

Supporting Childcare Makes Good Business Sense





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Whatever the size of your business, there has never been a better time to explore how you and your staff could benefit from a better work-life balance and support for childcare. Supporting childcare can allow you to recruit from a broader pool of talent. It will help to attract the best applicants to vacancies in your company and to retain staff who might otherwise be lost to competitors, or be lost to the workforce altogether.

Did you know?

- Forty per cent of employees have dependent children
- One in four women now return to work full-time within a year of having a baby

With childcare important to a large proportion of the workforce it makes business sense to explore the options available to your business and your employees.



Helping employees with the cost of childcare

There are a number of options available, whatever the size of your business, if you want to help your employees with the costs of childcare.

Childcare vouchers

From April 2005, the first £50 a week of childcare vouchers paid for by an employer plus the associated administration costs and service charges will be exempt from tax and NI contributions. The qualifying conditions are:

- that access to the scheme is generally available to all employees where the scheme operates
- that the childcare vouchers must be used to pay for childcare that is registered or approved



Paying for care with a registered or approved provider

From April 2005, the first £50 a week paid by the employer directly to a registered or approved childcare provider will be exempt from tax and NI contributions.

For more information about the tax breaks available to businesses helping employees with childcare costs, visit www.hmrc.gov.uk/childcare or call the Employers Helpline on 08457 143 143.

Approved childcare is that which has been approved under the Childcare Approval Scheme (CAS). This is a new scheme approving two types of childcare providers who are not required to be registered:

- childcare provided in the child's home for children of any age
- childcare provided by a childminder caring solely for children aged over 7 on other domestic premises

The CAS is being run by Nestor Primecare Services Ltd, the Approval Body, under contract to the DfES. The scheme operates on a cost recovery basis, charging carers that apply for approval. The approval fee is £96 which includes the cost of the enhanced Criminal Records Bureau (CRB) disclosure. Approval is valid for 12 months.

The scheme is voluntary and only applies to childcare provided in England.

In order to be approved under this scheme the carer must:

- be at least 18 years of age
- have either a recognised childcare qualification or have attended a valid induction course
- hold a first aid certificate which is less than three years old and which covers dealing with emergencies, resuscitation, shock, choking and anaphylactic shock
- be able to demonstrate that there is nothing in their past which would suggest that they are unsuitable to care for children (usually via an enhanced disclosure from the CRB)

Approved Childcare provides parents with the reassurance that their childcarer has at least a basic understanding about caring for children, knows what to do in an emergency and can deal with accidents which may occur. They will also have the benefit of knowing that their nanny has undergone an enhanced CRB check, not normally available to parents unless they have used certain nanny agencies.

Further information is available by phoning the helpline on 0845 767 8111 or at www.childcareapprovalscheme.co.uk

“Research shows that savings and profits increase for businesses that offer flexible working arrangements”

Case Study

Moore and Smalley – a medium-sized regional accountancy firm in Preston

Moore and Smalley support a number of flexible working initiatives, including part-time working and flexi-time.

Vanessa Sanderson worked full-time at Moore and Smalley before taking maternity leave and returning to work on a flexible basis. The company arranged to change Vanessa’s job function to enable her to work three days a week, thereby enhancing her work-life balance and keeping her skills within the company.

Case Study

HSBC – financial services

Work-life balance initiatives at HSBC, in particular the childcare programme, have proved highly successful in supporting the business through the retention of skilled staff.

The programme has been operating since 1989 and provides some 850 nursery places, 300 of them on the bank's premises. Most of the nursery facilities are joint ventures with either the public or private sectors, with the bank buying a guaranteed number of places.

"Providing a childcare programme has contributed considerably to reducing the number of women who leave after having a baby, from 70% to 15% in 13 years. This represents a massive budget saving – the average service of a maternity leaver is 11 years and the cost to the bank of replacing each one is estimated at around a year's salary."

Sue Jex

Group Head of Diversity and Employer Relations

Developing on-site childcare provision, or forming links with local childcare providers

What type of provision would best meet the needs of your business and employees?

If you provide childcare in a nursery or play scheme on your premises (or on premises you provide jointly with others that you are wholly or partly responsible for financing and managing) no tax or NICs are due on the benefit to your employees.

In April 2005, this exemption was widened so that if you allow another employer's staff who works on your premises to use your childcare facility, they will also be able to benefit from the exemption.

What support and advice is available to you and your employees?

Your local Children's Information Service (CIS) can tell your employees about registered childcare in their locality and advice on claiming Child Tax Credit and Working Tax Credit.

You can find the details of your local CIS by visiting www.childcarelink.gov.uk or by calling free on 0800 096 0296.

Work-life balance

Research shows that savings and profits increase for businesses that offer flexible working arrangements and that people with a good work-life balance show improvement in the quality of their work. With your help and support, your employees will be better able to balance their responsibilities in the workplace with their responsibilities at home and be even more effective for your business.

To find out more about work-life balance and the financial assistance available to businesses who implement flexible working options, visit www.dti.gov.uk

For more information

Jobcentre Plus

Your local Jobcentre Plus can help you identify solutions for your workforce. You can find the contact details of your local Jobcentre Plus at www.jobcentreplus.gov.uk

HM Revenue & Customs

HM Revenue & Customs can provide information and guidance about tax and NI contributions on employer supported childcare at www.hmrc.gov.uk/childcare

To discuss tax incentives or the tax implications of introducing childcare vouchers, subsidies or salary sacrifice, visit www.hmrc.gov.uk or call the Employers Helpline on 08457 143143

For advice or information on the Working Tax Credit, visit www.hmrc.gov.uk/pdfs/wtc1.htm or call the tax credits helpline on 0845 300 3900

The Department of Trade and Industry (DTI)

The Department of Trade and Industry (DTI) can provide guidance on work-life balance, flexible working options, legislation, maternity and paternity pay. Visit www.dti.gov.uk

Sure Start

For information on childcare, early education, health and family support, see the DfES' Sure Start website: www.surestart.gov.uk

Remember, whatever the size of your business, there are simple, practical steps you can take to support your workforce. Childcare information is available from your local CIS which could be put on staff notice boards or in induction packs. The CIS may also be able to run information sessions on your site.



“Make the parents in your workforce feel that caring for their children doesn't mean not caring about their job”

Local authorities or Jobcentre Plus may wish to include their own contact details here

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Supporting Childcare Makes Good Business Sense

You can download this document from www.surestart.gov.uk/publications

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