

Nanny Salaries rise by 19% in Greater London and Home Counties

Research from the Nannytax Nanny Salary Index 2020/21 states salaries have risen by 19% for Live-out nannies in Greater London and Home Counties as effects of Covid-19 cause families to leave the capital and the increase in demand for flexible childcare continues.

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Research conducted by [Nannytax](#) reveals the average cost of employing a nanny in Greater London and Home Counties has risen by 19% in the last year. According to their latest annual [Nanny Salary Index](#), released yesterday, nannies in these regions are paid an average hourly rate of £13.26 in comparison to £11.15 reported back in 2019. The increase is put down to the effects of the pandemic causing families to leave the capital, a shortage of nannies due to Brexit and the on-going demand for flexible childcare.

Effects of Covid-19 cause families to move out of capital

Last year a study from [Total Jobs](#) stated that Covid-19 [accelerated migration from London as 1.6m planned to move out of the capital](#). [PWC](#) published a report early this year to reinforce this stating that [London's population is expected to decline for the first time in the 21st century](#).

Now it appears the effects of this are impacting the cost of nanny childcare as families move towards Greater London and Home Counties, particularly the outer London boroughs of Buckinghamshire, Essex and Surrey.

“We have seen a surge in enquiries from new families in the Greater London and Home Counties regions as they relocate outside the capital due to the increased prevalence of work from home flexibility created by the pandemic” said **Founder and Director of [Harmony at Home](#)**, a nanny and household staff recruitment agency franchise.

Shortage of Nannies due to Brexit

There has also been a skills shortage in the childcare sector with the reduction of EU workers, pushing up nanny employment costs further.

Luxury domestic service recruitment agency [Polo & Tweed](#) share, “With a shortage of nannies relocating from Europe due to Brexit, we’ve seen an increase of nannies arriving from overseas territories, and families understanding they will have to pay higher salaries to complete in a seller’s market – the nanny being the seller!”

Increase in working parents’ demand for childcare flexibility

The flexibility that nannies can offer in comparison to other childcare options was really brought to light over the pandemic. Nannies provided childcare for families of key workers and other parents, who with the support of their nanny, were able to maintain their full-time jobs from home.

Nannytax can now confirm 64% of nannies continued to work between April 2020 and April 2021 without any periods of furlough. This includes during the first national lockdown as nannies were confirmed as the only childcare providers able to work unlike schools, nurseries and other childcare businesses who were forced to close.

“I was only a few weeks into a new nanny role when lockdown began” **Felicity Hinchliffe**, a [Norland](#) nanny shares. “It was important that the child’s routine wasn’t disturbed too much and that I could replace her usual classes and play dates with enough stimulation from home. We worked out the best situation we could with the parents now working from home everyday and managed to make it all work.”

As restrictions ease across the country, working mum burden continues to be a hot topic and Nannytax believe nannies are the solution that many families desperately require. This comes as [TUC](#) report [nearly two-thirds of working mums don’t have enough childcare for the holidays](#) and one in eight mums will be forced to take unpaid leave.

“Our nanny is part of our family, and we could not live without her”, **Mr. N a Nannytax customer** says. “Her care for our son is second to none and it allows us to have a great balance between work and family life. She is a key part of our life and we could not have been so stable these past few years all through world events and family circumstances too.”

Founder & Director of Harmony at Home Mrs Frankie Gray states “We are finding that more families are newly interested in the services of in-home childcare provided by a professional nanny. Many of these families have not used a nanny before and now realise the benefits of flexibility and safety in their home setting. Nannies have worked tirelessly to support families though the pandemic so it’s wonderful to see their hard work rewarded by an uplift in salaries.”

It is no secret that a nanny can be one of the more costly childcare options, especially with salaries seeing such an increase in Greater London and Home Counties, however, **Kirsty Wild Head of Sales & Marketing at Nannytax** says “Investing in flexible childcare can really lift the burden that is currently on so many working parents, particularly mums. The cost-saving benefits of a nanny do become apparent for families with more than one child when weighed up against nursery fees. Also, nanny shares provide further financial benefits as you can split the costs with another family. Plus some families who employ Ofsted nannies can use the Tax-free Childcare scheme which can provide up to 2k saving per child, per year.”

Ms Wild continues “At Nannytax, our job is to support busy working parents with the legal aspects of employing their nanny and so we have had a real close insight into the vital role these nannies have played, most crucially over the course of the pandemic. We hope the government will consider nannies in the on-going debates around financial support schemes for Early Years Childcare.”

Key Findings:

- Live-out nannies in London earn £14.12, a 6% increase from 2019. This remains the highest paying region for Live-out nannies across the country.
- Live-out nannies in Greater London and Home Counties earn £13.26 per hour, a 19% increase from 2019.
- The South East of England is the next highest paid area for live-out nannies who earn an average gross wage of £13 per hour, followed by North West of England at £12.46 per hour.
- Live-out nannies working in the rest of the UK earn an average gross of £11.10, a 6% increase from 2019.

Disclaimer: Average salaries have been calculated from Nannytax payroll data for the 2020/21 Tax Year. All figures are shown in gross and have been rounded to the nearest pence.

Background

In 2008, Nannytax released its first annual wages report, a resource which has proven to be invaluable for nanny employers, nannies and nanny agencies over the last 13 years.

About Nannytax

Nannytax offer an award-winning nanny payroll service that gives families end-to-end support with the employment of their nanny. From contracts and payslips to HR and legal support, the Nannytax team take away all the PAYE hassle from employing a nanny. Service add-ons include Nannytax Plus for direct nanny salary payments and tax payments to HMRC, a fully managed nanny pensions service and Employers Liability Insurance. Visit [Nannytax.co.uk](https://www.nannytax.co.uk) to discover more about their services or call a member of their team on 020 3137 4401 – Nannytax are open 7 days a week.

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