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WORKING FAMILIES FACE £436 CUT IN SUPPORT FOR CHILDCARE COSTS NEXT YEAR

Almost half a million families are set to lose an average of £436 a year in support for childcare costs from April next year, according to new figures out today from the independent think tank the Resolution Foundation.

In London, where childcare costs are highest, nearly 50,000 families will lose on average £600. Some families could lose as much as £1,300 a year in 2011, in comparison to previous Government plans.

The cuts stem from an announcement made by Chancellor George Osborne in the October Spending Review, but this is the first time that their full regional impact has been shown.

The changes relate to the childcare element of the Working Tax Credit, which is claimed by around 450,000 working households across the UK. Under the current system, working parents can claim support for up to 80% of the costs of childcare, but from April that figure will fall to 70%.

A recent survey found that as many as one in three working parents are considering giving up their job because they feel unable to cope with childcare costs. The price of a nursery place has risen by over 20 percent in real terms since 2002. A typical full-time nursery place in England now costs £167 per week.

Gavin Kelly, Chief Executive of the Resolution Foundation, said:

“For working mums on low-to-middle incomes losses like these will be hard to bear. Many parents find support with childcare costs absolutely essential to staying in work, and the big worry is some will now find that work doesn’t pay. With other work-related costs, such as train fares, now also rising, these cuts couldn’t come at a worse time for families. Many families are still unaware of the changes, despite the fact that they come into effect in a few months time.

“This was already set to be a tough year for families. With wages rising more slowly than inflation, households are going to get poorer, even before cuts are factored in.”

Impact of cuts to childcare element of Working Tax Credit by Local Authority:

UK, 450,000 families, £436 average loss

London, 47,920 families, £603 average loss

Barking and Dagenham, 1,630, £676
Barnet, 1,340, £569
Bexley, 1,440, £592
Brent, 1,990, £573
Bromley, 1,610, £562
Camden, 820, £526
Croydon, 3,410, £617
Ealing, 1,490, £582
Enfield, 1,970, £625
Greenwich, 1,950, £664
Hackney, 1,890, £626
Hammersmith and Fulham, 730, £573
Haringey, 1,700, £614
Harrow, 860, £545
Havering, 1,150, £528
Hillingdon, 1,360, £549
Hounslow, 1,220, £523
Islington, 1,020, £528
Kensington and Chelsea, 460, £533
Kingston upon Thames, 600, £501
Lambeth, 2,780, £649
Lewisham, 3,170, £647
Merton, 1,140, £554
Newham, 1,980, £628
Redbridge, 1,290, £635
Richmond upon Thames, 570, £527
Southwark, 3,010, £695
Sutton, 1,100, £519
Tower Hamlets, 670, £578
Waltham Forest, 1,860, £601
Wandsworth, 1,210, £592
Westminster and City of London¹, 500, £581

East Midlands, 35,500 families, £421 average loss

Amber Valley, 780, £386

Ashfield, 950, £424
Bassetlaw, 750, £395
Blaby, 850, £406
Bolsover, 430, £386
Boston, 520, £397
Broxtowe, 850, £410
Charnwood, 1,240, £412
Chesterfield, 750, £368
Corby, 660, £474
Daventry, 540, £451
Derby UA, 2,210, £438
Derbyshire Dales, 340, £360
East Lindsey, 950, £353
East Northamptonshire, 690, £411
Erewash, 1,000, £415
Gedling, 1,110, £404
Harborough, 540, £379
High Peak, 800, £360
Hinckley and Bosworth, 830, £379
Kettering, 780, £433
Leicester UA, 2,320, £495
Lincoln, 760, £404
Mansfield, 820, £407
Melton, 380, £378
Newark and Sherwood, 900, £383
North East Derbyshire, 630, £365
North Kesteven, 890, £376
North West Leicestershire, 670, £421
Northampton, 2,050, £468
Nottingham UA, 2,750, £506
Oadby and Wigston, 450, £418
Rushcliffe, 780, £405
Rutland UA, 230, £384
South Derbyshire, 750, £436
South Holland, 540, £394
South Kesteven, 1,210, £379
South Northamptonshire, 500, £408
Wellingborough, 650, £462
West Lindsey, 650, £367

East of England, 31,350 families, £428 average loss

Babergh, 430, £379

Basildon, 790, £489
Bedford, 1,070, £455
Braintree, 710, £408
Breckland, 850, £354
Brentwood, 280, £490
Broadland, 640, £313
Broxbourne, 480, £523
Cambridge, 460, £439
Castle Point, 360, £444
Chelmsford, 790, £433
Colchester, 980, £442
Dacorum, 730, £457
East Cambridgeshire, 430, £413
East Hertfordshire, 450, £434
Epping Forest, 490, £524
Fenland, 540, £398
Forest Heath, 290, £385
Great Yarmouth, 590, £327
Harlow, 580, £446
Hertsmere, 500, £532
Huntingdonshire, 1,110, £367
Ipswich, 860, £399
King's Lynn and West Norfolk, 800, £347
Luton UA, 1,380, £540
Maldon, 230, £368
Mid Bedfordshire, 730, £426
Mid Suffolk, 460, £369
North Hertfordshire, 590, £449
North Norfolk, 440, £330
Norwich, 800, £386
Peterborough UA, 1,740, £435
Rochford, 320, £425
South Bedfordshire, 730, £430
South Cambridgeshire, 670, £390
South Norfolk, 590, £346
Southend-on-Sea UA, 1,050, £447
St. Albans, 470, £459
St. Edmundsbury, 620, £378
Stevenage, 610, £487
Suffolk Coastal, 630, £382
Tendring, 750, £371
Three Rivers, 390, £498
Thurrock UA, 1,060, £551

Uttlesford, 310, £392
Watford, 480, £547
Waveney, 530, £356
Welwyn Hatfield, 560, £472

North East, 19,660 families, £419 average loss

Alnwick, 230, £377
Berwick-upon-Tweed, 180, £298
Blyth Valley, 640, £414
Castle Morpeth, 260, £405
Chester-le-Street, 460, £428
Darlington UA, 990, £426
Derwentside, 640, £438
Durham, 550, £440
Easington, 760, £439
Gateshead, 1,390, £397
Hartlepool UA, 860, £368
Middlesbrough UA, 1,180, £450
Newcastle-upon-Tyne, 1,560, £427
North Tyneside, 1,700, £418
Redcar and Cleveland UA, 1,180, £457
Sedgefield, 670, £448
South Tyneside, 1,070, £439
Stockton-on-Tees UA, 1,670, £433
Sunderland, 2,170, £389
Teesdale, 200, £314
Tynedale, 400, £386
Wansbeck, 440, £401
Wear Valley, 460, £423

North West, 68,400 families, £421 average loss

Allerdale, 530, £321
Barrow-in-Furness, 570, £358
Blackburn with Darwen UA, 1,560, £439
Blackpool UA, 2,110, £385
Bolton, 3,170, £436
Burnley, 1,010, £440
Bury, 2,300, £443
Carlisle, 890, £327
Chester, 920, £400
Chorley, 1,100, £378

Congleton, 700, £391
Copeland, 380, £349
Crewe and Nantwich, 890, £391
Eden, 340, £327
Ellesmere Port and Neston, 740, £405
Fylde, 710, £368
Halton UA, 1,350, £436
Hyndburn, 1,050, £434
Knowsley, 1,800, £436
Lancaster, 1,260, £364
Liverpool, 4,440, £450
Macclesfield, 1,030, £393
Manchester, 3,880, £508
Oldham, 2,520, £417
Pendle, 970, £420
Preston, 1,480, £460
Ribble Valley, 510, £342
Rochdale, 2,370, £439
Rossendale, 820, £400
Salford, 2,460, £471
Sefton, 2,620, £411
South Lakeland, 680, £326
South Ribble, 1,310, £382
St. Helens, 1,590, £396
Stockport, 2,570, £421
Tameside, 2,670, £433
Trafford, 2,160, £462
Vale Royal, 940, £409
Warrington UA, 1,830, £437
West Lancashire, 920, £390
Wigan, 3,170, £395
Wirral, 3,040, £404
Wyre, 1,040, £353

Northern Ireland, 13,150 families, £499 average loss

Antrim, 490, £535
Ards, 570, £440
Armagh, 400, £482
Ballymena, 400, £511
Ballymoney, 200, £467
Banbridge, 400, £459
Belfast, 2,300, £505

Carrickfergus, 380, £561
Castlereagh, 430, £483
Coleraine, 410, £459
Cookstown, 310, £525
Craigavon, 710, £460
Derry, 730, £526
Down, 590, £505
Dungannon, 330, £509
Fermanagh, 510, £465
Larne, 270, £457
Limavady, 210, £492
Lisburn, 980, £515
Magherafelt, 270, £503
Moyle, 90, £471
Newry and Mourne, 340, £540
Newtonabbey, 770, £539
North Down, 530, £483
Omagh, 340, £477
Strabane, 190, £511

South East, 46,410 families, £423 average loss

Adur, 390, £405
Arun, 810, £359
Ashford, 820, £381
Aylesbury Vale, 920, £447
Basingstoke and Deane, 1,010, £433
Bracknell Forest UA, 600, £486
Brighton and Hove UA, 1,870, £409
Canterbury, 740, £348
Cherwell, 890, £417
Chichester, 540, £405
Chiltern, 260, £485
Crawley, 690, £487
Dartford, 570, £513
Dover, 600, £332
East Hampshire, 460, £402
Eastbourne, 810, £367
Eastleigh, 730, £379
Elmbridge, 420, £475
Epsom and Ewell, 300, £463
Fareham, 680, £387
Gosport, 750, £448

Gravesham, 510, £486
Guildford, 450, £459
Hart, 380, £484
Hastings, 740, £386
Havant, 700, £374
Horsham, 480, £397
Isle of Wight UA, 1,080, £303
Lewes, 570, £372
Maidstone, 740, £422
Medway UA, 1,770, £421
Mid Sussex, 660, £437
Milton Keynes UA, 2,330, £498
Mole Valley, 240, £442
New Forest, 780, £361
Oxford, 710, £489
Portsmouth UA, 1,570, £396
Reading UA, 870, £493
Reigate and Banstead, 590, £475
Rother, 480, £354
Runnymede, 290, £447
Rushmoor, 580, £494
Sevenoaks, 370, £430
Shepway, 720, £347
Slough UA, 710, £529
South Bucks, 230, £537
South Oxfordshire, 620, £420
Southampton UA, 1,250, £419
Spelthorne, 460, £481
Surrey Heath, 320, £449
Swale, 790, £404
Tandridge, 410, £444
Test Valley, 560, £419
Thanet, 1,070, £389
Tonbridge and Malling, 530, £408
Tunbridge Wells, 430, £391
Vale of White Horse, 630, £426
Waverley, 360, £427
Wealden, 720, £350
West Berkshire UA, 730, £427
West Oxfordshire, 610, £399
Winchester, 420, £437
Windsor and Maidenhead UA, 510, £511
Woking, 310, £472

Wokingham UA, 640, £452
Worthing, 850, £383
Wycombe, 780, £484

South West, 35,870 families, £370 average loss

Bath and North East Somerset UA, 910, £365
Bournemouth UA, 1,210, £383
Bristol, City of UA, 2,550, £415
Caradon, 530, £341
Carrick, 670, £355
Cheltenham, 700, £389
Christchurch, 260, £344
Cotswold, 450, £355
East Devon, 860, £356
East Dorset, 410, £376
Exeter, 950, £384
Forest of Dean, 470, £375
Gloucester, 1,080, £389
Kennet, 500, £430
Kerrier, 810, £352
Mendip, 710, £343
Mid Devon, 610, £340
North Cornwall, 590, £357
North Devon, 780, £336
North Dorset, 350, £370
North Somerset UA, 1,470, £365
North Wiltshire, 850, £397
Penwith and Isles of Scilly¹, 520, £349
Plymouth UA, 2,440, £367
Poole UA, 840, £390
Purbeck, 240, £329
Restormel, 940, £350
Salisbury, 760, £389
Sedgemoor, 730, £342
South Gloucestershire UA, 1,710, £385
South Hams, 490, £323
South Somerset, 1,020, £349
Stroud, 660, £331
Swindon UA, 1,440, £438
Taunton Deane, 890, £337
Teignbridge, 860, £344
Tewkesbury, 560, £377

Torbay UA, 1,140, £346
Torridge, 360, £354
West Devon, 280, £348
West Dorset, 550, £347
West Somerset, 220, £332
West Wiltshire, 970, £372
Weymouth and Portland, 530, £339

West Midlands, 44,650 families, £416 average loss

Birmingham, 9,630, £492
Bridgnorth, 300, £335
Bromsgrove, 670, £373
Cannock Chase, 820, £358
Coventry, 3,010, £447
Dudley, 1,830, £377
East Staffordshire, 890, £394
Herefordshire UA, 1,400, £304
Lichfield, 650, £372
Malvern Hills, 430, £365
Newcastle-under-Lyme, 1,240, £371
North Shropshire, 390, £370
North Warwickshire, 460, £379
Nuneaton and Bedworth, 1,150, £409
Oswestry, 350, £327
Redditch, 840, £376
Rugby, 770, £414
Sandwell, 2,530, £492
Shrewsbury and Atcham, 820, £326
Solihull, 1,680, £443
South Shropshire, 250, £309
South Staffordshire, 600, £359
Stafford, 1,120, £391
Staffordshire Moorlands, 750, £340
Stoke-on-Trent UA, 2,440, £406
Stratford-on-Avon, 760, £396
Tamworth, 690, £387
Telford and Wrekin UA, 1,570, £393
Walsall, 1,770, £404
Warwick, 820, £404
Wolverhampton, 1,790, £407
Worcester, 720, £369
Wychavon, 730, £370

Wyre Forest, 780, £335

Yorkshire and the Humber, 42,950 families, £404 average loss

Barnsley, 1,810, £398

Bradford, 4,610, £464

Calderdale, 2,430, £434

Craven, 370, £339

Doncaster, 2,520, £447

East Riding of Yorkshire UA, 2,570, £338

Hambleton, 780, £374

Harrogate, 1,210, £369

Kingston-upon-Hull, City of UA, 2,230, £393

Kirklees, 3,960, £440

Leeds, 6,470, £415

North East Lincolnshire UA, 1,180, £372

North Lincolnshire UA, 1,160, £380

Richmondshire, 470, £411

Rotherham, 1,760, £379

Ryedale, 300, £352

Scarborough, 1,010, £343

Selby, 630, £365

Sheffield, 3,720, £387

Wakefield, 2,340, £398

York UA, 1,420, £348

Wales, 20,790 families, £398 average loss

Blaenau Gwent, 310, £455

Bridgend, 820, £389

Caerphilly, 1,060, £426

Cardiff, 1,950, £432

Carmarthenshire, 1,290, £349

Ceredigion, 420, £374

Conwy, 1,250, £408

Denbighshire, 1,210, £407

Flintshire, 1,330, £396

Gwynedd, 770, £387

Isle of Anglesey, 480, £407

Merthyr Tydfil, 300, £453

Monmouthshire, 470, £370

Neath Port Talbot, 750, £387

Newport, 980, £442

Pembrokeshire, 910, £359
Powys, 960, £345
Rhondda, Cynon, Taff, 1,150, £415
Swansea, 1,360, £395
Torfaen, 770, £408
Vale of Glamorgan, 960, £425
Wrexham, 1,290, £363

Scotland, 41,140 families, £420 average loss

Aberdeen City, 1,280, £454
Aberdeenshire, 1,330, £384
Angus, 910, £392
Argyll and Bute, 560, £388
Clackmannanshire, 340, £421
Dumfries and Galloway, 970, £372
Dundee City, 1,690, £482
East Ayrshire, 900, £410
East Dunbartonshire, 810, £435
East Lothian, 810, £375
East Renfrewshire, 630, £419
Edinburgh, City of, 3,020, £405
Eilean Siar (Western Isles), 150, £362
Falkirk, 1,180, £419
Fife, 2,570, £413
Glasgow City, 5,910, £423
Highland, 1,600, £386
Inverclyde, 560, £395
Midlothian, 830, £413
Moray, 550, £395
North Ayrshire, 1,230, £449
North Lanarkshire, 2,700, £460
Orkney Islands, 110, £372
Perth and Kinross, 1,260, £384
Renfrewshire, 1,880, £434
Scottish Borders, 840, £343
Shetland Islands, 120, £339
South Ayrshire, 770, £410
South Lanarkshire, 2,500, £447
Stirling, 620, £391
West Dunbartonshire, 1,020, £436
West Lothian, 1,490, £451

Notes to editors:

The Resolution Foundation is an independent research and policy organisation working to improve the lives of low-to-middle earners – a group that is below median income, but not heavily reliant on state support. There are six million low-to-middle earning households in Britain, containing 11 million adults. Though not the poorest in society, this group experiences a unique set of pressures, including many of the problems more commonly associated with poverty, from financial insecurity to a struggle to keep up with day-to-day living costs.

Over 2 million people in Britain receive Working Tax Credits (WTC), mean-tested payments provided by the government to boost the incomes of households on low incomes. 470,000 households receive the childcare element of WTC, which provides support for childcare costs. Most are on incomes below £30,000. The planned reduction in support will save the Government £270m next year, rising to £385m in 2014/15.

Analysis of losses to families are based on the latest data published by HMRC, from 2008. Since WTC payments rise year on year, real losses in 2011 are likely to be higher.

Survey finding that as many as one in three working parents are considering giving up their job because they feel unable to cope with childcare costs conducted by Computershare Voucher Services (CVS), polling 1,000 working parents.

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