

# Briefing on COVID-19 and childcare



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## Summary

COVID-19 and the government measures introduced to tackle the virus have had a significant impact on childcare. Many doctors and other NHS staff have seen their usual forms of childcare breakdown. [With at least 57% of early years childcare settings currently closed](#), we do not have enough childcare provision for critical workers.

The [government strategy](#) for exiting lockdown published on 11 May made little mention of childcare providers. According to the National Day Nurseries Association, among those nurseries that have remained open through the lockdown, many have done so at a financial loss. There is concern that it will be some time before there is the parental demand to sustain the sector and the measures in place to make it viable and safe for more to open.

The lack of childcare is keeping doctors who are fit and able to go to work at home. Others are facing significant extra costs as they are having to find more expensive provision to cover the unsocial and additional hours they are now working. Difficulties in finding childcare cover and having to put their young children in new, unfamiliar settings is creating additional stress for them and their families at this time.

We have concerns that if childcare providers go out of business entirely as a result of the COVID-19 crisis this will have longer term impacts on our members' work and family lives and potentially widen gender inequalities in the medical profession.

## Four key asks on childcare for doctors

- Provide additional financial and logistical support for nurseries and childcare providers to prevent permanent closures
- Local authorities – collaborate with local NHS bodies and childcare providers to secure sufficient provision for NHS staff
- Employers – consistency across local policy arrangements so that carers' leave is fully paid during the outbreak
- Reimburse additional childcare costs incurred by doctors and medical students working during the outbreak

## Government policy and guidance on childcare during COVID-19

During the lockdown, the government asked parents to keep their children at home wherever possible, and for early years and childcare settings to remain open only for children who are vulnerable and for those children of critical workers.

The government acknowledged that it was not possible for all childcare settings to remain open and asked local authorities to work with childcare providers to ensure there is sufficient provision for critical workers.

However, our members report in many areas that settings closed, there is little obvious support in finding childcare in their area and many have incurred significant additional costs. Only 6% of critical care workers' children have been in a early years childcare setting during lockdown.

On 11 May, the government announced that childcare settings along with schools may open again to all children on 1 June at the earliest. However, there is still uncertainty on how that can happen safely. In addition, workers are still being encouraged to work from home wherever possible, there are concerns about the safety of some workplaces, others like hospitality will not open until later in the year, and some parents have lost their jobs because of coronavirus. This means it is likely that many parents will not be using childcare settings for some time, creating uncertainty for many providers and possibly ongoing closures or reduced opening hours.

## Key challenges faced by doctors

- **Nursery closures** have left doctors suddenly without any childcare and they have had to take time off work to source alternative provision of childcare. Members have been using carers leave, annual leave or significantly reducing their hours. There are doctors who want to be working during this vital time but are unable to.
- **Informal care**, most often provided by grandparents, is relied upon by many doctors because of the irregular and long hours that doctors work. One in five key worker families with pre-school children make

use of informal care by grandparents.<sup>1</sup> The social-distancing measures and advice for those over-70 to self-isolate has led to this form of care no longer being available.

- **Rota-changes and longer hours** are making childcare harder to arrange. We are aware from our members that parents are struggling with the short-notice rota changes and longer shifts now expected. In normal times it is challenging to get childcare last-minute and during unsocial hours, yet alone now. The later that parents receive their rotas, the more costly their childcare is likely to be or the less likely they will be able to work that shift.
- **Two-doctor families, single parents and parents of SEN children** face increasing challenges and costs when arranging childcare. Two-doctor families are having to swap shifts and work more nights so one parent can be home to provide childcare. Single mothers and parents with SEN children needing specialist provision are also groups of parents who are particularly struggling to manage work and childcare at this time.
- **The stress and anxiety** that is being faced by parents in finding alternative childcare. We have heard from our members that leaving your children in unfamiliar childcare settings has had an impact on them and their children and they have felt a lot of additional pressure from having to manage their caring responsibilities alongside a high-pressured working environment. As a result of the pandemic, one in four doctors is reporting worsening mental distress, including increased depression, anxiety and burnout.<sup>2</sup> They need additional support not stress outside of work.

### Increased costs of childcare

Childcare is already one of the largest single costs that many families face and any increases are going to be difficult to manage for many NHS staff. For example, we have heard from one doctor who is now spending a third of her salary on childcare. Some doctors have not been able to afford these additional costs and have chosen to significantly reduce their hours to care for their children at home instead. Some medical students have been working to support the COVID-19 response and have been classified as key worker during this period. The additional challenges and any increased costs these students will have to their childcare will be particularly challenging as they will have received no income during their studies, and a smaller income than the rest of the medical workforce.

#### Additional costs include:

- The closure of early years childcare settings and wraparound care for school-age children has led to doctors paying for more expensive forms of childcare.
- The longer and more unpredictable hours that many doctors will be working at the moment will lead to increased costs.
- Many doctors have lost access to the free informal childcare they previously received from relatives so are needing additional formal paid-for provision.
- Some nurseries and childcare providers have raised their fees as a result of their loss of income from the majority of parental fees. There are also examples of nurseries that are no longer open but are still asking for parents to pay for a percentage of their fees so they can open when the lockdown measures are lifted. This means some doctor are paying two sets of nursery fees during this time.
- We have also heard from members that childminders have raised their fees based on the increased demand and additional risk they are taking by caring for children of critical workers.

### Support for the early-years and childcare sector

Three-quarters of nurseries and childcare settings are privately owned and dependent on parental fees to keep their services running and pay their staff.

In spite of government taking some steps to [financially and logistically support](#) childcare settings, it has not been enough for many of these businesses to remain open during this period. The latest [figures](#) from the Department for Education state that 57% of childcare settings have now closed, 35% remain open and 9% are unknown.

1 <https://www.ifs.org.uk/publications/14788>

2 <https://www.bma.org.uk/news-and-opinion/half-of-doctors-source-own-ppe>

Childcare providers have had some financial support from government including continuing to receive the government funding for the 30 hours free childcare for 3 and 4 year olds, and some access to the Coronavirus Job Retention Scheme (CJRS) so they can furlough staff who are not covered by public funding. However, this is too inflexible and insufficient to cover the lost income from parental fees and to cover their non-staff running costs.

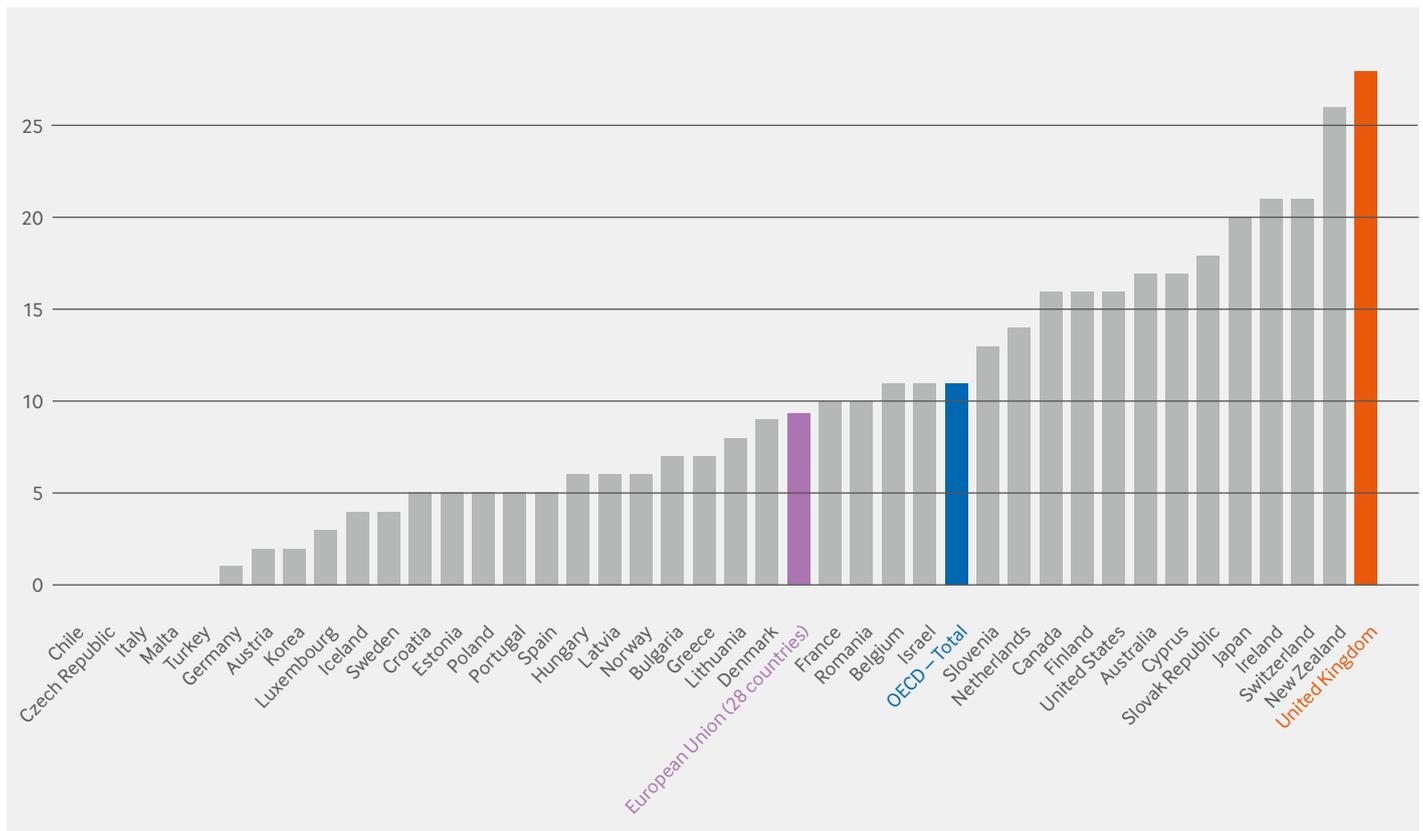
The early years and childcare sector was struggling prior to COVID-19, with DfE [data](#) from 2018, showing 54% of private day nurseries and 74% of voluntary providers were running at a loss or just breaking even.

The National Day Nurseries Association and the Early Years Alliance have warned that existing policy will lead to permanent closures of nurseries and childcare settings. This too, would lead to long-term additional costs for our members and disruption in care for their children. They have [written](#) to the Chancellor of the Exchequer and the Department for Education outlining what support they believe the sector needs to recover from impact of COVID-19.

**UK childcare costs: unsustainable by international comparison**

This unanticipated surge of childcare costs that our members now face due to COVID-19 comes within a context where the financial burden of childcare across the UK was already unsustainable. The UK leads the world in high costs of childcare. In 2019, parents in the UK faced the highest net childcare costs across the OECD. As shown in the graph below, childcare costs carved a steep 28 per cent out of typical household incomes, after accounting for tax and benefit policies designed to reduce this burden. This was about three times the average across the European Union. For further context, there is a [common financial consensus](#) that affordable rent or mortgage payments ought not to exceed 1/3 of household take-home income. On that basis, childcare costs in the UK were already approaching the scale of a second mortgage.

**Net childcare costs as a percentage of household income (2019 or latest available)**



Source: OECD (2020), [Net childcare costs \(indicator\)](#). doi: 10.1787/e328a9ee-en (Accessed on 5 May 2020)

Note: This indicator measures the net childcare costs for two-parent households assuming full-time centre-based childcare after any benefits designed to reduce the gross childcare fees, such as childcare allowances, tax concessions, fee rebates and increases in other benefit entitlements. The calculation also assumes that the couple has two children ages 2 and 3, one parent earns 100% of the average wage, and the other earns 67% of the average wage.

Not only were costs already high, they were on the rise. Analysis published by the [Trades Union Congress \(TUC\)](#) demonstrated that childcare costs across England grew several times faster than wages during the period 2007/08 through 2017/18. For working couples (one part-time and one full-time employed) with a child under 5, nursery fees grew about 3 times faster than wages. For single parents who were working full time, those same nursery fees spiralled seven times faster than earnings. This analysis was based on earnings data from the [Labour Force Survey](#) and nursery fees data from the annual childcare surveys by [Coram Family and Childcare](#) (formerly Family and Childcare trust).

### **Childcare and gender equality**

The burden of high childcare costs falls particularly heavily on women. In their 2019 *Families and the labour market, UK report*, the [Office for National Statistics \(ONS\)](#) revealed that nearly 1 in 3 working mothers reported “reduced working hours” due to childcare (only 1 in 20 for working fathers) and nearly 1 in 12 mothers have changed employer or job for this reason (only 1 in 50 for fathers). It is imperative from both a financial and equalities perspective that the NHS adopt the measures recommended by this briefing.

There is a gender pay gap in medicine of 17% in total pay. The majority of junior doctors are women but this falls to under two-fifths of those in consultant grades.<sup>3</sup> As in wider society, childcare responsibilities still fall disproportionately on women. The lack of affordable and accessible childcare and the difficulties managing medical careers with caring responsibilities, particularly in lone parent or in two-doctor families, means that many women feel forced to make choices like reducing working hours or going into lower-paid roles with more predictable hours but reduced earning or progression opportunities. This was an issue prior to the pandemic and if childcare provision further reduces or costs spiral as a result of it, gender inequalities are likely to widen.