

Written evidence from Save the Children (UCR0278)

Lucy

Lucy is a single mum of two from Manchester, who is receiving childcare support through Universal Credit.

Lucy says "in order to access childcare and go back to work, I've had to find a substantial amount of money upfront to put my children into childcare. Being on Universal Credit and needing the support, I don't have the savings to pay several hundred pounds of nursery fees upfront. I've had to borrow money from my parents and take out loans in order to make ends meet and pay those upfront costs."

Difficulty in paying these upfront costs has often resulted in Lucy having to pay her childcare provider late. She also said that she has never been paid her childcare reimbursements from Universal Credit on time, despite always reporting her childcare costs on time, either over the phone or by going into the Job Centre with receipts. She always has to ring and chase.

Lucy has also struggled with the lack of information and advice on the support available for childcare through Universal Credit. When she first started claiming childcare through Universal Credit she was not made aware of the Flexible Support Fund or any other support to help with upfront costs. Instead she had to rely on borrowing money from family and friends. When she asked at the Job Centre about support she was given conflicting advice about what the Flexible Support Fund and budgeting advances could be used for.

Vikki

Vikki is a single mum of two from Newcastle, who is receiving childcare support through Universal Credit.

Vikki has recently returned to work, and has struggled with upfront childcare costs. She was forced to borrow money from family members to cover the fees.

She says "I have childcare costs of £700 - £800 a month. I have had to beg borrow and steal to make ends meet, and each month I always seem to be playing catch up. I waited at least three months to start receiving childcare reimbursements and wasn't able to pay the nursery fees on time, this meant I had late payment fees added on top. It's impacting on the opportunities I can give my children."

Vikki's childcare payments have also been inconsistent; she's seen variations in her childcare payments from Universal Credit of around £500 from month to month. Vikki has also struggled with the complexity of the system, and had issues compiling her evidence.

She says "I've submitted the invoice numerous times and been told there's not enough information. There needs to be breakdowns of the costs, both kids' names, certain reference numbers, amounts and dates. I've had to go back to the Nursery 3 times to ask them to amend the invoices, costing me an extra £6 on the bus each time. And don't even get me started on the phone lines... this month alone I've spent over 11 hours on hold!"

Vikki doesn't think the system is flexible enough to support mums back into working.

Gaynor

Gaynor is a single mum of three from Manchester, who is receiving childcare support through Universal Credit. She has an 8-year-old son and 3-year-old twins, and runs her own mobile hairdressing business, which she has had for 17 years. Gaynor struggles every month with upfront childcare payments due to being self-employed, and at times the situation has made her so stressed she has had to stop working for a while.

Her twins are in childcare for 3 days and she pays £188 a week. She's entitled to 85% of the costs reimbursed, but her payments are delayed and inconsistent. Gaynor is forced to rely on her parents and friends to help her family out when she can't afford the upfront costs.

She says "how is anyone supposed to find the money to pay for childcare in advance? It's very, very stressful. I owe my mum and dad thousands, if it wasn't for them I would have to give up work and I'd be living off food banks."

Gaynor is trapped in a constant cycle of appointments and phone calls with the Job Centre trying to get her childcare payments sorted as she keeps receiving the wrong amounts and being told conflicting information about what she is entitled to. And all of this uses up time when she wants to be working.

"You have to fork out the money in advance anyway, then you've got to go into the Job Centre to make an appointment to send the receipt off or you don't get it. And then they don't always pay it anyway. Last month they didn't pay. I was told it's because I'm not entitled to it. My coach says I'm entitled to 85%. But the childcare team told me I'm not. I'm in the middle of this. I'm still waiting for a phone call back from them and I've got another appointment with them tomorrow. I'm supposed to be working but I'm doing this."

"They still want the proof – they want me to post receipts, then they get lost. So I go in to get them scanned. I don't even make an appointment any more, I just turn up. Nobody has a clue what is going on."

Thuto

Thuto is a single mum to a 2-year-old son, from London. She is currently receiving legacy benefits, but as Universal Credit is being rolled out in her area, she will be moving onto it in the coming months. Her son has just started attending nursery for 15 hours a week under the free entitlement from the Department for Education.

Thuto is extremely concerned about how she will manage once she secures a job and starts receiving childcare support through Universal Credit. She is anxious about how she will cover the upfront costs and worries that she will be worse off when working.

She says, "When I did a better off calculation, now Universal Credit is active in my area, we will be significantly worse off once I start working. Even on a salary of £32,000 a year, after paying our rent, council tax and childcare, we are left with just £66.88 per month for all other bills, food and all other essentials. That's just over £2 per day. We are no stranger to food banks. All because I want to return to work and he needs and deserves to go to nursery like his peers and counterparts."

“It is not that I am not educated. I have a degree. It is not that I don’t want to work. I have decades of experience and would love to re-enter the work place. The current system makes it impossible for anyone in my situation to do so, and the person who ultimately pays the price - my son.”

Thuto is particularly worried about the impact her situation is having on her son. She says, *“I do all that I can to ensure that I embed numeracy and literacy through learning by play, reading to him all the time. The guilt, shame and pain of failing my brilliant, bright and curious child everyday is indescribable. He is the one that pays the heaviest price of Universal Credit and welfare reforms.”*

December 2018