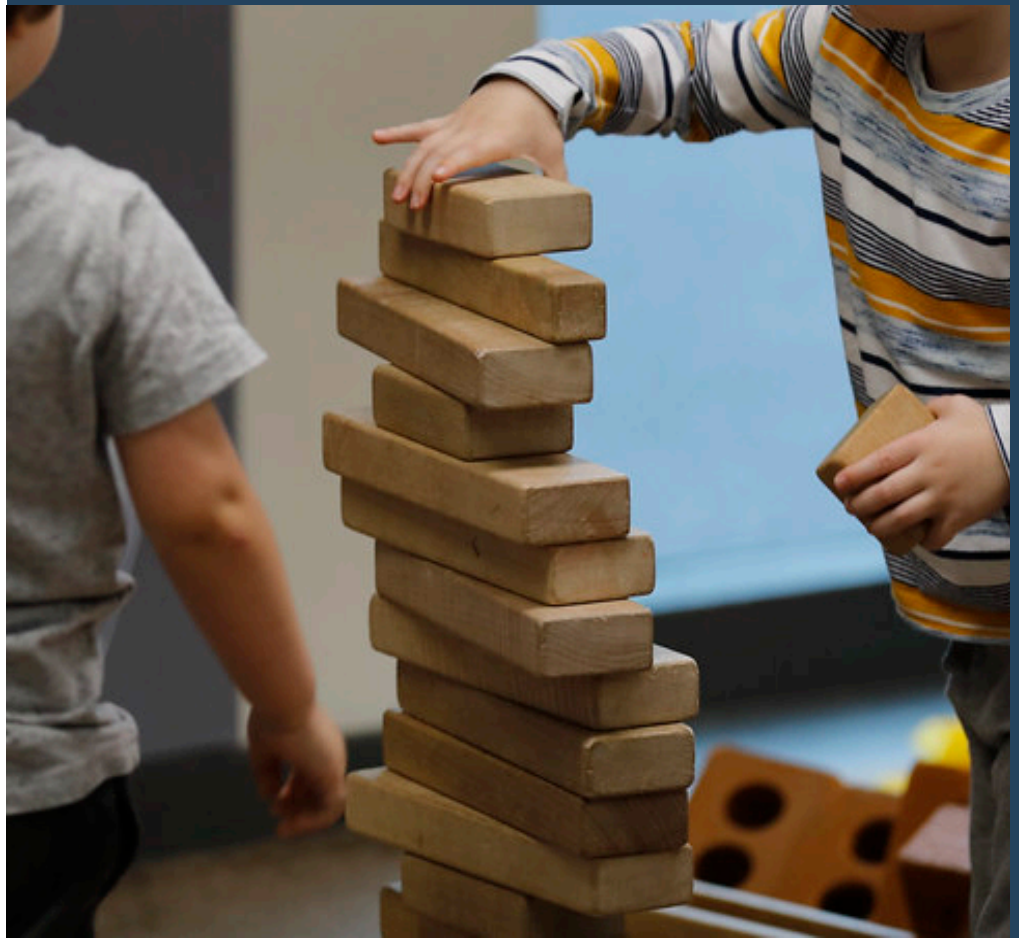


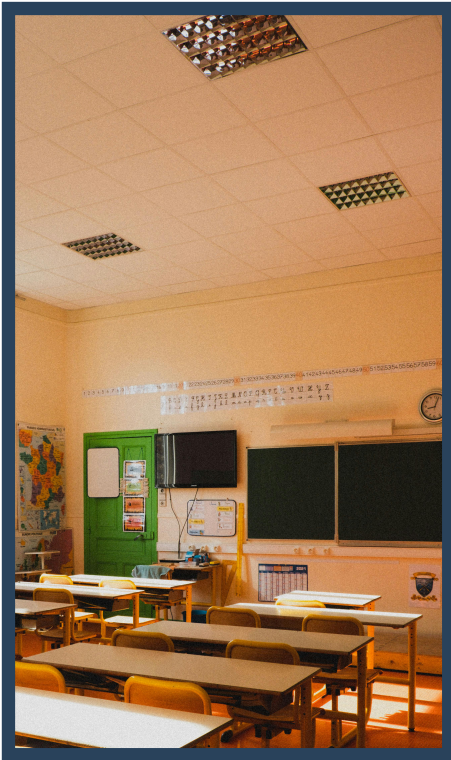
POLICY THUMBNAIL

Affordable Childcare

Cheaper, more flexible childcare to level-up opportunities & erode gender pay gaps for working parents.



AUGUST
2025



THE PROBLEM

Affordable childcare is essential for any parent with not-yet-independent children who doesn't want to put their career on hold. It levels-up opportunities, breaks glass ceilings & reduces gender pay gaps. But we currently have some of the most expensive and inflexible care (both in the types & amounts of care that's available, and in the times of day and the days of the week when it is offered) in the developed world.

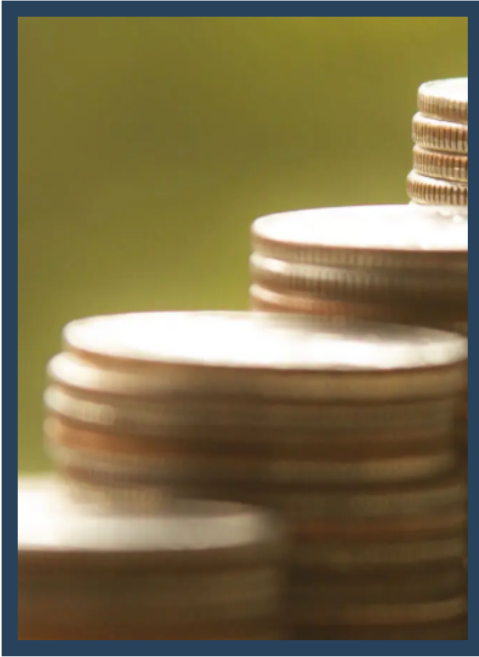
THE SOLUTION

We will combine the state benefits which support parents (child benefit, 15–30 hour free childcare, tax free childcare) into a single, simple family child tax allowance for all parents with a child under 11 (parents with multiple children under 11 will get larger allowances), and also combine the existing maternity and paternity pay and leave allowances into a single family entitlement as well. As with current maternity pay and leave, parents would be able to divide both allowances between themselves in whatever ratio suits them best. Where parents no longer live together and can't agree how to divide the allowances between themselves, the decision would be handled as part of their existing child maintenance arrangements.

We will also update current burdensome & expensive childcare regulations with a simple, cheap, new Ofsted-inspected standards scheme which ensures all professional childcare settings (for example nurseries, daycare, childminding) are safe, and that any which include education (for example nursery schools or early years interventions for supported families) meet those higher standards too.

Funding and commissioning of existing early years interventions for supported families will be unchanged. Beyond this, professional childcare providers will be free to set the times, types & prices of the services they offer, and working parents will use the money from the new tax allowance to pay for them directly. If parents prefer to provide care themselves, or with help from relatives such as grandparents, they will be able to spend the money from the new tax allowance on other young family costs instead.





THE BENEFITS

This new approach will:

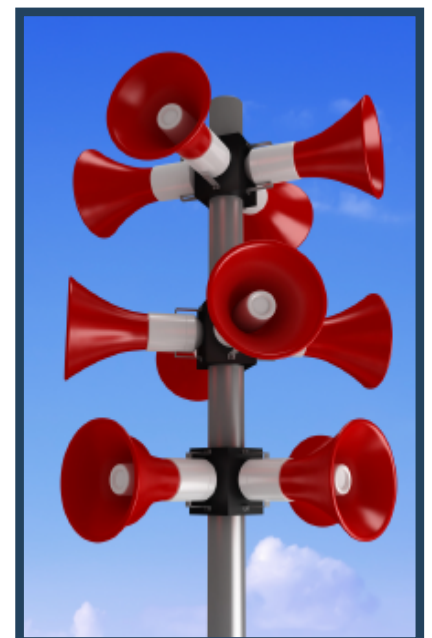
- Allow providers to offer a lot more care at different times of day, and on different days of the week, than today's (mainly school hours) services, improving help outside school hours for families where parents work shifts or weekends, and for working families with primary-school-aged children during school holidays too.
 - Allow providers to offer a wider range of cheaper care for working parents who need safe services (for example daycare) rather than full-scale early years education.
 - Maintain all existing funding and provision of early years interventions for supported families who need more focused and intensive help, to level up the life chances of children with the biggest disadvantages.
- Build stronger recognition of families into the tax & benefits systems.
 - Recognise that the biggest impact of children on parents' careers is during pre-school and primary years, before independence begins to increase after they reach secondary school.
 - Create a much simpler and cheaper system to administer, combining 3 programmes into one

THE SOUNDBITES

"Good childcare is one of the single most effective ways to level up everyone's opportunities, cut gender pay gaps and break glass ceilings."

"The UK's childcare is currently amongst the most expensive and inflexible in the world. For the sake of hard-pressed parents everywhere, we've got to do better."

"Every family's situation is different. We've got to put parents in charge of what's best for their children, rather than assuming that politicians or bureaucrats know best."



THE REBUTTALS



1. Won't this put children at risk by creating a black economy of unsuitable or unsafe childcare?

Not at all. Professional childcare will still need to be Ofsted inspected and approved, as at present. And all the existing early years interventions for supported families will carry on unchanged.

2. Why should taxpayers subsidise grandparents to look after their grandchildren like this?

Why do people assume it's better for children to be looked after by paid strangers rather than loving grandparents? Many families aren't lucky enough to have grandparents who live close enough or have the time to help, and many grandparents don't want to be paid – they help because they can, out of love: but for those that do, politicians or bureaucrats shouldn't take away parents' choices by assuming they know better.

3. Isn't this just Tories harking back to a 1950s society where women were expected to stay at home and know their place?

Quite the opposite. It will be a huge step forward in helping all working parents – and especially mothers – who want to keep their careers alive while they juggle family life. It will reduce one of the biggest causes of gender pay gaps in modern Britain.

4. Isn't this locking in generational poverty? What about families that use these extra choices to make decisions that are really bad for their children?

All the current early years interventions for supported families will continue unchanged, including the ones to ensure children with the most disadvantaged backgrounds are school-ready. But – more broadly – this new approach will work a lot better and more effectively for the vast majority of parents in ordinary, hard-working families that don't need that kind of support.

5. What about households where the parents have split up?

Where parents no longer live together and can't agree how to divide the new family tax and leave allowances between themselves, the decision would be handled as part of their existing child maintenance arrangements.

6. Why is this any different from the current system? Can't parents already share maternity leave anyway?

This new family entitlement is fairer because it understands that parenting is a shared endeavour which every family approaches in its own way, while the current system assumes women will take 25 times more time away from work than men. Plus our approach is bigger and broader, because it covers taxes as well as maternity and paternity leave. And it builds stronger recognition of families into the tax system too.

7. Will this mean my local playgroup or regular babysitter will suddenly have to be inspected by Ofsted? Why are you adding huge extra bureaucracy to everyday life that works fine already?

No it won't & no we aren't. The new standards scheme will be much simpler & cheaper for professional childcare providers to handle, but no broader. So if you weren't covered by the old rules, you won't need to worry about the new ones either.