

Access denied: why parents who want to work can't access childcare

Briefing for MPs in England

March 2024

Summary

- This briefing outlines the barriers parents who are preparing for work can experience when trying to access childcare in England, using evidence from CPAG's project work.
- Eligibility restrictions for extended childcare form a barrier to the labour market for many parents, particularly mothers.
- Parents who would like to move into work and parents who work fewer than 16 hours a week are currently ineligible for the 30 hours extended childcare offer, which can prevent them from preparing for work, moving into work and working more hours.
- Childcare support in universal credit (UC) is creating barriers that prevent low-income parents who are looking to move into work from accessing childcare.
- This is completely at odds with the government's declared plan to tackle economic inactivity and support parents and carers into work, and is trapping children and families in poverty.

The government must reform the childcare system to reduce high costs and improve the quality of childcare for all families, and work towards a universal, publicly-funded system. In the immediate term, the government should:

- **Extend the 30 hours free childcare offer** to parents in education or training, parents actively seeking work, parents working fewer than 16 hours a week and those with no recourse to public funds.
- **Reform childcare in UC** to make it available to parents who are actively seeking and/or preparing for work, including undertaking training and education
- **Improve and advertise access to the flexible support fund** to claimants who would benefit from it.

Our evidence

The briefing draws on evidence from Your Work Your Way (YWYW), an innovative employment support project we designed and delivered from 2021 to 2023. The scheme supported 70 second earners from low-income households in receipt of universal credit (UC) or tax credits, and operated in Bury, Coventry, Luton and Taunton Deane. Ninety-seven per cent of YWYW participants were women, just over half had three or more children and all faced significant barriers to employment. Some of these barriers could be addressed through the tailored type of support offered by the programme, but others required a structural response. Lack of childcare was identified as one of the most significant barriers to work for our programme participants.¹

This briefing also shares evidence from CPAG's Early Warning System, which collects case study evidence from advisers across the UK on the impacts of welfare reform, and has collected thousands of cases to date.

Restrictions in eligibility for childcare schemes in England

High-quality, affordable childcare is essential for children and their families. It is vital for tackling child poverty – it enables parents to prepare for work, take on employment, increase their working hours and increase their family's income. Early years education also has a significant impact on children's development and learning outcomes in the early years and beyond,² and is particularly beneficial for children from low-income families. However, many of the families we worked with on the YWYW project were prevented from accessing existing childcare, and these restrictions hold parents and particularly mothers back from re-entering the labour market, progressing in work and moving out of poverty.

The government has introduced an extended 30 hours childcare offer, but families can only access it if they meet certain conditions.³ One of the key criteria is that both parents must be in 'qualifying paid work' – this means that a parent, and their partner if they have one, must work at least 16 hours a week. This can create a major barrier for parents looking to move into work or work more hours.

In addition to problems with the extended childcare offer, there are barriers to accessing childcare support in UC. Support for childcare costs in UC is also conditional on being in paid work. The flexible support fund (FSF), which is supposed to help families to overcome barriers to work, including by providing support with childcare costs to help with work-related activities, is difficult to access.

Parents in work-focused training

Having spent time away from the labour market while raising children, parents often need to upskill and access training before returning to paid work. This can significantly increase their chances of getting a job, particularly a better-paid job, and support in-work progression. Evidence from YWYW proves that training is a powerful tool to improve jobseekers' chances of securing employment.

A high proportion of YWYW participants took part in training, and this translated into strong employment outcomes: 76 per cent of participants engaged in work-focused training, 54 per cent moved into employment and

¹ CPAG, *Your Work Your Way - Overcoming Barriers to Work*, 2023

² Save the Children and the Centre for Social Justice, *A Bright Start: Improving childcare for disadvantaged families through Universal Credit*, 2018

³ Full details of the current and planned provision of childcare in England are set out in the appendix.

49 per cent sustained employment for six months or more. Following training, many YWYW participants were able to secure better work that offered better conditions and long-term career prospects.⁴

However, accessing training was not always straightforward for YWYW parents. For many, childcare was a barrier.

Jo,⁵ a mother of two from Greater Manchester, wanted to work with children and was interested in qualifying as a forest school assistant. She identified accredited training but was unable to access it as her youngest child was too young to benefit from the universal childcare offer for three- and four-year-olds, and Jo was unable to afford nursery fees. YWYW funded the costs of one day of nursery a week over 12 weeks so that Jo could attend the training. She reported that the course enabled her to get work-relevant skills and qualifications, and to improve her confidence and motivation. Subsequently, Jo moved on to working with children in a part-time job that she enjoys and which fits well with her family commitments.

Amina, a mother of three from Bury, had never worked but was keen to get a part-time job. She was interested in beauty and wanted to improve her English for employment. Amina identified several courses at a local further education college that were free to access, but she needed childcare. As her youngest child was not eligible for the universal childcare offer for three- and four-year-olds for another six months, YWYW funded the nursery fees which enabled Amina to study ESOL, and complete a nail technician course and an introduction to hairdressing. Had YWYW funding not been available, Amina would have had to postpone starting the courses and subsequently looking for a job by at least six months.

Many parents who can't access free childcare miss out on training all together, which can lead to them being stuck in low-paid, insecure work as demonstrated in the case study below reported to CPAG's Early Warning System.

Runa, a single mother of two pre-school children from Luton, is a cleaner on a zero-hours contract. She works evening and night shifts for six to 15 hours a week. She gets a friend to look after her children when she is working. Runa would like to get a teaching assistant qualification and work in a school, but is unable to study as she can't access free childcare for her children for two days of training. She must postpone the training until both children start attending school full time.

In some areas, there are excellent free-to-access opportunities available to eligible jobseekers that provide training, work experience and a job interview with industry employers. However, for many parents, lack of access to free childcare can be a barrier preventing them from taking advantage of these schemes and advancing their career prospects.

Fara is mum to an 18-month-old living in Luton. Fara's partner works full time and they have recently moved to a new area so they have no support network that could provide help with childcare. Fara worked as a social media assistant for several months before giving birth and would like to pursue a career in digital marketing. She wants to improve her skills and found a perfect opportunity to do so: a free eight-week training scheme from the Prince's Trust that provides students with skills, experience and a job interview at the end. Over the years, the programme has achieved high success rates with 75 per cent of graduates securing paid work in the industry. Unfortunately, Fara can't pursue this opportunity due to childcare. She can't afford childcare for eight weeks so is unable to take advantage of the scheme.

⁴ See [YWYW Final Evaluation Report](#) by the CRESR for more information.

⁵ The names of all parents featured in case studies have been changed to protect anonymity.

Parents looking for work

Looking for work and securing a suitable job takes time. And parents need to consider many factors when taking up a job, for example how it fits in with their childcare commitments, the location, available transport, and their skill set and experience. It's a complex and time-consuming process and sometimes parents struggle to find adequate time to engage in job search activities.

This can be particularly challenging for lead carers in families balancing childcare responsibilities for pre-school and older children attending full-time education, parents of children with long-term health conditions or disabilities, and those also providing care for ill or disabled relatives.

Giving parents access to free childcare to enable job search activities can often translate into a shorter amount of time spent outside the labour market. This is good for households' financial circumstances and for the economy. Some families will be able to stop claiming means-tested benefits, as demonstrated in the case study below, where funding for childcare enabled a mother to apply for jobs, enter full-time work and later stop claiming UC.

Tina is a mother of two from Taunton Deane. She wanted to get back to work but found childcare availability to be a barrier. Her older child attended nursery for 15 hours a week and her 18-month-old was with her throughout the day. Tina's partner worked full time so Tina was the lead carer for their children. The family was in receipt of UC, struggling financially and in debt. They couldn't afford any childcare costs. Caring for two young children, Tina struggled to find adequate time to apply for work, so YWYW funded childcare for her youngest child and a few extra nursery hours for her older child. This provided Tina with time she dedicated to job searching and job interviews. She later succeeded in securing two part-time jobs in IT, both working from home which perfectly suited her family's needs. Her wages increased the family's income to the point they were able to stop claiming UC.

Lack of childcare can create a barrier to attending a job interview, both for parents with pre-school children like Tina, and for parents with older children if parents are not able to secure an interview time slot within school hours. Providing support with childcare costs so parents can attend job interviews would help, as this case study illustrates.

Nadia is a mum of four school-age children living in Luton. She's looking for a part-time job in a school. Nadia has no relatives living nearby who could help with the school run, and her partner works irregular shifts leaving Nadia as the primary carer of the children. Nadia's family is struggling financially so she's keen to start working and bring in an extra income. Nadia was shortlisted for a school midday supervisor role and prepared well for the interview. She was disappointed when her interview was rescheduled and only late afternoon slots were offered, leaving her unable to attend due to lack of childcare. She was frustrated to miss out on this opportunity, and considered arranging after-school clubs or a childminder but the cost was too high.

Another case study from YWYW demonstrates how a parent missed out on a job opportunity after successfully rearranging the interview time.

Ana, who lives in Bedfordshire, was invited for a job interview for a school kitchen assistant role during half term. She couldn't afford holiday clubs for her children and didn't have access to any informal childcare. Ana's husband was unable to take time off work. Ana managed to reschedule the interview for after half term, however it was later cancelled as the vacancy had been filled. Ana was disappointed as the job was local and all the conditions perfectly matched her needs.

Parents with no recourse to public funds (NRPF) status

Several parents who took part in YWYW had NRPF. Parents with NRPF status are unable to access the 30 hours extended childcare entitlement even if they satisfy the 'qualifying paid work' criteria. An exception is that a couple where one partner meets the residence requirement and the other partner has NRPF can access the extended entitlement if the partner who meets the residence requirement makes the application and they both meet the employment and income criteria.

Families with NRPF cannot access social security, so paid work is their only source of income. Enabling parents with NRPF to access the 30 hours extended childcare would make a significant difference to this disadvantaged group.

The government should extend the 30 hour free childcare offer to families who don't meet the 'qualifying paid work' criteria to enable these families to move into and progress in work. The extension should include parents in training, parents preparing and seeking work, parents earning less than the equivalent of 16 hours a week at the minimum wage and parents with NRPF.

Childcare support in UC

In order to access childcare support in UC, claimants must be in paid work. Evidence from CPAG's Early Warning System suggests that this is problematic for parents who are studying.

A lone parent midwifery student has very expensive childcare costs while she is on placement. The college contributes a fifth of the costs, but she cannot get any help through child tax credits, and the situation would be the same if she was claiming UC as she is in training and not in work.

A couple has two pre-school age children. One partner works full time, the other is a full-time student. They cannot claim childcare costs via UC as both parents would need to be working. Instead, they will have to ask if student support is available to meet the childcare costs. This will be at the discretion of the college or university.

When asked about childcare to allow parents to access training or undertake work-focused activities, the government points to the FSF. The FSF is a locally-managed discretionary fund designed to support UC claimants into work by removing some of the financial barriers to job entry.⁶

Evidence from CPAG's work uncovers several issues with the FSF. The fund is not effectively publicised and information about it is not easily accessible to claimants – it does not have a dedicated page on gov.uk for example. Claimants who are not aware of it are reliant on their work coach to tell them about it so they can access this support. But feedback from parents and organisations working with families points to low awareness of the FSF among work coaches who don't appear to be routinely informing parent jobseekers about it. Yvette's experience highlights challenges that claimants can experience trying to access the fund, even when they are made aware of it.

⁶ [Flexible Support Fund Adviser Guidance](#)

Yvette, a YWYW participant from Bedfordshire, was offered a job. However, she was unable to afford the costs of childcare for her young child to enable her to move into work. Yvette received advice from a welfare rights adviser encouraging her to request a grant from the FSF. She made a request through her journal but this request was refused. With support from her welfare rights adviser, Yvette challenged the decision. After she cited the FSF guidance document she was awarded the childcare costs through the FSF. Yvette said that without continued support from a welfare rights adviser, she wouldn't have known about the FSF or persisted after her initial request was rejected.⁷

The discretionary nature of the FSF means that many parents who could benefit from this help might not get it if their work coach decides they are not eligible. The FSF eligibility guidance for work coaches is intricate and doesn't provide a list of all the circumstances in which a claimant might access the FSF,⁸ leaving work coaches with flexibility and discretion when awarding it. The application process isn't standardised which can also create challenges. Additionally, where discretion applies and a claimant's request is refused, or the claimant disagrees with an amount awarded and wants to challenge the decision, they can ask for one review but they have no formal right of appeal.⁹

Then there are questions about capacity and whether the FSF can be administered effectively with staffing shortages in job centres and caseloads as large as 2,000 claimants per work coach. CPAG rarely hears from parents who have successfully accessed the FSF. The few we have heard from speak about challenges and delays.

'I saw online that I could get help with childcare costs through the FSF and so asked the job centre for it. They took months to get back to me and sort it out, I had to keep chasing them up about it. I have a child that is under two so don't need to work yet but I made the choice to go to work as I love what I do plus I'm all about bettering my life for my children. I had done my own research on it [FSF]... and the job centre made it difficult as I was told to give all the information and proof and I did, but they ask for it again and again. It was stressful but worth it I guess if it means you can actually go to work.'

Parent living in London, Early Warning System

The 'Staffing crisis in the DWP' report¹⁰ by the PCS union includes feedback from work coaches about their lack of time to process FSF requests.

We are extremely short staffed. I am a work coach at a Jobcentre, I work 21 hours and have a caseload of over 200. I am interviewing on average between 15 and 20 people before lunch. No time to deal with journal messages – particularly those requesting help through FSF for travel to work etc. I rarely have a full lunch break and a tea break is often non-existent.

FSF expenditure in the childcare category is low: £3,224m out of £86,147m in 2021/22¹¹ and £1,317m out of £46,372m in 2020-21.¹² Through freedom of information requests we have established that the fund has been underspent in the last five years,¹³ and that expenditure on childcare to enable claimants to attend training

⁷ This case study was recorded prior to the change in policy on upfront childcare costs in UC implemented from 28 June 2023.

⁸ [Flexible Support Fund Guide](#)

⁹ See note 14

¹⁰ PCS, [Staffing crisis in the DWP: PCS members explain how they are affected](#), 2023

¹¹ DWP, [Flexible Support Fund Expenditure 2021-22](#), 2023

¹² The Covid-19 pandemic is likely to have resulted in a much lower overall FSF spend in 2020/21. DWP, [Flexible Support Fund Expenditure 2020-2021](#), 2023

¹³ FOI by CPAG on underspend of the FSF in 2017-2022: 2017/18 - £0.7m; 2018/19 - £0.1m; 2019/20 - £1.4m; 2020/21 - £2.4m; 2021/22 - £2.0m

courses is insignificant (£149,040 in 2021-22 and £96,591 in 2020/21) which appears to confirm that only a small number of claimants have been awarded funds for childcare costs to enable them to undertake training. The evidence suggests that the DWP is not administering the FSF effectively to enable parent jobseekers to prepare and move into work.

Childcare support in UC should be made available to parents who are preparing for work, including undertaking training and education. The government should also ensure that the FSF is effectively publicised and that work coaches routinely inform claimants who might benefit from accessing the fund to improve take-up.

Conclusion

Lack of childcare is a major barrier to labour market participation for parents and particularly mothers. If the government is truly committed to supporting parents into work it should extend the free childcare offer to parents who are preparing for work, working fewer than 16 hours and those with NRPF. It should also reform childcare in UC so that parents who are preparing for work can access childcare more easily. This would help to reduce child poverty while also ensuring that children in low-income families can benefit from early years education that can help them thrive in childhood and later life.

About CPAG and our evidence

Child Poverty Action Group (CPAG) works on behalf of the more than one in four children in the UK growing up in poverty. It doesn't have to be like this. We work to understand what causes poverty, the impact it has on children's lives, and how it can be prevented and solved – for good. We provide training, advice and information to make sure hard-up families get the financial support they need. We also carry out high profile legal work to establish and protect families' rights. CPAG is the largest provider of advice to frontline practitioners working directly with families receiving social security. This briefing draws on evidence from two CPAG projects, Your Work Your Way (YWW) and the Early Warning System. YWW was an employment support scheme that supported potential second earners and particularly mothers in low-income families into employment. The Early Warning System collects case study evidence from advisers across the UK on the impacts of welfare reform, and has collected thousands of cases to date.

Appendix: universal and extended childcare entitlement

This briefing has focused on childcare in England – childcare is a devolved issue so separate systems operate in Scotland, Wales and Northern Ireland. It is worth noting that both Scotland and Wales have more expansive childcare offers that allow more parents to access childcare.

Currently, the UK government provides financial support with the costs of childcare in England via the universal and extended entitlement to free childcare:

- The universal entitlement for three- and four-year-olds for 570 hours of funded childcare a year, most commonly taken as 15 hours a week for 38 weeks of the year.¹⁴ There are no requirements to access this.
- The 'two-year-old-offer' of 15 hours a week of funded childcare for 38 weeks a year for two-year-olds in families meeting certain criteria and in receipt of eligible benefits.¹⁵
- The extended 30 hours entitlement for an additional 570 hours for three- and four-year-olds for families in 'qualifying paid work' where a parent, and their partner if they have one, must earn the equivalent of at least 16 hours a week at the 'national living wage' or minimum wage for parents aged under 23,¹⁶ with some exceptions.¹⁷

The 30 hours entitlement is expanding in stages from April 2024 to children aged nine months to two years,¹⁸ however the 'qualifying paid work' eligibility requirement for parents to access free hours remains. This means that only families in work who meet the earnings threshold will benefit from the additional hours. Parents preparing for and seeking work, those in education or training and parents who earn less than the equivalent of 16 hours a week on the minimum wage will not be able to access the expanded entitlement.

¹⁴ House of Commons Library, [Free childcare entitlements for three- and four-year-olds in England](#), 2023

¹⁵ House of Commons Library, [Free childcare entitlements for two-year-olds in England](#), 2023

¹⁶ House of Commons Library, [Free childcare entitlements for three- and four-year-olds in England](#), 2023

¹⁷ If a parent, or their partner, has an adjusted net income of over £100,000 they are not eligible for the extended entitlement. Some parents who do not meet the earnings threshold, but are in receipt of incapacity benefit, severe disablement allowance, carer's allowance, limited capability for work benefit, contribution-based employment and support allowance, or are on sick leave, annual leave, shared parental, maternity, paternity or adoption leave can be considered to be in 'qualifying paid work' and qualify for the extended entitlement. If they have a partner, their partner must be in 'qualifying paid work'. A parent who is in full-time education can't be treated as in 'qualifying paid work' so is ineligible.

¹⁸ The 30-hours childcare entitlement for families in 'qualifying paid work' with children from the age of nine months will be rolled out in stages: two-year-old children will be able to access 15 hours a week from April 2024; children aged nine months to three years will be able to access 15 hours a week from September 2024; and children aged nine months to three years will be able to access the full 30 hours free childcare a week from September 2025.