



New ways of funding: thinking outside the box

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About United for All Ages

United for All Ages is a social enterprise bringing older and younger people together to create a stronger Britain. We work with local authorities, health trusts, housing associations and community organisations to promote shared sites, shared caring and shared interests across generations.

❖ Join our network at www.unitedforallages.com



**Oh, The grand old Duke of York,
He had ten thousand men;
He marched them up to the top of
the hill,
And he marched them down
again.**

**And when they were up, they
were up,
And when they were down, they
were down,
And when they were only half-
way up,
They were neither up nor down.**

Budget



Budget announcement

- from autumn 2015 a tax-free childcare online scheme worth up to £1,200 per child under 5 (from 2020 extending to under 12) 20% - equivalent to the basic rate of tax –of their yearly childcare costs up to £6000 per year.
- eligible families, both parents in work with each earning less than £150,000.
- Employer Supported Childcare (ESC) will continue for current members who can then move over to new scheme. The ESC will remain open to new joiners until the new scheme is operational. ESC companies will operate the new scheme.

Con

- parents earning less than £10,000 won't benefit but couples earning up to £299,000 will. Parents with just one child under 5 would be better off under the ESC (£1800 compared to only £1200)
- if only one parent works and other part-time may not be eligible (16 hour rule)
- employers may not think it's worth participating and setting up ESC so parents could lose out between now and 2015. How will the voucher companies be funded to deliver the online system?

Budget



Budget announcement

- from 2016 the childcare support through tax credits and in due course universal credit will increase to 85% from the current 70%
- online scheme doesn't start until 2015, it will be paid in arrears to providers. Parent chooses online provider and registers, pays into account the 80% and the online company liaises with HMRC who top-up with 20%, then the online company pays the provider.

Con

- low income parents need help now with the cost of childcare
- where does the free entitlement get taken into account; just two years after the new system is introduced parents could be left with the same childcare bills as they face now.
- would be far better to expand funding for the supply side and cap charges to parents.

What should have been in the Budget?



- pledge to establish the real per hour costs of high quality childcare
- ring-fence the early years budget within the DSG
- review and overhaul childcare funding streams
- extend the online childcare account system
- help for families now – 2015 is too little too late



Where do we go from here

- keep the foot on the pedal...
- lobby all the main political parties
- lower income families vs wealthier families
- need a fairer and better way of distributing resources to parents and providers
- an online childcare account is the way forward but it could offer so much more



Time for something new

www.childcarechampions.com

