

GW4: Autumn Budget 2024 / Spending Review - Stakeholder Representation

About GW4

The GW4 Alliance brings together four of the most research-intensive and innovative universities in the UK: Bath, Bristol, Cardiff and Exeter who train over 7,000 doctoral researchers. GW4 was first approached in 2023 by postgraduate students who shared the impact of the lack of access to Government-backed childcare support has on their physical, mental and economic well-being and sought support in raising the issue nationally. There is a clear gap, working parents with children older than nine months now have access to Government backed childcare, postgraduate researchers are not able to access this support and are also not entitled to the same support as undergraduate students.

Stakeholder Representation

GW4's Budget/Spending Review Stakeholder Representation will focus on the national issue of childcare support for postgraduate students. This submission is part of GW4's wider campaign calling on Government to extend the undergraduate Childcare Grant to postgrads and, as a further step, recommends Government consider how to extend the free-hours entitlements currently available to workers to those in postgraduate education, a critical part of the research workforce.

Further information can be found on our website: <https://gw4.ac.uk/gw4-childcare-campaign/>

Policy Context and Policy Recommendations

First announced in 2023, the Conservative Government pledged that working parents of two-year-olds would be able to access 15 hours of free childcare, under this Government this has now been extended to working parents of all children older than nine months, and a commitment made to a September 2025 extension of 30 free hours of free childcare for working parents¹ meaning this will continue to be a high-profile issue.

However, despite the increased political interest in childcare, there is an unacknowledged gap in provision for postgraduate students. Currently, those studying for Master's and PhDs are ineligible for childcare grants, which are in place for full-time undergraduates to help with childcare costs for children under 15-years-old. Many are also ineligible for the childcare benefits available for workers due to the pressures of juggling their educational commitments with working more than 16 hours a week. Furthermore, their funders often explicitly prohibit working this number of hours and sometimes undertaking additional paid work at all.

GW4 is concerned that this lack of childcare support disincentivises parents from pursuing postgraduate qualifications. In addition to creating a barrier to undertaking further education and reskilling, this lack of provision also limits the equality and diversity of the higher education and high-skilled workforce and curtails the porosity between academia and business. We are not alone in our concerns. Postgraduates originally raised the issue with us, and we welcomed the fact that other university alliances, such as Midlands Innovation and N8, as well as individual universities, have raised the issue with policymakers. Industry stakeholders, including

¹ "What has Labour promised parents", *Grazia UK*, 5 July 2024, <https://graziadaily.co.uk/life/parenting/labour-promises-to-parents/>

Universities UK, the Russell Group, the Academy of Medical Sciences and the British Academy, have also raised the issue.²

The current approach does not provide the right incentives to support social mobility through education. Extending the current undergraduate childcare grant to postgraduate students would seem a logical first step to support the most economically disadvantaged. In line with the current childcare grants for undergraduate students, this would provide support towards childcare costs if a household income is below £19,795. This would ensure that those with children, and from the most socioeconomically deprived backgrounds, studying for higher qualifications are not disincentivised. Opening up access to childcare grants would also demonstrate sector leadership in removing a barrier to postgraduate study, which is an essential precursor for many careers.

While GW4 acknowledges that this would not be a panacea for all postgraduates, extending the support to those with the greatest need would be a welcome first step to ensuring parity of policy between postgraduate students and workers.

To that end, we make the following policy recommendations to address this issue:

- 1. Expand the eligibility of undergraduate Childcare Grants to include home taught and research postgraduates:** Expanding the eligibility of current childcare grants will begin to remove barriers for those with children wishing to undertake postgraduate studies, for those from the most socioeconomically deprived areas.
- 2. The Higher Education Statistics Agency should work with universities to improve data collection on postgraduate students with childcare responsibilities:** By creating uniform metrics to record the childcare responsibilities of postgraduate students, HESA and higher education institutions will be better able to understand the size and needs of this cohort of students.
- 3. Bring responsibility for postgraduate students' childcare provision fully under the remit of the Department for Education:** Bringing the responsibility of postgraduate students' childcare provision under one single Whitehall department prevents the needs of this cohort from falling between the cracks of different departments and overlapping Ministerial portfolios. Under the existing Whitehall structure, GW4 would advocate for this role to be undertaken by the Department for Education, given DfE's current responsibilities both for the childcare sector and higher education policy, and the administration of undergraduate childcare support schemes (with DSIT retaining its responsibility for research).

Priority 1: Expand the eligibility of undergraduate Childcare Grants to include home taught and research postgraduates

In 2021, the Department for Business, Energy & Industrial Strategy's (BEIS) *Research and Development People and Culture Strategy* set an ambitious target to increase the UK's research and development (R&D) sector by an additional 150,000 researchers by 2030. The strategy also set out to improve the quality of the UK's R&D workforce, and one of its core aims is to diversify the research ecosystem to ensure that people from all backgrounds are inspired into research careers³.

² Sarah Howard, 'The PhD Parenting Penalty' in *The lives of early career researchers*, HEPI Report 169, February 2024, pp.8-11 <https://www.hepi.ac.uk/wp-content/uploads/2024/02/The-lives-of-early-career-researchers.pdf>

³ Department for Business, Energy and Industrial Strategy, R&D People and Culture Strategy, July 2021, pp.16-21 https://assets.publishing.service.gov.uk/media/60f804228fa8f50c768387c5/r_d-people-culture-strategy.pdf

There is growing evidence that more diverse workplaces are more innovative, particularly in R&D careers⁴. BEIS's *Strategy* highlights that the need for R&D workers is growing faster than the UK workforce as a whole. The Industrial Strategy Council warn there is a growing skills mismatch in the UK workforce. Factors such as increased automation and AI are displacing lower skilled jobs, yet increasing the demand for R&D and innovation-related skills needed to power the UK economy by 2030. This skills mismatch can act as a drag on economic growth and UK competitiveness, limiting the employment and earnings opportunities of individuals, and impacting a firm's performance, productivity and ability to innovate. With 80 per cent of the 2030 workforce already in employment, this need to reskill is becoming ever more urgent⁵.

On top of the economic benefits these high-skilled research careers would provide, there is also an economic benefit from a health perspective. During interviews of postgraduate studies in our policy note *Who Cares? How postgraduate parents fall through the gap for government childcare grants and how to fix it*, many of our interviewees reported the positive mental health benefits that postgraduate studies brought them, as well as the negative mental health impacts the added pressures of a lack of childcare support brings⁶. Good mental health among the workforce has demonstrable economic benefits, with a Centre for Mental Health/NHS Confederation Mental Health Network study calculating that improved mental health could bring savings of up to £300 billion to the UK economy.⁷

Yet across the research sector higher education institutions, funders and policy institutions are wrestling with the challenge of widening participation in postgraduate studies^{8,9}. Students from diverse backgrounds are under-represented at the postgraduate level. This includes under-representation of racial and class background, disability, sexual orientation and gender¹⁰. Childcare provision disproportionately affects female postgraduates, both in terms of accessing support during their studies but also later on in their career, with recent analysis suggesting that on average women take almost 15 years longer than men to progress to full professorships at Russell Group institutions^{11,12}.

The challenges of childcare and the lack of government subsidies to offset costs are further hampering attempts to diversify the uptake of postgraduate studies and the highly skilled careers they enable.

Postgraduate researchers completing PhDs are often provided with a stipend from non-departmental public bodies, such as UK Research and Innovation (UKRI) or charitable funding bodies like Wellcome. A typical stipend for a postgraduate researcher in the UK is currently between £15,000 and £19,000 per annum. The charity Coram surveyed local authorities across England, Scotland and Wales and found that the average cost of a full-time childcare place for a child under the age of two is £14,030 per annum¹³.

⁴ Bas Hofstra et al, 'The Diversity-Innovation Paradox in Science', Proceedings of the National Academy of Sciences, April 2020, Volume 117, Issue 1, pp.9284-9291 <https://doi.org/10.1073/pnas.1915378117>

⁵ Industrial Strategy Council, UK Skills Mismatch in 2030, October 2019 <https://industrialstrategycouncil.org/sites/default/files/UK%20skills%20Mismatch%202030%20-%20Research%20Paper.pdf>

⁶ Billy Davis, Sabrina Fairchild, Nichola Perdu, Jo Jenkinson, 'Who Cares? How postgraduate parents fall through the gap for government childcare grants and how to fix it', HEPI Policy Note 54, July 2024, pp. 5-6, <https://gw4.ac.uk/wp-content/uploads/2024/07/Who-cares-How-postgraduate-parents-fall-through-the-gap-for-government-childcare-grants-and-how-to-fix-it.pdf>

⁷ Frederico Cardoso and Zoë McHayle, 'The Economic and Social Costs of Mental Ill Health: Review of methodology and update on calculations', Centre for Mental Health / NHS Confederation Mental Health Network, March 2024, pp.5, 18-23 <https://www.centreformentalhealth.org.uk/publications/theeconomic-and-social-costs-of-mental-ill-health>

⁸ Jack Grove, 'PhDs: Is doctoral education in trouble in the UK?', *Times Higher Education*, 10 January 2024 <https://www.timeshighereducation.com/depth/phds-doctoral-education-trouble-uk>

⁹ Stan Taylor & Gina Wisker, 'The changing landscape of doctoral education in the UK', *Innovations in Education and Teaching International*, August 2023, Volume 60, Issue 5, pp.759-774 <https://doi.org/10.1080/14703297.2023.2237943>

¹⁰ Panagiota Sotiropoulou, 'Literature review on EDI barriers to postgraduate research relevant to funding', *Advance HE*, December 2022 <https://www.ukri.org/wp-content/uploads/2023/09/UKRI-20092023-UKRI-Literature-review-on-EDI-barriers-to-postgraduate-research-relevant-to-funding.pdf>

¹¹ Judy Jones, 'UK childcare support for student parents', Elizabeth Nuffield Educational Fund, February 2002 <https://www.nuffieldfoundation.org/sites/default/files/files/UK%20childcare%20support.pdf>

¹² Richard Harris, Mariluz Mate-Sanchez-Val & Manuel Ruiz Marin, 'Gender disparities in promotions and exiting in UK Russell Group universities', *Applied Economics*, June 2024, pp. 1-17 <https://doi.org/10.1080/00036846.2024.2361384>

¹³ Kate Bowen-Viner, 'Accessing higher education needs a better deal on childcare', *Wonkhe*, 23 March 2023 <https://wonkhe.com/blogs/accessing-higher-education-needs-a-better-deal-on-childcare>

One solution that already exists for full-time undergraduate and Postgraduate Certificate in Education (PGCE) students in England with children under 15 (or under 17, if the child has special educational needs), is the Childcare Grant towards childcare costs, if a household income is below £19,795. The Parents' Learning Allowance provides eligible full-time students with additional funding that can be used for everyday costs of study, such as books, study materials and travel¹⁴.

Another exception is postgraduate students on certain healthcare courses, such as Midwifery or Nursing, who may be eligible for support from the NHS Learning Support Fund. In addition, postgraduates in receipt of a Social Work Bursary may be eligible for the Childcare Allowance and Parents' Learning Allowance elements of the NHS bursary, but there are no comparable grants for most other postgraduate students¹⁵. Postgraduate students are also ineligible for childcare benefits – such as tax credits, Universal Credit childcare, 30 free hours of childcare or the recently expanded offer for children aged two and under – that are available for workers, unless they are in substantial paid employment in addition to their studies¹⁶.

Higher Education funding is a devolved issue, with each of the devolved nations taking different approaches to the issue of childcare support for postgraduates. The table below sets out the differences across the nations:

Nation	Postgraduate childcare provision for home students
England	Postgraduate students are ineligible for the means-tested childcare support grant that is available to undergraduates (up to £193.62 a week for 1 child or, up to £331.95 a week for 2 or more children). ¹⁷ Postgraduate students instead have access to interest-bearing loans which can be used to help pay for childcare costs. There is a universal offer with all families for 15 hours of support for 3-and-4-year-olds for 38 weeks a year. ¹⁸
Northern Ireland	Postgraduates are ineligible for the means-tested childcare support grant (up to £148.75 per week for 1 child, or up to £255 per week for two or more children) that is available to undergraduates. ¹⁹ Postgraduates instead need to apply for loans to cover associated costs of studies, including childcare. ²⁰
Scotland	Postgraduate taught students are eligible for repayable living cost loans, with discretionary University Childcare Funds of up to £1,215 per year available to provide assistance with the cost of registered childcare expenses. ²¹
Wales	The Welsh Government says it has taken 'progressive steps in Wales to support student parents and have expanded the Childcare Offer to include postgraduate students'. This allows eligible parents to claim up to 30 hours of early education and

¹⁴ Joe Lewis, David Foster and Andrew Mackley, 'Childcare support for students', House of Commons Library, 25 January 2024 <https://commonslibrary.parliament.uk/childcare-support-for-students/>

¹⁵ *Ibid.*

¹⁶ Sarah Howard, 'The PhD Parenting Penalty' in *The lives of early career researchers*, HEPI Report 169, February 2024, p.8 <https://www.hepi.ac.uk/wp-content/uploads/2024/02/The-lives-of-early-career-researchers.pdf>

¹⁷ 'Childcare Grant: What You'll Get', Gov.UK, <https://www.gov.uk/childcare-grant/what-youll-get>

¹⁸ Both PGT and PGR students have the option of government backed loans. These loans differ depending on the mode of study. For more information, see: <https://www.gov.uk/masters-loan> and <https://www.gov.uk/doctoral-loan>

¹⁹ 'Childcare Grant: Full-time Undergraduate, Northern Ireland Students', *StudentFinanceNI* <https://www.studentfinancenl.co.uk/types-of-finance/undergraduate/full-time/tuition-fee-and-living-cost-students/extra-help/childcare-grant/what-is-it/>

²⁰ 'Tuition Fee Loan: Postgraduate, Northern Ireland students', *StudentFinanceNI*, <https://www.studentfinancenl.co.uk/types-of-finance/postgraduate/northern-ireland-student/help-with-tuition-fee-costs/tuition-fee-loan/what-is-it/>

²¹ 'Guidance: University Higher Education Childcare Fund 2023-24', *Student Awards Agency Scotland*, pp. 4, 9-10, <https://www.saas.gov.uk/files/311/saas-childcare-fund-guidance.pdf>

	<p>childcare a week, for three- and four-year-olds, for up to 48 weeks of the year. To be eligible, each parent must live in Wales, earn less than £100,000 per year and students must be enrolled on an undergraduate, postgraduate or further education course that is at least 10 weeks in length²².</p> <p>Undergraduate students are also eligible to claim the Childcare Grant (CCG) if they have at least one child under 15 who depends on them financially (under 17 for those with special educational needs and disabilities (SEND)), are using a childcare provider registered by the Care Inspectorate Wales (CIW) and are attending a full-time or part-time course (including a distance learning course) and getting undergraduate student finance that depends on household income. In the 2024/25 academic year, eligible students may claim up to 85 per cent of their childcare costs, to a maximum of £189 per week for one dependent child or £324 for two or more dependent children.</p>
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Barnett formula differentials mean that the various nations in the United Kingdom have different financial envelopes in which to operate. The devolved nations historically have higher rates of public spending per person compared to England. Notably, the devolved nations have chosen to use their devolved powers on higher education funding to prioritise allocating some of this additional funding to expand childcare provision for postgraduate students.

Through our research, GW4 was also made aware of examples of individual institutions, such as the University of Dundee, which offers enhanced stipends to their postgraduate students to cover the costs of childcare.²³ While this additional provision is welcome, the concern is that such a piecemeal provision of childcare support could create a ‘postcode lottery’, with the level of provision reliant on the financial bandwidth of individual institutions. A uniform provision of childcare support, funded and provided at the devolved national level is preferable.

GW4 has also sought to better understand the size of the cohort of postgraduates who may have childcare responsibilities. The latest Higher Education Statistics Agency (HESA) data estimate there are approximately 66,960 UK (‘home’) Postgraduate Research Students (PGRs) and 380,795 UK (‘home’) Postgraduate Taught Students (PGTs) nationally.²⁴ However, HESA does not currently collect data on the number of postgraduate students with childcaring responsibilities.

GW4 attempted to collect the data directly from universities by questioning GW4 institutions, Midlands Innovation institutions and partners across the South West. The majority reported that they did not hold data on childcare responsibilities for postgraduate students.

The University of Bristol, the University of Bath and the University of Birmingham are three exceptions to this data gap. For the University of Bristol, 15% of the 1,460 postgraduate researchers (PGRs) and 13% of the 2,530 postgraduate taught (PGT) students are parents and would benefit from improved support. A similar landscape emerges at the University of Bath, with 14% of the 875 PGRs and 8% of the 2,305 PGTs potentially benefiting.

²² ‘Childcare Offer for Wales’ *Welsh Government*, <https://www.gov.wales/childcare-offer-for-wales-campaign>

²³ ‘Apply for discretionary funding to support with childcare’, *University of Dundee* <https://www.dundee.ac.uk/guides/discretionary-funding-childcare>

²⁴ ‘Figure 3 - HE student enrolments by level of study 2017/18 to 2021/22’, *HESA*, January 2023, <https://www.hesa.ac.uk/data-and-analysis/sb265/figure-3>

However, the figures increase substantially at the University of Birmingham, as 18% of their 1,815 PGRs and 34% of their 6,180 PGTs would benefit.

If we assume that these figures are comparable to national percentages, then extending childcare support could directly impact up to 9,400 PGRs and 30,000 PGTs at the lowest or up to 12,000 PGRs and 129,000 PGTs at the highest estimate.

Clearly, the current approach does not provide the right incentives to support social mobility through education. Indeed, under the previous Conservative government, Ministers had noted the ‘key objective’ of the childcare provision is ‘to support parental participation in the labour market’ and that ‘this offer is conditional on work’, with parents expected to earn at least £152 a week on average, or the equivalent of 16 hours of work a week at the National Living Wage²⁵. The expectation of combining postgraduate study, substantial outside work (more than 16 hours a week) and childcare responsibilities is unfeasible for most. In fact, some in receipt of tax-free stipends from UKRI are expected to work for under six hours per week, and some stipends prohibit undertaking any regular outside work²⁶.

Despite this, the Conservative Government stated, in a response to a Parliamentary Written Question, that it had ‘no plans to extend the Childcare Grant to postgraduate research students’²⁷. We believe that now is the time for this Labour government to review this position, and extend the eligibility of the Childcare Grant to postgraduate students.

The *R&D People and Culture Strategy* was right to recognise the benefits of a more diverse research workforce to improving the quality of the UK’s R&D outputs. There has been some progress on this. Research by Elsevier has found that, globally, 41% of researchers in 2022 were women, compared with 28% in 2001, and that the most experienced female researchers have their scholarly work cited in publications more often than male researchers do.²⁸ However, structural barriers still remain in the UK for female postgraduates, with a lack of childcare support preventing many from studying full-time or foregoing postgraduate studies altogether.

While GW4 acknowledges that this would not be a panacea for all postgraduates, extending the support to those with the greatest need would be a welcome first step to ensuring parity of policy. A future step, such as expanding the 30 free hours so that childcare does not continue to be a barrier to the reskilling and career progression opportunities that postgraduate studies can provide, is worthy of consideration if the ambitions of the *R&D People and Culture Strategy* are to be delivered.

GW4 is committed to working with government to ensure that parents of young children are not disincentivised from upskilling or reskilling by pursuing postgraduate qualifications so they can access the high-skilled jobs that require these qualifications.

Therefore, we recommend that the government expands the eligibility of undergraduate Childcare Grants to include home taught and research postgraduates. Furthermore, we ask the government commits to work with the sector to develop a more equitable solution for accessing childcare for postgraduate students, such as the 30 free hours scheme, to ensure those wishing to undertake postgraduate studies do not need to choose between their family and their career.

²⁵ Department for Education correspondence with GW4, 10 May 2024, reference number 2023-00 1 7798SoSP

²⁶ UK Research and Innovation, ‘Teaching and Demonstration Work’ in UKRI Training Grant Scheme Guidance, p.9 <https://www.ukri.org/wp-content/uploads/2022/04/UKRI-021122-TrainingGrantTermsAndConditionsGuidance.pdf>

²⁷ House of Commons, Written Question [UIN 13297]– Childcare: Fees and Charges, 13 February 2024 <https://questions-statements.parliament.uk/written-questions/detail/2024-02-06/13299>

²⁸ Rebecca Clear, ‘Latest Elsevier Gender Equality Study Reveals 20 Years Of Progress, But Challenges Remain For Women in Research And Innovation’, *Elsevier*, 10 June 2024, <https://www.elsevier.com/en-gb/about/press-releases/latest-elsevier-gender-equality-study-reveals-20-years-of-progress-but-challenges-remain-for-women-in-research-and-innovation>

Priority 2: The Higher Education Statistics Agency should work with universities to improve data collection on postgraduate students with childcare responsibilities

As highlighted previously, HESA does not currently collect data on the number of postgraduate students with childcaring responsibilities, and our research has found that universities either do not record this information, or collect it in a universal manner.

Lack of access to robust and consistent datasets hinders the sector's ability to provide precise and transparent information on the scale of the issue, and the lack of granularity is impeding institutions, researchers, and policymakers from making informed policy decisions to better support this cohort. As such, the estimates provided above on the total numbers of postgraduates potentially impacted by extending childcare support are a somewhat crude calculation.

HESA requiring universities to adopt a more uniform approach to recording caregiving responsibilities would be a welcome step in addressing the challenges facing postgraduate students who are parents.

GW4 is currently exploring the barriers that institutions face in collecting this data in a uniform and meaningful manner. Supporting the efforts of HESA and higher education institutions in collecting this data, such as through grant funding from ESRC or the Administrative Data Research UK partnership, would be a welcome development from government.

Priority 3: Bring responsibility for postgraduate students' childcare provision fully under the remit of the Department for Education

At present, responsibility falls between Ministerial portfolios within Department for Education (DfE) and the Department for Science, Innovation and Technology (DSIT). During our engagement with Ministers under the previous Conservative government, GW4 and other stakeholders found that neither DSIT nor DfE claimed overall responsibility for the issue of childcare support for postgraduates. This gap in oversight has led to a gap in policy provision, with no clear lines of Ministerial responsibility to resolve the issue.

While we recognise that this recommendation is beyond the scope of the Budget and Spending Review, GW4 nonetheless recommends that this responsibility should be undertaken by the Department for Education, given DfE's current responsibilities both for the childcare sector and higher education policy, and the administration of undergraduate childcare support schemes (with DSIT retaining its responsibility for research).