how this relates to their specific circumstances
- Reports of having to **wait for the first payment** (sometimes up to 12 weeks) meaning parents have to **take UC loans** or **borrow money** or use their credit card. Some reports of the total amount borrowed being up to £2,000
- Can be slow to get a response to questions through the journal

Deciding to use UC childcare

The application process

Experiences of using UC childcare

The impact of UC childcare



"You shouldn't be putting people out of pocket, especially as the money is already there. A lot of people are desperate or short on money, so why are you making them pay for it first?" 39

Parents experienced challenges when using UC childcare

- As the UC payment is **all in one**, parents don't always know how much is for childcare and how much is for themselves, and find it **hard to budget** as a result
- The gap between having to pay the childcare provider and receiving the UC reimbursement influences parents' experiences (depends on the day they need to pay the provider and when they get their UC payment). Those with a shorter gap found managing this easier. Others reported sometimes having to pay two months of nursery fees before receiving a reimbursement
- Can be slow to get clarification through the journal
- If costs are the same each month, it can be a bother to upload invoices monthly

Deciding to use UC childcare

The application process

Experiences of using UC childcare

The impact of UC childcare



Thankfully my providers were really understanding and they knew that they'd get the money eventually. They just needed to give me that breathing space and they afforded me that, thankfully. But some providers aren't so forthcoming and people would lose childcare places."

Single claim, working, formal and informal childcare (21)

Improving the childcare offer for parents

Attitudes to Ofsted registration vary depending on the age of the child and parents working hours

The requirement to use Ofsted registered childcare was not a large barrier to using childcare, for parents of pre-school children. Relaxing it would enable parents to use UC childcare to pay for different types of out of school activities.

Ofsted registration

- Essential quality marker for parents of pre-school children.
- Less salient for parents of older children – get wraparound care at school (if using formal childcare at all).

Non-registered

- Appeals to parents who have a friend/relative they could pay to look after their child. Parents were unwilling to pay someone they didn't know who was not Ofsted registered. It was seen as too risky.
- Being able to use non-registered childcare would enable parents to use UC childcare to pay for extra-curricular activities such as music, dance and horse-riding.
- One lone parent working nights was using a nanny - this was the most cost effective and easiest way for her to get childcare for her four children. A non-registered nanny was cheaper, but she could not use UC childcare costs to pay for this. As such, using a more expensive, Ofsted registered nanny worked out cheaper, after claiming UC childcare costs support.

Parents saw opportunities for two changes to the UC childcare funding model: reimbursement and proportion of childcare which can be claimed for

Parents who wanted to work more felt that changes to the UC reimbursement model and how much could be claimed would support this, by enabling them to use more formal childcare.

Reimbursement model

- It was important for parents to know how much money they would get from UC childcare to be able to budget.
- Participants – both those using UC childcare and not – expressed a strong preference for upfront payment. They felt this would remove the stress associated with having the money to pay for their childcare upfront.
- There was a suggestion of government funding for nursery deposit, with parallels drawn to the Lifetime Isa scheme.

What can be claimed

- Parents recognised that getting 85% of their childcare costs reimbursed is good.
- Those in more expensive areas (e.g. London) felt a higher cap was needed to cover their childcare costs.
- Covering 100% of childcare costs would enable them to use more childcare and work more.
- Parents also wanted financial support for other parts of childcare e.g. school uniform.

Flexible working is seen as essential to supporting parents to work, but it is not available to all

Parental needs

- Regardless of their approach to childcare, parents need some form of flexibility from work. They spoke of:
 - Restrictions on when they could start, around school hours or availability of formal/informal childcare
 - Needing to leave work on time to collect/meet children
 - They (and their partner if they had one) working particular shifts so one parent was always with the child(ren)

Current practice

- There was strong evidence of flexible working to accommodate childcare being offered by employers and/or requested by participants
- However, there were also examples of flexible working being offered but not delivered

Constraints

- There is a belief that flexible working is available in particular types of jobs and a belief/experience that flexible working is not open to all.
- Participants in certain job types reported structural barriers to flexible working. For example, set shift patterns which are not flexible and/or long shifts (12 hours). Care, retail, hospitality and manufacturing were all cited as sectors with limited flexibility.

Availability of childcare outside standard hours could help some work more, but there were also barriers to using this

Benefits of greater childcare availability



- Could help people in some circumstances work more e.g. take a job further away, work different (longer) shifts

Work related barriers



- Not worth working more
- Don't want to work evenings/weekends

Emotional barriers



- Want to spend time with the child in the evening
- Don't want to/can't work past child's bedtime
- Don't want child in nursery for long days
- Prefer to use informal childcare for evenings/weekends

Practical barriers



- Assume it would be expensive and difficult to access
- There is already a lack of availability of childcare during core hours – this would need to be resolved first



Department
for Work &
Pensions



Government
Social Research

Joanna Crossfield

Research Director

Tanisha Colegate

Research Executive

Rachael O'Donovan

Graduate Research Executive

info.team@ipsos.com



Department
for Work &
Pensions

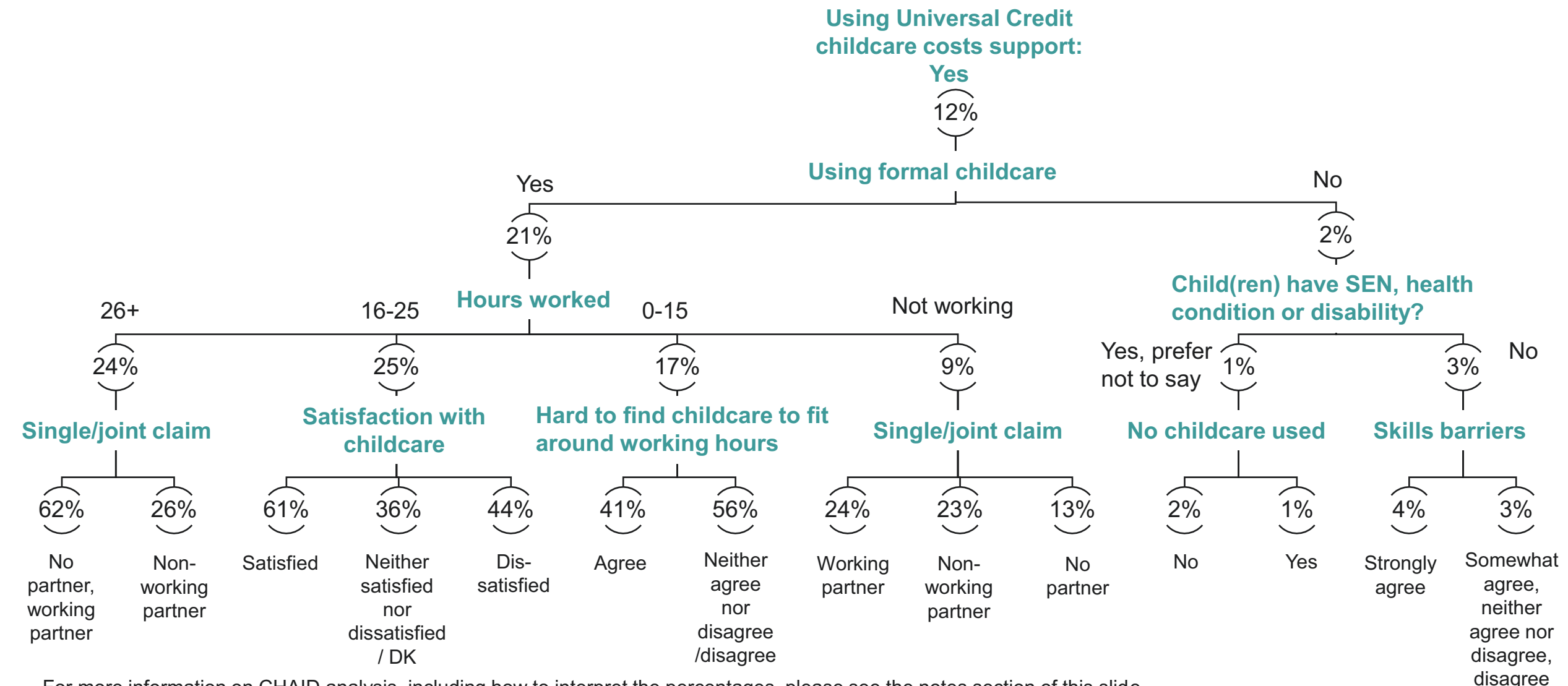


Government
Social Research

7

Appendix

CHAID Analysis was run to understand the significant differences between those using the scheme and not



For more information on CHAID analysis, including how to interpret the percentages, please see the notes section of this slide.