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## CHILDCARE: NUMBERS FAIL TO ADD UP WHEN MOTHERS RETURN TO WORK

Dina Medland September 19, 2013

Thoughts of babies and small children under the age of four bring a smile to the faces of most people. The bad news is that the cost of childcare is commonly cited by women as a barrier to progressing into senior roles.

Ruby McGregor-Smith, chief executive of Mitie Group, the outsourcing company, and chairman of the government's Women's Business Council, says: "There are 2.4m women not working who want to work, and more than 1.3m women who want to work more hours. Yet the cost of childcare in England is among the most costly in Europe.

"It is a big barrier for women who want to return to work or work longer hours after having children. Making quality childcare accessible and affordable is a hugely important part of this."

According to a recent report prepared for the government by the council, in the past four years the average cost of a nursery place has risen by 23 per cent. During that time, the average full-time wage has risen by 2.5 per cent, and the average part-time wage has risen by just 0.3 per cent. Parents looking for childcare today say it is expensive and hard to access – just as they did a decade ago – while providers report under-occupancy in some regions and low profits.

Jennie Johnson, founder and chief executive of Kids Allowed, the award-winning chain of nurseries near Manchester, has experienced childcare from several perspectives. Ten years ago and working full time as a sales director, she had a child about to start school, was expecting another, and was looking to go back to work.

"I was very unhappy about what I saw when looking for childcare. You never want to say 'that will have to do'.

"So I tried using informal childcare with friends, relatives and my gran – and that didn't work either," she says.

It prompted Ms Johnson to try and make it work by creating childcare herself. “My three-year-old is now a customer,” she says.

But despite winning personal and professional accolades, Ms Johnson’s social conscience means she remains unhappy. “I come from a strong working class background. When I first thought of Kids Allowed, I wanted affordable high quality childcare.

“But the business plan didn’t work, so it had to be at the expensive end of affordability. It doesn’t sit well that this is a service that most people from my background can’t afford.” She describes Kids Allowed clients as: “Typically professional working families of whom not all are affluent.” Charges are roughly £50 a day

Talking about other resources available to parents, she says: “There is nothing to support parents when a child is one year old.

“Allegedly there is government funding available for three to four-year-olds for 15 hours of childcare a week but it is at something like £3.70 an hour and it costs us far more than that to deliver.

“They are rolling out means-tested funding for two-year-olds but the sector is very nervous.”

Recent moves by the government’s Childcare Commission for more tax-free childcare should be welcomed, says Ms McGregor-Smith. But she adds: “I would very much like to see this go even further, when the economic climate allows. Ultimately, I’d like to see tax breaks for childcare across the board.” Other resources available to parents include childcare vouchers, but not all employers provide them.

Ms Johnson also points out that government funding for childcare does not distinguish between the “church hall nursery” and professional nurseries such as Kids Allowed, where there is a qualified teacher present and the aim is to be as flexible as possible in meeting parental needs.

“That flexibility comes at a price,” says Ms Johnson. “Babies need cuddles and you can’t cut corners.”

For some women, the lack of affordable quality childcare leads to them stepping out of the workforce. Others seek to work flexibly, perhaps by running their own businesses. Flexible working is championed by the Women’s Business Council report, which says that in 1998 it was offered by 27 per cent of employers – and by 50 per cent of employers in 2012.

But for those women leaving the workforce to provide their own childcare, the barriers to returning can seem insurmountable.

Brenda Trenowden, managing director at BNY Mellon, is a Canadian who was starting a City career in London more than a decade ago. She had to be at work before 7am and, unable to find suitable childcare, decided to hire a nanny.

“We couldn’t believe it,” she says. “Almost all of my husband’s after-tax income as a teacher was going to the nanny.

“We just couldn’t understand why we were paying all our money to a stranger to look after our child.”

Their answer was for Mr Trenowden to give up his career to provide childcare. “We are very lucky because I earn enough and we can do it this way, and it has worked for us. But it would have been nice to feel there were other options,” Ms Trenowden says. Her husband, now 51, is occasionally asked by the mothers waiting at the school gate when he is going back to work, she says.

“Childcare in the UK is just so very expensive, especially when you look at the hours available – even long school holidays are a real issue. When young women come and ask me for advice now it’s very hard to know what to tell them to do.”

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