

The Northern Ireland Childcare Subsidy Scheme (NICSS)

This report presents analysis of NICSS management information for the period September 2024 to March 2025.

The NICSS provides a 15% subsidy on the costs of childcare for working families eligible for Tax Free Childcare (TFC) who have a child below primary school age. The scheme operates alongside TFC, which provides an additional 20% contribution to residual costs.

HEADLINE DATA

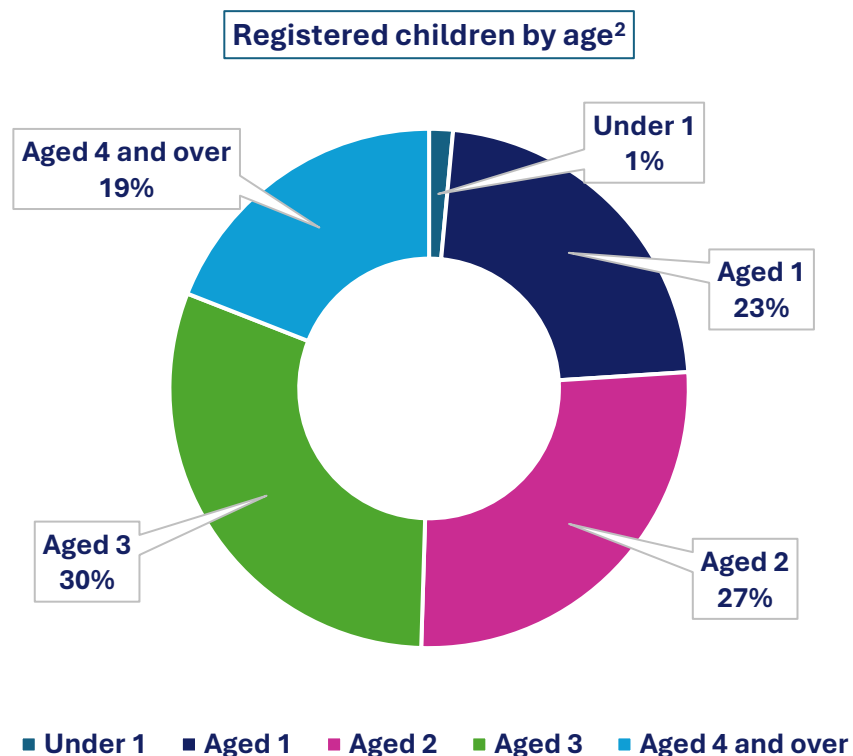
1,651 NICSS-registered providers	16,230 NICSS-registered children	13,509 NICSS-registered households	£8 million in savings for parents from the NICSS, with nearly 100,000 claims processed	£17.5 million in estimated ⁽¹⁾ total savings when combined with TFC	96.1% of claims paid in full (i.e. within the subsidy cap)
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(1) Based on an estimate of TFC savings.

1. OVERVIEW OF CHILDREN AND PROVIDER REGISTRATIONS

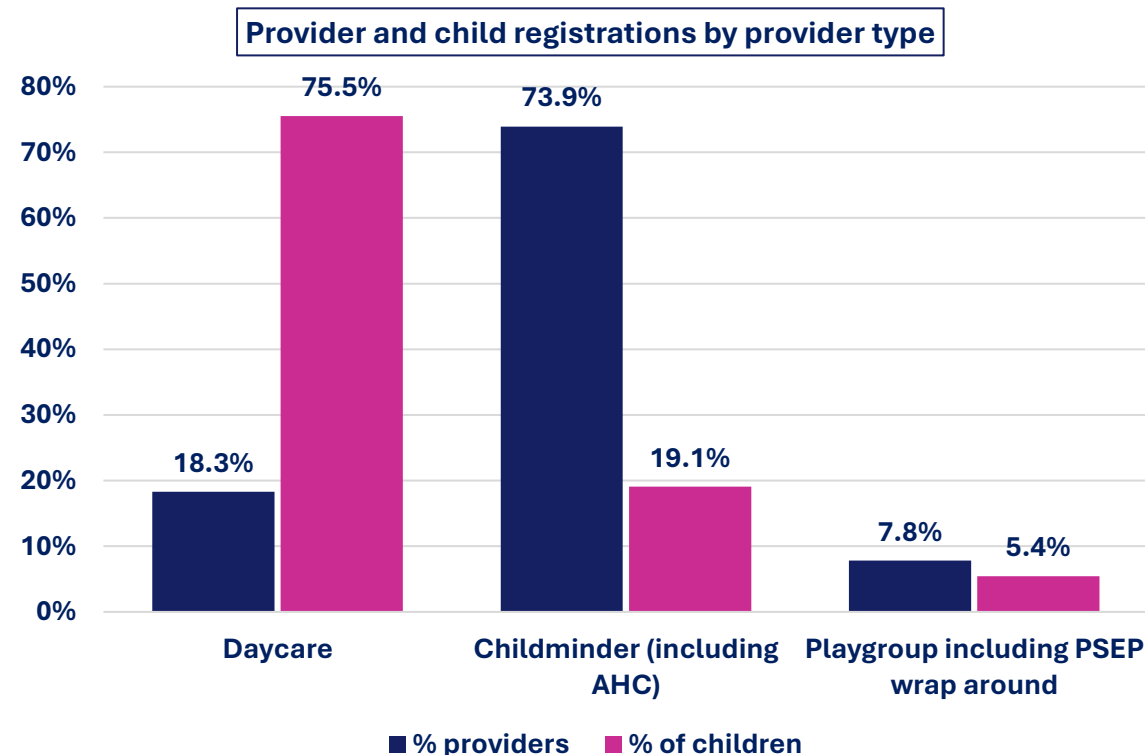
Children registrations

- The largest proportion of NICSS-registered children (30%) are aged 3.
- A very small proportion of children (1%) are aged under 1.



Provider registrations

- Daycare providers account for 18.3% of NICSS-registered providers and 75.5% of NICSS-registered children.
- Over 16,230 children are registered for the scheme and approximately 10,500 have used it consistently each month since September 2024.



2. CONSTITUENCY BREAKDOWN OF REGISTERED CHILDREN AND VALUE OF CLAIMS⁽³⁾

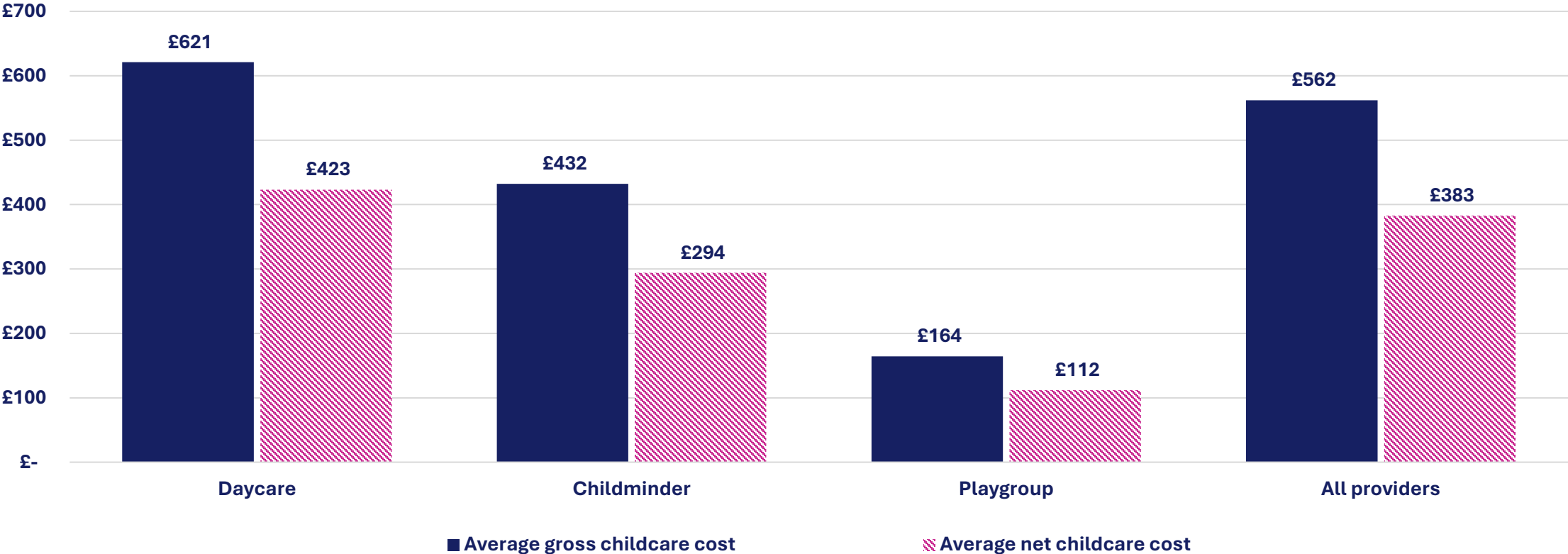
Home constituency of child	Number of children	Total value of claims
Belfast East	1,047	£573,471
Belfast North	493	£241,744
Belfast South	1,197	£783,175
Belfast West	360	£162,010
East Antrim	677	£336,343
East Londonderry	656	£326,157
Fermanagh and South Tyrone	873	£436,070
Foyle	499	£229,928
Lagan Valley	1,515	£757,764
Mid Ulster	1,024	£490,943
Newry and Armagh	950	£449,352
North Antrim	792	£321,809
North Down	953	£449,408
South Antrim	1,020	£529,117
South Down	1,075	£510,564
Strangford	979	£432,599
Upper Bann	1,257	£551,873
West Tyrone	750	£325,925
Not Known	113	£59,285
Total	16,230	£7,997,539

(3) This analysis is based on the 2008 parliamentary constituencies, as per NISRA guidance, and therefore may differ from previously published data which was based on 2024 constituencies.

3a. AVERAGE GROSS AND NET CHILDCARE COSTS PER CHILD

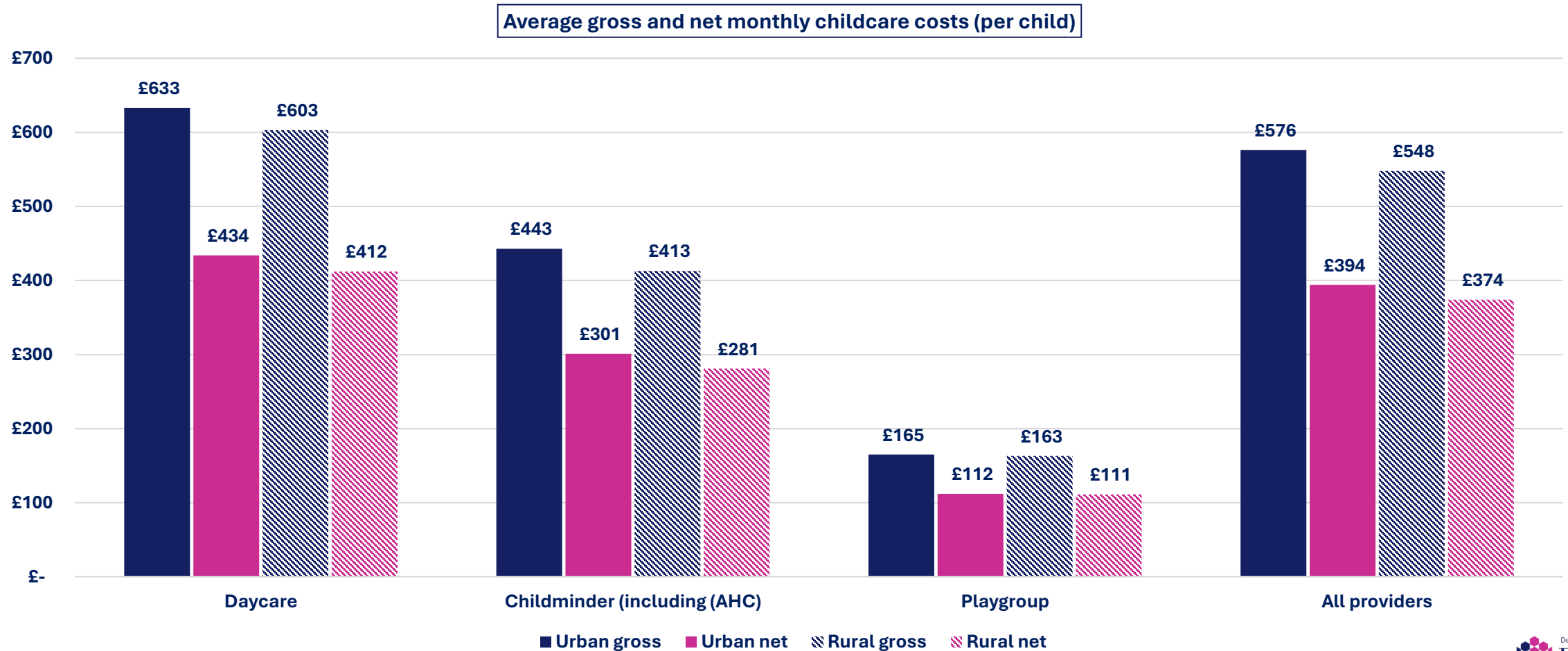
- ❑ The average monthly gross cost (per child) for children using the NICSS was £562 before subsidies.
- ❑ After applying the NICSS and TFC subsidies, the average net cost per child was £383.
- ❑ The data includes children using both full-time and part-time childcare provision.

Average gross and net monthly childcare costs (per child), by provider type



3b. AVERAGE GROSS AND NET CHILDCARE COSTS PER CHILD – URBAN/RURAL

- The average cost varies between urban and rural settings, with the highest average gross monthly cost being £633 in urban daycare settings before subsidies and £434 after subsidies.
- The data includes children using both full-time and part-time childcare provision.

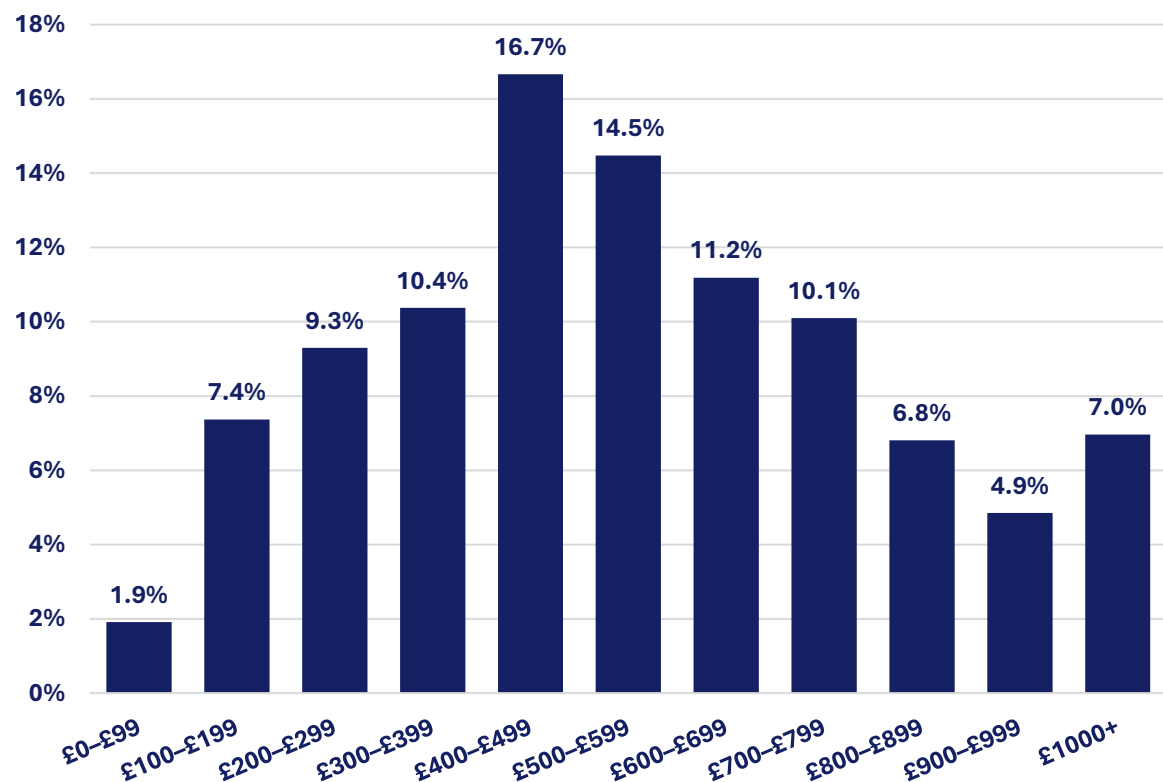


4. DISTRIBUTION OF CHILDREN'S CHILDCARE COSTS

GROSS COSTS (BEFORE SUBSIDIES)

- 71% of children had average gross childcare costs under £700 per month.
- 7% had average gross childcare costs above £1,000 per month.

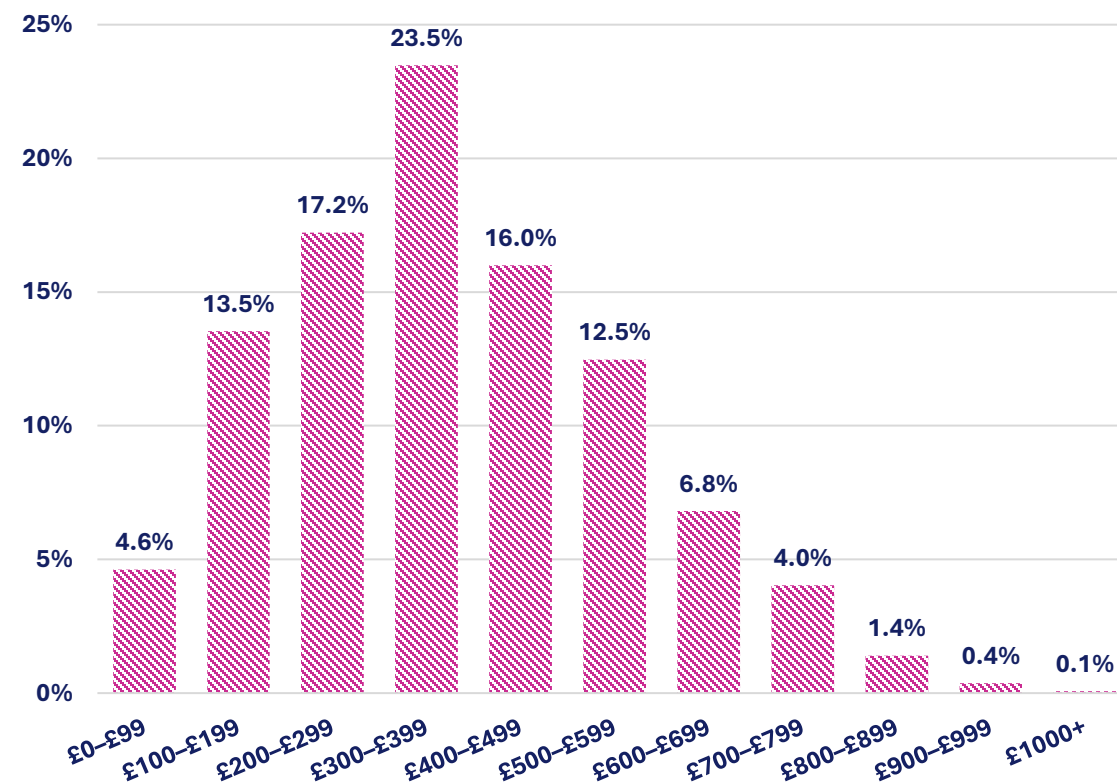
Percentage of children by average gross childcare costs



NET COSTS (AFTER SUBSIDIES)

- 94% of children had average net childcare costs under £700 per month.
- 0.1% had average net childcare costs above £1,000 per month.

Percentage of children by average net childcare costs



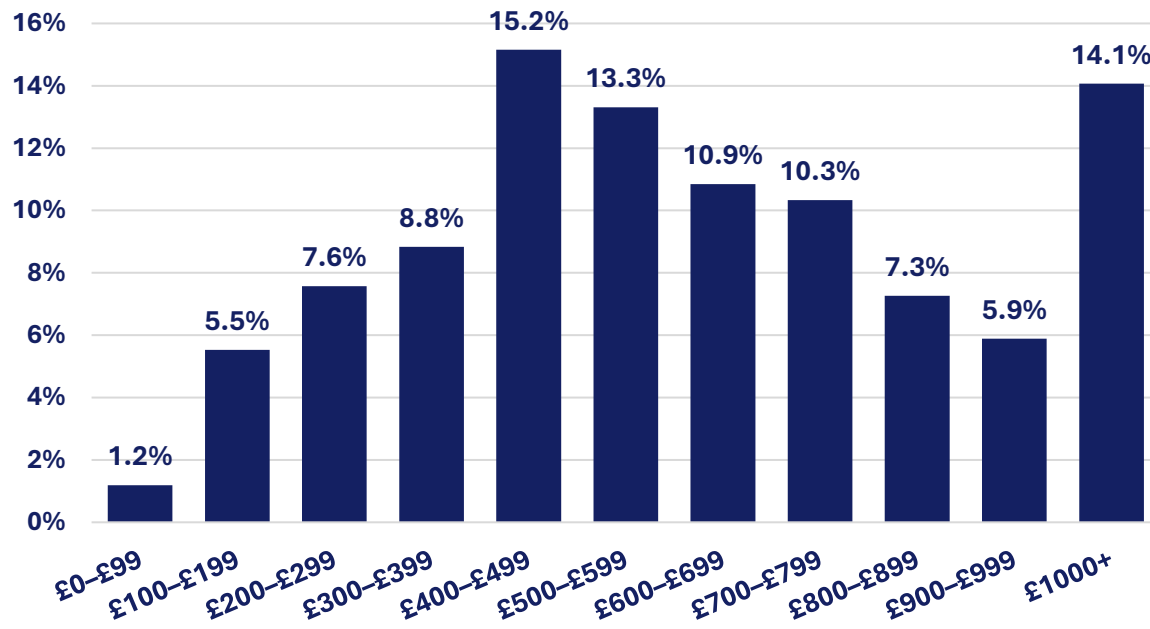
5. DISTRIBUTION OF HOUSEHOLD CHILDCARE COSTS

(Household costs refer to the average childcare costs for one or more children in a family, based on NICSS data/users. It excludes childcare costs incurred for school age children as they are not currently eligible for the NICSS.)

GROSS COSTS (BEFORE SUBSIDIES)

- ❑ The average gross household childcare cost was £645 per month (compared with £562 per child).
- ❑ 62.5% of households have gross childcare costs under £700 per month.
- ❑ 14.1% of households have gross childcare costs exceeding £1,000 per month.

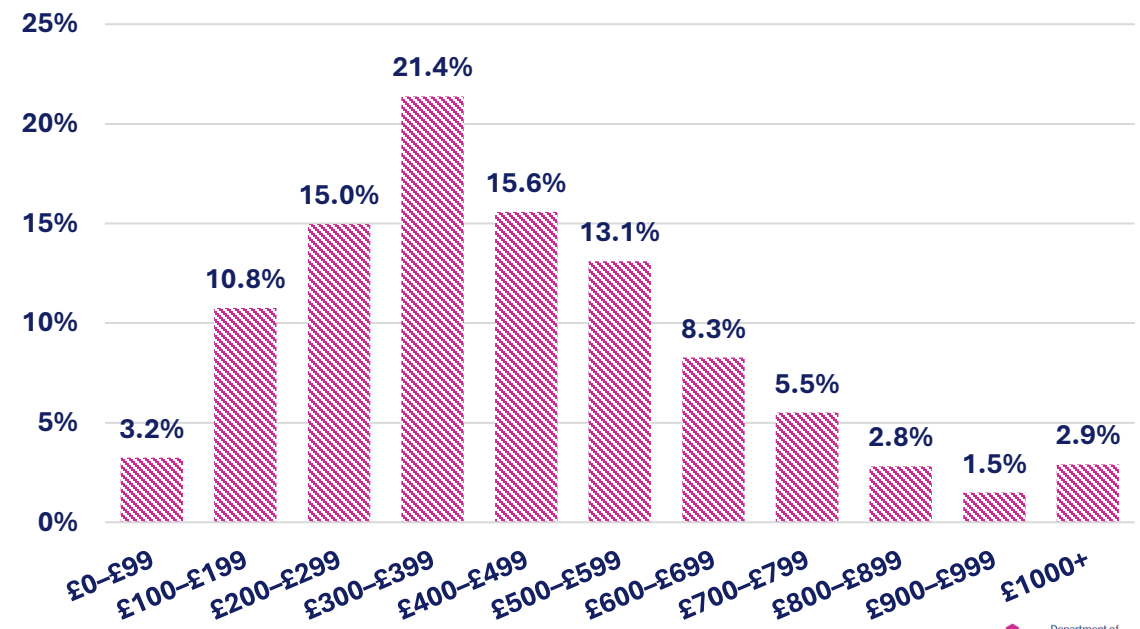
Percentage of households by average gross childcare cost



NET COSTS (AFTER SUBSIDIES)

- ❑ The average net household childcare cost was £439 per month (compared with £383 per child).
- ❑ 87.3% of households have net childcare costs under £700 per month.
- ❑ 2.9% of households have net childcare costs exceeding £1,000 per month.

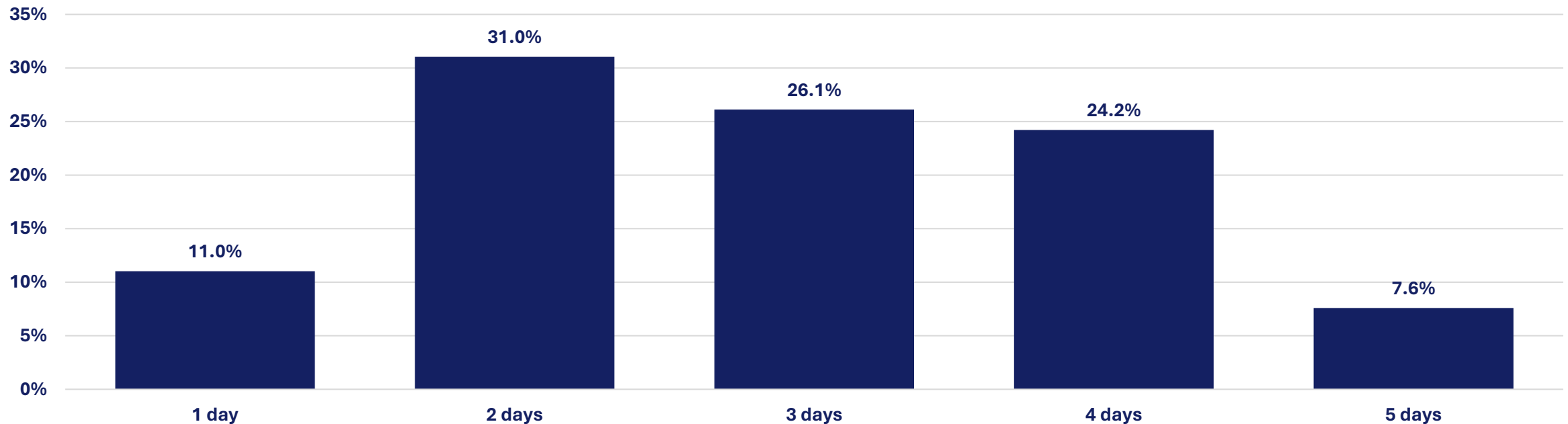
Percentage of households by average net childcare cost



6. DISTRIBUTION OF THE AVERAGE NUMBER OF DAYS PER CHILD USED PER WEEK

- The average number of days used per week by children claimed for under NICSS is 2.9.
- 11.0% of children used childcare for one day per week.
- 57.1% of children used childcare for two or three days per week.
- 24.2% of children used childcare for four days per week.
- 7.6% of children used childcare for five days per week.

Average number of childcare days used per week



7. DISTRIBUTION OF THE AVERAGE COST OF CHILDCARE PER CHILD BY USAGE

❑ The average monthly gross cost per child before subsidies was £562. However, this figure varies by the number of days used per week and the type of provision used, with the average gross cost per month ranging from:

- £228 for those using one day of childcare per week, to £833 for those using five days of childcare per week, up to an average of £1,054 for five days of daycare provision.

❑ After applying the NICSS and TFC subsidies, the estimated average monthly net cost per child falls to £383, with the average net cost per month ranging from:

- £155 for those using one day of childcare per week, to £571 for those using five days of childcare per week, up to an average of £739 for five days of daycare provision.

❑ If extrapolated, assuming consistent usage over the year, the estimated average gross cost per child annually, before subsidies, ranges from:

- £2,733 for those using one day of childcare per week, to £9,994 for those using five days of childcare per week, up to an average of £12,648 for five days of daycare provision.

❑ After subsidies, the estimated annual average net cost ranges from:

- £1,859 for those using one day of childcare per week, to £6,854 for those using five days of childcare per week, up to £8,868 for five days of daycare provision.

Average numbers of childcare days used per week	Percentage of children	Average monthly gross cost	Estimated average monthly net cost (after subsidies)	Estimated average annual gross cost	Estimated average annual net cost (after subsidies)
1 day	11.0%	£228	£155	£2,733	£1,859
2 days	31.0%	£444	£302	£5,327	£3,623
3 days	26.1%	£628	£427	£7,534	£5,125
4 days	24.2%	£689	£470	£8,271	£5,637
5 days	7.6%	£833	£571	£9,994	£6,854

8. DISTRIBUTION OF THE AVERAGE COST OF CHILDCARE PER CHILD BY HOUSEHOLD INCOME

❑ The average monthly gross cost per child before subsidies was £562. This figure varies by household income, with the average gross cost per month ranging from:

- £459 for children from households with an income of £40,000 and under, to £737 for children from households with an income of £161,000 and over.

❑ After applying the NICSS and TFC subsidies, the average monthly net cost per child falls to £383, with the average net cost per month ranging from:

- £313 for children from households with an income of £40,000 and under, to £503 for children from households with an income of £161,000 and over.

❑ Over half of children (54.7%) claiming the NICSS are from households with a self-reported household income between £41,000 and £80,000.

❑ Lower income households on average, pay less in absolute terms (due to lower usage), but their childcare costs represent a higher proportion of their household income.

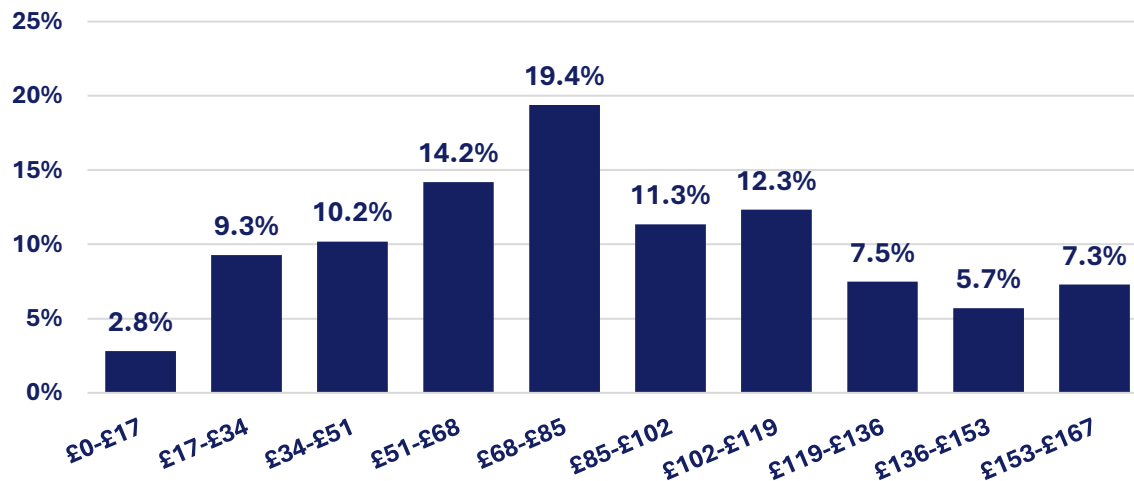
Household income ⁽⁴⁾	Percentage of households	Average monthly gross cost	Average monthly net cost (after subsidies)	Estimated average annual gross cost	Estimated average annual net cost (after subsidies)
£40,000 and under	11.3%	£459	£313	£5,508	£3,756
£41 - £80,000	54.7%	£519	£354	£6,228	£4,248
£81 - £120,000	28.8%	£644	£439	£7,728	£5,268
£121 - £160,000	3.7%	£764	£522	£9,168	£6,264
£161,000 and over	1.5%	£737	£503	£8,844	£6,036

(4) Data related to self-report household income.

9. THE SUBSIDY CAP

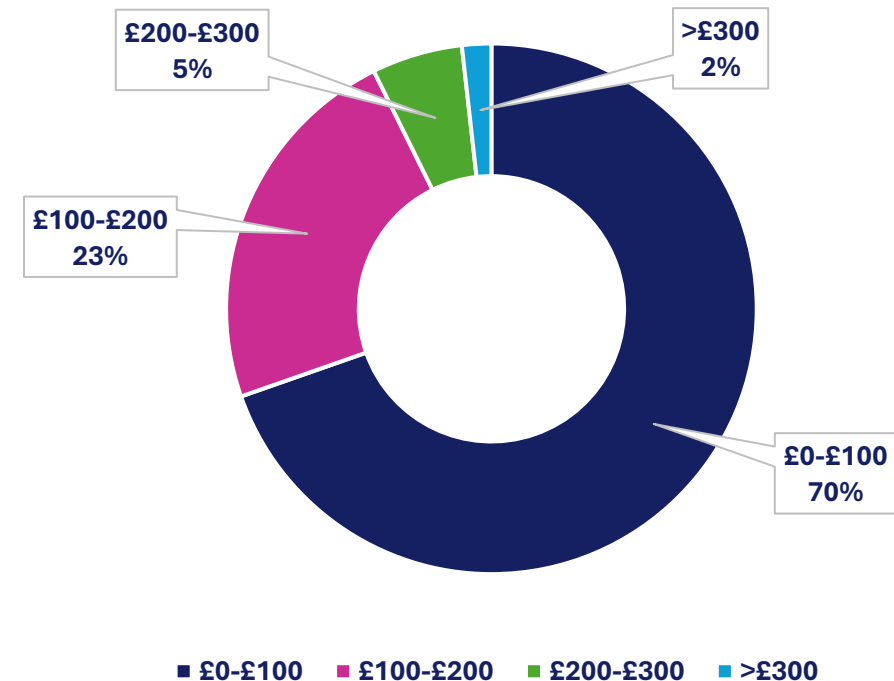
- ❑ The maximum amount available per child under the NICSS was £167 per month, based on a maximum eligible childcare cost of £1,113 per month.
- ❑ The average subsidy claimed per child was £84 per month.
- ❑ The total childcare costs of 96.1% of children were below the subsidy cap and these families benefitted from a full 15% reduction on their bills.
- ❑ Claims for 3.9% of children exceeded the cap value.
- ❑ Over 91% of all providers had no children exceeding the cap.
- ❑ Approximately 40% of daycare providers had at least one child exceeding the cap.

Distribution of subsidy claims



- ❑ Of the 3.9% of children whose claims exceeded the cap, 70% exceeded it by £100 or less; without the cap, this group would have received up to an additional £15 per month in subsidy.
- ❑ For all those who exceeded the cap, their claim was reduced, on average by £13 per month.

Value of claim deemed ineligible for the 3.9% of children who exceeded the cap



CONTEXTUAL NOTES

- ❑ *This publication presents data for the 2024/25 year – covering the period September 2024 to March 2025.*
- ❑ *The data is provisional and may be subject to change. It was extracted by the deliver agent on 18 April 2025.*
- ❑ *The NICSS subsidises childcare costs for families with children below primary school age. According to the latest HMRC data, approximately 24,000 children are registered for financial support through Tax Free Childcare, including over 15,000 pre-school age children eligible to the NICSS.*
- ❑ *Other financial support schemes, such as Universal Credit (covering up to 85% of childcare costs), childcare vouchers and other government childcare support schemes, also assist families with childcare expenses.*
- ❑ *Families with children in their immediate pre-school year (age 3-4) can access between 12.5 and 22.5 hours per week through the funded Pre-school Education Programme during term-time. In 2024/25 over 22,000 children were enrolled in this programme.*
- ❑ *Together the NICSS and TFC reduce the cost of childcare by up to 32% for eligible parents.*
- ❑ *Discussions around the cost of full-time childcare often focus on the gross fees charged by providers. However, these do not reflect the actual amounts parents pay after government support such as the NICSS, TFC, Universal Credit and other subsidies. Additionally, many families do not pay full-time fees, as they often use part-time childcare*

or a max of childcare arrangements including informal childcare. The data in this report provides a clearer picture of actual costs incurred, pattern of usage and subsidy impact.

- ❑ *The Department has estimated the TFC savings based on a maximum of £167 a month, £500 claimable every 3 months (up to £2,000 a year).*
- ❑ *This analysis uses a cleansed dataset to exclude a small number of invalid and erroneous entries.*
- ❑ *Where averages are presented, they represent the mean.*