

2012 London childcare report



Terry J Alcorn

Jill Rutter with Ben Evans



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About Daycare Trust

Daycare Trust is the national childcare charity, campaigning for high quality, accessible and affordable childcare for all and raising the voices of children, parents and carers. Today's Daycare Trust grew out of the National Childcare Campaign, which was set up in 1980 by a group of 12 London parents. Daycare Trust was formally constituted in 1986, and ever since we have represented the views of parents in the capital and across the country. We undertake research, campaign on childcare issues, work with providers in different types of childcare settings and provide information for parents and carers. In 2011, Daycare Trust merged with the National Association of Family Information Services (NAFIS), the charity that supports, links and promotes Family Information Services in Great Britain.

Daycare Trust currently undertakes a significant amount of work in London. Over the last 25 years, Daycare Trust has worked to develop ways of reaching out to families whose children are less likely to take up the free early education offer, or find it difficult to access financial support for childcare costs. Daycare Trust is presently running a Parent Champions project in a number of London local authorities where parents are recruited to provide peer-to-peer advice and to encourage other parents to take up help such as the free early education offer.

Daycare Trust runs a campaign called Childcare for the Capital's Children, which is funded by Trust for London. The campaign works with parents and local groups across London to fight cuts to childcare, increase access to childcare for low income families, and improve knowledge of childcare entitlements and support available. We also work closely in partnership with other campaigns such as 4in10, the London child poverty campaign.

Over the last four years Daycare Trust's London childcare project, funded by London Councils, has supported childcare providers, encouraging quality childcare provision that is financially sustainable. The project also works with local authorities and other partners to ensure that disadvantaged families benefit from early education, childcare and the support activities offered by children's centres and third sector organisations.

Daycare Trust is also growing its links with London businesses and a major strand of its work is to show the benefits for large and small businesses of childcare and family-friendly work practices. Through its recent merger with NAFIS, Daycare Trust is now working to support London Family Information Services and has recently undertaken a survey of them. Daycare Trust also continues to carry out research on issues relevant to London, for example, ongoing research on access to informal childcare and on childcare for those who work atypical hours.

About the authors

Jill Rutter is the Research Manager at Daycare Trust which she joined in 2010. Over the last two years she has led a major study on informal childcare and is now leading a study on the early years built environment. Previously, Jill was a Senior Research Fellow in Migration at the Institute for Public Policy Research, where she undertook work on migrant integration, social cohesion and public service responses to migration. Jill has been a lecturer in education at London Metropolitan University. From 1988-2001 she was a Policy Advisor on Children at the Refugee Council, London. She has also worked as a secondary school teacher and on development projects in India. Her publications include *Refugee Children in the UK* (Open University Press, 2006) and *Informal Childcare: Choice or Chance?* (Daycare Trust, 2011).

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Daycare Trust would like to thank the parents and childcare professionals who have been interviewed for this report; we hope its findings will make a difference. We are also grateful to Trust for London and London Councils, whose financial support has made this report possible.

Acknowledgments

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If we want to give children a good start in life, then we need childcare that is accessible, high quality and fits around families' needs. We know that for those parents who wish to work, affordable childcare can bring real benefits to their children, especially those from more disadvantaged backgrounds.

(Victoria Borwick, Deputy Mayor of London and member of London Assembly, 2012)



Terry J Alcorn

Executive summary and recommendations

London is a city of economic contradictions. It is the richest region of the UK, but 25 per cent of its children live in poverty, the highest rate of any UK region or nation. Rates of female unemployment are the highest of any UK nation or region. Daycare Trust, the national childcare charity, believes that the state of childcare provision in the capital is a major cause of these economic paradoxes. Childcare in London is the most expensive in the UK; it costs an average of £5.07 per hour for a nursery place in London and the price of the capital's nurseries was 24 per cent higher than the Britain average in 2012. For many parents, it simply does not pay to work.

London, too, is a 24/7 city and many of its jobs require evening or weekend work, especially in retail, transport and storage, accommodation and food, and health and social care. London's residents also have the longest journeys to work. Across London's 33 local authorities there is very little childcare outside normal office hours. Nor can most of London's parents turn to their relatives to look after their children in the evening or at the weekend. In a city where the majority of people are internal or international migrants new research from Daycare Trust shows that just 18 per cent of London parents are able to turn to grandparents to help look after their children, compared with 32 per cent of families across Britain as a whole.

It is the absence of affordable and flexible childcare that prevents many parents from working in one of the world's richest cities. While the childcare challenges facing London parents are also experienced by parents outside the capital, these challenges are larger and starker in London. In order to address these issues Daycare Trust has decided to compile this report on the state of childcare in London. The *2012 London childcare report* analyses the state of present childcare provision, as well as making policy recommendations to central and local government, and the Mayor of London.

London's different childcare needs

While many of the problems faced by London parents are experienced by families elsewhere in the UK, there are a number of socio-economic and demographic differences about London's population that impact on childcare needs. We have already noted that London has a high proportion of jobs that require working outside normal office hours. Other factors that impact on childcare needs in London include:

- The population of London is younger and has a higher proportion of children aged 16 and under than other parts of the UK. Some 19.6 per cent of the population of London are children aged 16 years and under, compared with 18.6 per cent outside London. There is, therefore, a proportionally higher demand for childcare.

- Fewer London families live close to grandparents or other close relatives who can provide informal childcare, with a Daycare Trust survey indicating that just 18 per cent of London families had used informal childcare from grandparents in the last 6 months. Informal childcare is often used by families outside normal office hours when nurseries and after school clubs are closed.

- Some 50 per cent of London residents live in flats. Access to early education and childcare is particularly important for children living in overcrowded homes or who do not have access to outdoor play space.

- In 2010 some 56 per cent of births in London were to mothers who were born outside the UK. While many migrant families speak fluent English inside and outside the home, free early education enables children who do not speak English at home to start school with some grasp of English.

Formal childcare supply in London

Daycare Trust's research for the *2012 London childcare report* shows that despite an expansion of childcare places and providers there are still serious gaps in childcare provision across London. Gaps in supply for older children and for parents who work atypical hours are the most acute gaps in London. However the extension of 15 hours free early education to the 40 per cent most deprived two-year-olds by 2014 may result in shortages of nursery places in some parts of London where allocations could be as high as 70 per cent of children.

Analysis of local authority Childcare Sufficiency Assessments showed that 15 London local authorities did not have enough breakfast and after school provision. Another 16 local authorities did not have sufficient holiday childcare to meet demand. Some 13 London local authorities identified that they lacked enough suitable childcare for disabled children in the 2011 Childcare Sufficiency Assessments.

There is also a lack of suitable holiday activities for 12-14 year olds, who still require some supervision. Daycare Trust's *Holiday childcare costs survey 2011* indicated that just 5 per cent of London boroughs had sufficient school holiday activities for children aged 12-14 years in all parts of the local authority. In London local authorities the extended school initiatives, which aimed to increase breakfast and after school provision, has largely stalled and local authority youth services have seen considerable spending cuts, further limiting their ability to provide activities for young people after school or in the school holidays.

A further gap in London is a lack of sessional childcare, which is essential to parents who are studying, looking for work or who have irregular work patterns. Many London Childcare Sufficiency Assessments gave little attention to this form of childcare.

Childcare and atypical work patterns

As already noted one of the most significant gaps in childcare provision in London is that for parents with atypical work patterns. We define atypical work patterns as:

- work outside the normal office hours of 8am to 6pm. Atypical work patterns can be known about in advance, or unplanned, with research showing that parents find it most difficult to find childcare when they have little advance notice.

- irregular working patterns, including moving in and out of short-term forms of work, agency working, zero hours contracts, and some self-employed workers. Affordable sessional childcare is important for this group.

Long periods spent travelling to work can also turn 'typical' hours into atypical hours. Parents who work atypical hours need nurseries and out-of-school childcare to be available between 7am and 7pm. Workplace nurseries are needed where there are concentrations of workers with atypical work patterns. Employers could do more to ensure that their staff have adequate notice of the need to work outside normal office hours, to make it easier to plan childcare. Additionally, registered 'at home' childcare schemes have sometimes been used to provide childcare to parents with atypical work patterns. Here registered childminders or other groups of people who regularly work with young children provide childcare in the child's own home, with this arrangement brokered by an organisation.

Childcare costs in London

The cost of early years childcare in London is significantly higher than the Britain average and London is the most expensive region or nation for all categories of early years childcare. Daycare Trust's Childcare costs survey 2012 indicated that nursery care for a child under 2-years-old in London was 24 per cent more expensive than the British average. In London early years childcare also tends to be more expensive in the private and voluntary sector. There are also price differences between inner London and outer London, with nursery care being 17 per cent more expensive in inner London than in the outer London boroughs.

Out-of-school childcare in London was 4.2 per cent more expensive than the British average, although holiday childcare in London was less expensive than the British average.

The up-front costs of childcare – registration fees, deposits and fees in advance – can also be a financial burden for low income parents. London parents could typically be asked to pay between £650 and £1,000 before they receive their first pay packets. This may present an insurmountable barrier to many parents wishing to return to work.

While the childcare element of Working Tax Credit can make childcare more affordable for low income parents, this type of support has been cut back. Since April 2011 parents have only been able to claim a maximum of 70 per cent of children costs, previously they could claim up to 80 per cent of costs. Data from HM Revenue and Customs showed that this change disproportionately affected London families, who tend to have the highest childcare costs and could mean a loss of up to £1,500 for parents with the highest claim.

Despite high childcare costs, the uptake of tax credits, including the childcare element of Working Tax Credit, is low in London. Tax credits and out-of-work benefits are being merged into a single Universal Credit between 2013 and 2017. Although we do not yet know the full details of how Universal Credit will be delivered, it is essential that Universal Credit supports parents with high childcare costs.

Family-friendly workplaces

Daycare Trust's work with both parents and employers continues to show the benefits of family-friendly work practices, for both families and employers. Flexible working practices such as job-shares, part-time work, home working or compressed hours can help parents balance work and home. Some larger employers run their own workplace nurseries and employers may also support childcare vouchers, the costs of which are deducted from parents' incomes before tax.

Unfortunately not all parents can benefit from childcare vouchers, as not all employers offer them and not all childcare providers accept vouchers. As childcare vouchers can benefit parents on modest incomes who currently fall outside tax credit support, ensuring that more London parents could benefit from vouchers would help the capital's hard-pressed families. It is also essential that all workers benefit from family-friendly work practices, with research showing that lower income parents are presently less likely to benefit.

Early education, childcare and child development in London

As well as helping parents work, high quality childcare and family support also support children's development and boost the life chances of the most vulnerable children in society. Both Sure Start Children's Centres and the free early education entitlement have an important role in providing high quality early education to London's children.

In September 2011 there were 528 Sure Start Children's Centres in London. While Sure Start Children's Centres have to comply with guidance and offer activities for parents and children, health and parenting advice as well as support for parents who wish to move back into work, the range of services offered by children's centres varies from place to place. Daycare Trust believes that there is scope for reviewing the range of services that are delivered at Sure Start Children's Centres from the perspective of benefitting the most disadvantaged families. Local authorities also need to review the uptake of services and look at who uses Sure Start Children's Centres as local authority data shows that in some areas Sure Start Children's Centres are under-utilised by disadvantaged families.

Since 1998 all three and four-year-old children have received some free early education in England, usually provided in a nursery. This commitment has gradually been extended and by 2014 many two-year-olds will qualify for 15 hours free early education delivered over 38 weeks of the year. High quality early education means that children are much better prepared to start compulsory education at five, in relation to their language and cognitive development, as well as their social and physical skills. Early contact with teachers and nursery nurses enables the earlier identification of special educational needs or other problems. Despite these benefits, there are some significant challenges in London in delivering the free early education offer. The uptake of provision varies across local authorities and some of the most disadvantaged children do not take up their free early education.

Research shows that it is only high quality early education that improved outcomes for the most disadvantaged children and in many parts of London finding sufficient high quality providers for children who qualify for the free early education offer remains a pressing challenge. Staff qualifications have often been shown to have the biggest impact on the quality of settings and therefore on children's outcomes. In London it can often be difficult to attract sufficient high

calibre staff into childcare, as pay levels are low in a city with high living costs.

Information about childcare

If parents are to benefit from the financial support available for childcare, free early education and the range of services available through Sure Start, they need to know about these services. Every year many thousands of parents receive help finding childcare through their local authority Family Information Service, which usually provides web-based, telephone and face-to-face advice for parents. As well as answering parents' questions about local childcare provision and sources of financial help, many Family Information Services offer a wide range of information, from parenting classes to after school sporting and cultural activities. However, Daycare Trust is concerned that changes to the way that local authorities organise Family Information Services are jeopardising the quality of these crucial services in London, as a growing number of them are being merged into generic local authority call centres where the quality of information suffers.

Daycare Trust's analysis of childcare in London has led us to draw up a series of recommendations to improve its provision. Our recommendations are directed towards different organisations and groups, in particular, central government, the Mayor of London, London Councils, London local authorities and employers.

Helping with childcare costs

Ensuring that childcare is affordable is a policy priority. This requires action by central government and the Mayor of London. We recommend:

- The Department for Work and Pensions must ensure that Universal Credit support, to be introduced between 2013 and 2017, makes it worthwhile for parents on low and modest incomes to stay in work. Levels of support under Universal Credit should return to 80 per cent of childcare costs. Universal Credit also needs to work better for families with fluctuating employment patterns, for example by having longer run-ons when finishing a job to avoid having to start a new claim when they find new work.
- The Mayor of London should publicise sources of financial support for childcare and the work of Family Information Services in London. This is particularly important after the introduction of Universal Credit and for parents of school aged children who may not realise that there is financial help for after school and holiday childcare.
- The Mayor of London should work with central government to assist parents returning to work with the up-front costs of childcare. The Department for Work and Pensions could make better use of the Jobcentre Advisor Discretionary Fund (currently under spent) for up-front childcare costs. The Mayor of London should also consider a London-wide loan and grant scheme to help parents returning to work with up-front childcare costs and ensure that this scheme is well-publicised.

Ensuring sufficient childcare in London

Despite increases in the number of childcare places, there are still gaps in childcare provision in London. We recommend:

- All local authorities should fulfill the obligations set out in the Childcare Act 2006 and its statutory guidance in relation to ensuring sufficient childcare for working parents and those making the transition back to work. Where private and voluntary sector providers are unwilling or unable to fill significant gaps in childcare provision, local authorities should do so.
- London local authorities should recognise that London parents have less access to informal childcare support networks than families who live in other parts of Britain and ensure that suitable formal provision is made available.
- Local authorities must implement the action plans set out in their Childcare Sufficiency Assessments.
- Local authorities should review their supply of sessional childcare places to make best use of vacant places in children's centre nurseries. Parents making the transition to work should be prioritised when allocating sessional childcare places.
- The Mayor of London should hold local authorities to account for failures to fill gaps in provision.
- The Mayor of London should map the provision of school holiday activities for older children across London and work with London Councils and local authorities to ensure a sufficient range of activities for older children in all parts of London.
- The Mayor of London should provide the leadership needed to ensure that all schools in London move towards an extended school model, where childcare is offered at the beginning and end of the school day and in school holidays.
- The Mayor of London, through the Greater London Authority should research the decline in registered childminders in London to understand the reasons for this trend, as well as ways to reverse it.

Supporting parents who work outside normal office hours

The absence of formal childcare for parents who have atypical work patterns or long journeys to work is a key gap in provision in London. We recommend:

- Local authorities should bring childcare providers together to highlight gaps in the market for childcare outside normal office hours. London local authorities should use their childcare sufficiency research to highlight the demand for children that is open between 7am and 7pm, or weekend nursery provision.
- The Mayor of London should work with local authorities to establish a pan-London scheme to match parents to childcare providers, focusing on those who are able to provide childcare outside normal office hours.
- Local authorities should work with providers and suitably qualified individuals to increase the number of schemes that provide childcare outside normal office hours. These should include schemes that provide childcare in the family home.
- Where there are concentrations of people who work outside normal office hours, the Mayor of London should encourage large employers or groups of employers to provide workplace nurseries that run late into the evening or over the weekend.

Making the business case for family-friendly workplaces

Daycare Trust calls upon all employers to adopt family-friendly work practices. We believe that family-friendly employment practices ensure significant financial benefits for employers by decreasing staff absenteeism and encouraging the retention of skilled workers. We recommend:

- The Mayor of London should promote the business case for family-friendly workplaces across the capital in his dealings with London employers and their representatives such as the CBI, Chambers of Commerce and London First.
- The Mayor of London should provide a capital grant fund to help businesses set up workplace nurseries, prioritising employers whose staff are obliged to work outside normal office hours.
- The Mayor of London should ensure that the Greater London Authority group of organisations all operate exemplary practice with regard to their employees'

childcare needs. This should include offering childcare vouchers, flexible working patterns to accommodate childcare arrangements, and signposting to information sources about childcare as a very minimum. Additional support could be offered, for example additional support for childcare costs, on or off-site subsidised childcare provision, or an emergency scheme to offer replacement childcare when normal arrangements fall through.

- The Mayor of London, alongside local authorities should develop a family-friendly business standard to provide clear guidance on good practice, then move to using contract compliance procedures to ensure that all businesses who secure Greater London Authority group contracts adhere to the family-friendly business standard.
- The Government should extend the right to request flexible working to those who cannot currently do so, including workers who have been in a job for fewer than 26 weeks.

Ensuring that early education and childcare support children's development

Both Sure Start Children's Centres and the free early education entitlement have an important role in supporting children and parents in London. However, it is essential that all children benefit from this support and that free early education is of the highest quality.

We recommend:

- The Government and local authorities should review the range of services that are delivered at Sure Start Children's Centres. In some areas there is greater potential for adult and further education, libraries and advice-giving organisations such as Citizens Advice Bureaux to develop partnerships with Sure Start in order to support the most disadvantaged families.
- Local authorities should review the uptake of services and look at who uses Sure Start Children's Centres. Sure Start Children's Centres are to help the most disadvantaged families; it is essential that local authorities understand who is using these services and who is not, as well as the reasons for under-utilisation.

- The Mayor of London should lobby government to secure sufficient capital funding to enable local authorities to implement the free early education entitlement for two-year-olds. Allocation of capital spending resources by local authorities should be transparent and all high quality early years providers should be able to access this capital to help them deliver the two-year-old free early education offer.

- The Mayor of London and local authorities should use their planning remit to ensure that the physical environment in London supports children's development. All London children should have easy access to safe and stimulating play space. London local authorities should work with childcare providers to promote nursery design that supports the best learning and development outcomes for children.

- In order to improve the quality of early education Daycare Trust would like to see the Department for Education implement the recommendations of the recent Nutbrown review of early education and childcare qualifications.

- Central government should support the professionalisation of the early years and childcare workforce with national standards of pay for all workers that reward qualifications.

- Childcare staff who have qualifications should receive the London Living Wage.

Information about early education and childcare

Local authority Family Information Services have an essential role to play in getting information out to parents about the range of support and services for families with children, a role that is enshrined in the Childcare Act 2006. We recommend:

- All local authorities should maintain a distinct Family Information Service, and this should provide information, advice and assistance for parents on all aspects of their childcare requirements, as well as outreach to groups who currently under-utilise support services.

1. This is in keeping with the suggestion made by the Government in its policy statement – *Supporting Families in the Foundation Years* – that local authorities use a 'basket of quality indicators' approach to allocate funding for the free early education entitlement.

Part one: Setting the scene



Introduction

London is a city of economic contradictions. It is the richest region of the UK, but 22 per cent of its children live in poverty, the highest rate of any UK region or nation¹. There are many thousands of job vacancies, yet 26 per cent of children in inner London lived in workless households in 2011². London's female population is the best qualified of any UK region or nation, but the percentage of London working age women in work – at 60.5 per cent – is the lowest³.

Daycare Trust, the national childcare charity, believes that the state of childcare provision in the capital is a major cause of these economic paradoxes. Childcare in London is the most expensive in the UK; it costs an average of £5.07 per hour for a nursery place in London and the price of the capital's nurseries was 24 per cent higher than the Britain average in 2012⁴. In a city where 10 per cent of all workers earn less than £6.95 per hour and the median gross hourly wage for a part-time female worker is £9.25 per hour⁵, the proportion of parents' wages spent on childcare is often very high. For some parents the high cost of childcare means that it does not pay to work.

London, too, is a 24/7 city and many of its jobs require evening or weekend work. Across London's 33 local authority there is very little childcare outside normal office hours. Nor can most of London's parents turn to their relatives to look after their children in the evening or at the weekend. In a city where the majority of people are international or internal migrants, far fewer London parents live near relatives who can provide informal childcare. New research from Daycare Trust shows that just 18 per cent of London parents turn to grandparents to help look after their children, compared with 32 per cent of families across Britain as a whole (Rutter and Evans, 2012).

It is the absence of affordable and flexible childcare that prevents many parents working in one of the world's richest cities. Parental unemployment has major economic consequences for the city's economy, as well as for the UK as a whole. It is costly to maintain a family

that is dependent on welfare benefits. Tax revenue is lost as is the spending power of a working family. Parental unemployment, particularly in highly qualified London, represents a loss of skills and productivity. Affordable childcare and family-friendly workplaces, therefore, make economic sense.

While the childcare challenges facing London parents are also experienced by parents outside the capital, these challenges are larger and starker in London. But the unique childcare issues facing London parents are not always heard by employers, by central Government or sometimes by local authorities. For this reason, Daycare Trust has decided to compile a report on the state of childcare in London. We want to make data about childcare in London available to policy makers, employers and parent campaigners. The *2012 London childcare report* aims to:

- present evidence about childcare demand and its supply in London;
- analyse the links between the demand for childcare and the London labour market;
- highlight some of the childcare challenges that are different in London from the rest of Britain; and
- make recommendations to central government, the Mayor, local authorities and employers to ensure that more London parents have access to high quality and affordable childcare at the times when they need it.

Our report uses the term 'childcare' but it is important to acknowledge the diversity of the childcare sector in London. Many parents use no formal childcare at all, instead relying on their relatives and friends to provide informal childcare. Parents of young children may use maintained sector nurseries or those run by the private, voluntary or independent sectors. Other families use childminders, nannies or au pairs to look after their children. Some children attend sessional crèches in colleges and children's centres. Breakfast, after school and summer holiday clubs provide childcare for older children. Additionally, older children may use a range of sporting and cultural activities that act as surrogate forms of childcare, particularly during school holidays.

1. Households Below Average Income data 2010/11, Department for Work and Pensions

2. MacInnes, T. Parekh, A. and Kenway, P. (2011) *London's Poverty Profile*, 2011, London: Trust for London

3. NOMIS labour market statistics, January – March 2012

4. Costs relate to nursery provision for a child under 2. See Daycare Trust (2012) *Childcare Costs Survey 2012*, London: Daycare Trust

5. Annual Survey of Hours and Earnings data, 2011

Sources of data about childcare

The *2012 London childcare report* draws from a broad range of data. Some of the richest sources of information about childcare in London are the 2011 Childcare Sufficiency Assessments published by local authorities. Statutory guidance attached to the Childcare Act 2006 obliges all local authorities to examine whether there is sufficient childcare across the local authority. This obligation is presently fulfilled by undertaking a three-yearly Childcare Sufficiency Assessment, although the form of this assessment will change under new guidance from September 2012. The present Childcare Sufficiency Assessments highlight gaps in childcare provision, which can include geographical gaps in supply – shortages in particular wards or areas, shortages of affordable childcare, shortages of childcare at specific times such as the evenings or shortages of childcare for particular groups of children.

The *2012 London childcare report* also drew on three annual Daycare Trust surveys: the Childcare costs survey, the Holiday childcare costs survey and London childcare providers survey. It also used data from national surveys including the Labour Force Survey, the Annual Survey of Hours and Earnings, the Business Register Employment Survey, the Census and two Department for Education surveys (the Childcare and Early Years Survey of Parents and the Childcare and Early Years Survey of Providers).

Structure of the report

The *2012 London childcare report* is divided into four parts. *Part One* of the report sets the scene and provides the context for our analysis. We examine the policy context, as well as analysing demographic data about London's families. We also look at the links between the London labour market and childcare needs. This part of the report also presents new data on atypical work patterns in London and makes the case for more childcare for parents who work outside normal office hours.

Part Two of the report looks at the current state of childcare in London and provides our main analysis. It examines childcare support for London parents, focusing on the availability, flexibility and costs of childcare in London. The analysis highlights gaps in provision in the capital, for example, childcare for older children and for parents who work outside normal office hours. *Part Two* of the report also looks other ways that parents' childcare needs are supported, for example, through Working Tax Credit.

As well as helping parents work, high quality childcare and family support also supports children's development and boosts the life chances of the most vulnerable children in society. *Part Three* of the report focuses on the links between high quality early education and childcare and children's development. This section looks at the role of Sure Start Children's Centres and free early education, but also the importance of quality of provision. *Part Four* of the *2012 London childcare report* presents Daycare Trust's policy recommendations.

Throughout the report, we argue that access to good quality childcare makes London a better place to live and work. High quality early childhood education boosts the later educational achievement of children and narrows the gaps between the most disadvantaged children and the rest of society. Affordable childcare helps parents to remain in work and families to move out of poverty. Childcare helps London function as a capital city; without it many skilled workers would be forced to leave the labour market.

Overall, our report paints a mixed picture. We have seen a considerable expansion in nursery and after school provision in London over the last ten years. London local authorities have also worked hard to ensure that the most disadvantaged families benefit from the free early education offer for three and four-year-olds. We welcome the recent attention given to childcare, both by central government and by the London Assembly through its recent investigation into childcare costs (London Assembly, 2012). But action is needed. Childcare in London remains the most expensive of any part of Britain, there are still gaps in its supply and some of London's most disadvantaged children miss out.

The *2012 London childcare report* outlines the areas where improvement is needed. We hope that the information in the report will be used by policymakers in government as well as campaigners in London, whether they are parent campaigners against Sure Start closures or the many organisations who are working to eradicate the high levels of poverty in the capital.

Policy context

From the end of the Second World War until the late 1990s, childcare was seen as a private matter for families. Some women could afford to employ nannies, and childminders looked after other children, but there were few nurseries. As late as 1990, there were just 59,000 nursery places in England and Wales, compared with over 1.6 million places today. Access to affordable childcare was extremely patchy, and as a consequence many women left the labour market when they had children.

From the 1970s onwards, activists campaigned to establish nurseries and support for affordable childcare. By the early 1990s, the demand for affordable childcare was being heard and politicians across all the main parties began to acknowledge the need for childcare. Greater provision would enable more mothers to work and ensure that their skills could still be utilised after they had children. There would also be significant developmental benefits for children. The Government took steps to make childcare more affordable in 1994 when a childcare disregard to Family Credit was introduced. This meant that childcare costs of up to £40 per week could be disregarded in the income calculation for Family Credit. (The generosity of the disregard was increased at various stages until Family Credit was replaced by Working Families' Tax Credit in October 1999.)

Nursery places also increased in the early and mid-1990s, but progress was initially slow. In 1996 new legislation was passed; the Nursery Education and Grant Maintained Schools Act 1996 put a system in place for an expansion of nursery education. This expansion received a major boost in 1998, when the newly-elected government published *Meeting the Childcare Challenge*, a green paper setting out a national childcare strategy (Department for Education and Employment, 1998). The strategy had the dual objectives of improving children's outcomes through the provision of high quality early education, and supporting parents to enter paid employment, and therefore reduce child poverty. Over the next five years the Government worked to improve the availability of childcare and make it more affordable. Soon after the publication of the 1998 strategy, the Government announced that all four-year-olds would receive 12.5 hours of free early education for 38 weeks of the year and in 2002 this free early education offer was expanded to include some three-year-olds.

The first Sure Start Children's Centres were also set up in 1998, offering childcare and a range of integrated support

services to support children and their families and then gradually extended across the country. While the first children's centres were in deprived areas, by 2011 there were 3,500 children's centres across England and serving all communities. Today, children's centres provide a universal service for all families, as well as targeted support for specific groups. In the future children's centres will be key part of 'early intervention', which prioritises early identification of problems and support in a child's life in order to prevent problems later on.

The number of nursery places also increased in the late 1990s. Using Early Years Development Plans, local authorities encouraged private and voluntary sector providers to set up nurseries. Childcare was also made affordable for working parents through the taxation system: from October 1999 Working Families' Tax Credit contained a childcare element, initially worth up to 70 per cent of eligible childcare costs up to a maximum cost level. After the introduction of Child and Working Tax Credit in April 2003, the childcare tax credit was renamed the childcare element of Working Tax Credit, and the level of support was increased to up to 80 per cent of eligible childcare costs, up to maximum cost levels of £175 per week for one child in childcare and £300 per week for two or more children in childcare.

A further ten-year childcare strategy was published in 2004 (HM Treasury 2004). *Choice for parents: the best start for children* set out ambitious objectives and aimed to increase women's labour market participation and the opportunities for flexible work. It also aimed to extend the availability, choice and quality of childcare and to ensure that it was affordable to all parents that needed it. The ten-year childcare strategy paved the way for the Childcare Act 2006. This placed responsibility on local authorities to ensure that there was sufficient childcare for working parents and those studying with the intention of returning to work. The Childcare Act 2006 also obliged local authorities to provide information to families about childcare and the range of other services for children and families.

Ensuring that early education and childcare is of the highest quality has been a major challenge for successive governments. The evidence shows that only high quality childcare makes a difference to children's outcomes later in life (Melhuish, 2004; Sylva and Roberts, 2009). Staff characteristics, especially their qualifications and training are the key driver of high

quality provision. For this reason, successive governments have placed emphasis on improving the quality of early years' provision. In 2000, the regulation of childcare provided by childminders was brought into the same system as childcare delivered by nurseries.

In order to improve quality the Government introduced the Early Years Foundation Stage (EYFS) framework for providers of early education and childcare in 2008. EYFS specifies the ways that children's learning and development should be supported, and a series of milestones which children can expect to reach by particular ages. It has recently been revised and the new version will apply from September 2012. All early years providers, whether they are registered childminders or nurseries, are inspected by Ofsted against how well they meet the requirements of the EYFS. Local authorities have also been active in improving the quality of early years provision, by providing training and support to providers. As a consequence of these initiatives there has been a steady improvement in the levels of qualifications held by the early years' workforce since 2000. Department for Education survey data indicates that 76 per cent of the overall early years' workforce was qualified at Level Three⁶ or above in 2010 (Department for Education, 2011a). However, 8 per cent of the overall early years' workforce and 22 per cent of childminders still had no qualifications in 2010.

Support for high quality affordable childcare has continued since the coalition Government was formed in 2010, with the Government's commitment outlined in *Supporting Families in the Foundation Years* (Department for Education, 2011c). All three and four-year-old

children are now entitled to 570 hours of free early education a year, accessed over a minimum of 38 weeks of the year (equivalent to 15 hours a week during term-time). This is largely delivered by nurseries and pre-schools, although some childminders also provide these places. Over the last few years efforts have been made to improve the flexibility of the offer, with parents now entitled to take up the free offer over a wider range of days and hours. The Government is also extending free early education to disadvantaged two-year-olds, with an aim to cover 20 per cent of the national cohort by 2013 and 40 per cent by 2014. With higher levels of child poverty in the capital, many more than 40 per cent of London two-year-olds will qualify for free early education.

Other support for childcare includes the means-tested childcare element of Working Tax Credit, although support was reduced to a maximum of 70 per cent of childcare costs in April 2011 for low income families. Between 2013 and 2017 Working Tax Credit will be merged with other benefits and tax credits to form a single payment called Universal Credit. Working parents can also save up to £933 per year by using childcare vouchers to pay for their childcare. These are available from their employer in lieu of salary and are exempt from income tax and national insurance contributions, resulting in a saving to both the employer and employee.

While much has been achieved in the last 20 years, much more needs to be done to ensure that all London families have access to affordable and high quality childcare.

6. The equivalent of A-Levels.

London's children and their families

This section of the report sets out some background facts about London's children, highlighting the distinct demographic and socio-economic profile of families who live in the capital. It provides important context for the *2012 London childcare report*.

Mid-year population estimates for 2010 suggest that there were 7.8 million people living in London, including 1.5 million children under 16. London's population is younger than other parts of the UK and has a higher proportion of both children and young adults of child-bearing age. Table 1 gives Office for National Statistics 2010 population estimates for London local authorities and the proportions of children under 16 in its local authorities. Overall, in the UK, 18.6 per cent of the population were children under 16 in 2010, but in the capital some 19.6 per cent of the population were children under 16. Across the UK some 19.8 per cent of people were aged between 25 and 40, while in London this figure was 27.8 per cent. The proportion of children under 16 tends to be higher in outer London boroughs than in inner London.

The population of London has also been growing steadily since the 1980s, as a consequence of migration to the capital and a natural increase due to London's younger age structure. This growth is forecast to continue, with London's child population projected to grow to 1.7 million by 2022.

The different age structure in London leads to a different household structure. London has more single parent and couple households than other regions and nations of the UK and fewer households without children. The capital's unique demographic structure means a greater demand for childcare compared with other regions in the UK and a demand that will be sustained well into the future.

Table 1: Population estimates for London local authorities, 2010

London Borough	Total population, 2010 mid-year population estimates	Proportion of children age 16 and under in total population, 2010 mid-year population estimates Figure as a percentage
Barking and Dagenham	179,700	24.9
Barnet	348,200	20.3
Bexley	228,000	20.1
Brent	256,600	20.6
Bromley	312,400	19.6
Camden	235,400	15.3
City of London	11,700	6.8
Croydon	345,600	20.9
Ealing	318,500	19.4
Enfield	294,900	22.0
Greenwich	228,500	21.5
Hackney	219,200	21.9
Hammersmith and Fulham	169,700	17.1
Haringey	225,000	19.1
Harrow	230,100	19.4
Havering	236,100	18.9
Hillingdon	266,100	20.5
Hounslow	236,800	19.7
Islington	194,100	16.0
Kensington and Chelsea	169,500	16.3
Kingston	169,000	18.1
Lambeth	284,500	17.5
Lewisham	266,500	20.2
Merton	208,800	18.6
Newham	240,100	25.2
Redbridge	270,500	21.8
Richmond	190,900	20.0
Southwark	287,000	17.6
Sutton	194,200	20.0
Tower Hamlets	237,900	19.8
Waltham Forest	227,100	22.1
Wandsworth	289,600	16.7
Westminster	253,100	13.1

Source: ONS Mid-year Population Estimates, 2010

Income and child poverty

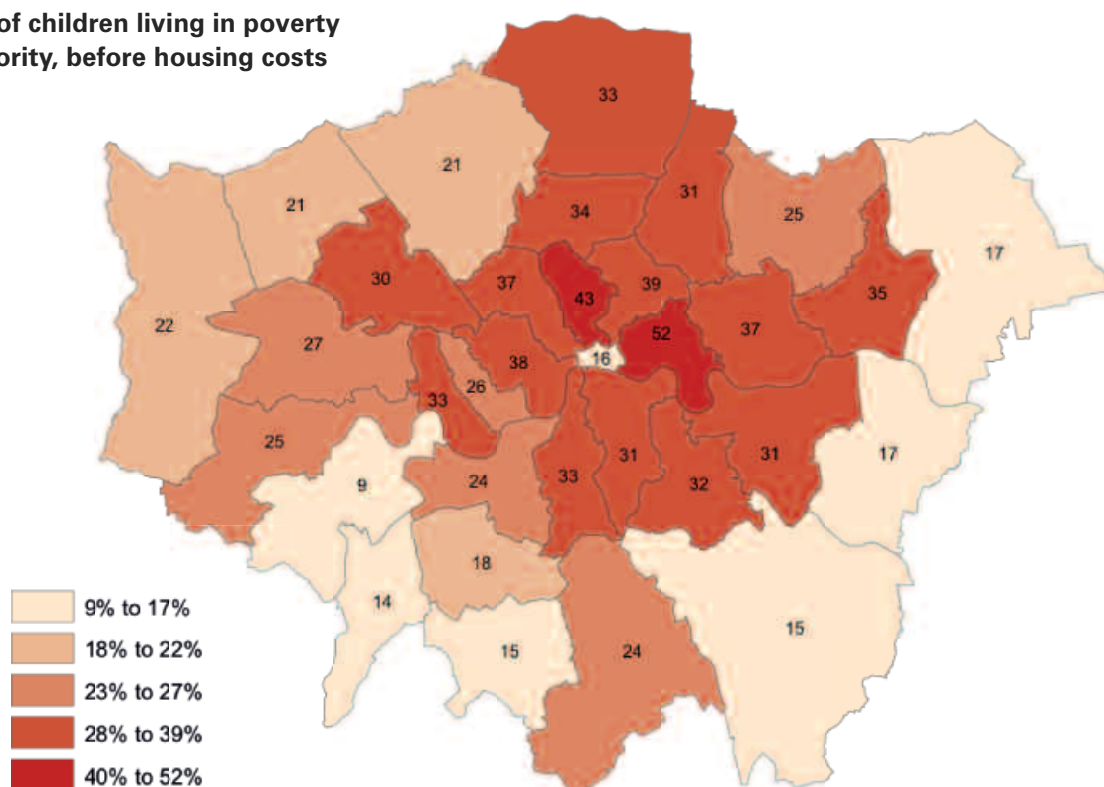
London is a city of wealth inequality; it has higher proportions of the very wealthy and the most poor. Inner London is the most unequal sub-region of the UK⁷. Much discussion about poverty and inequality in London focuses on the disproportionately high levels of child poverty in the capital.

Central government uses a number of measures of child poverty, but the most common measure defines child poverty as the proportion of children living in families in receipt of out-of-work benefits or in receipt of in-work tax credits where their reported income is less than 60 per cent of median income before housing costs. Using this measure, 22 per cent of children were living in poverty in 2011. Figure 2 uses this indicator and presents local authority level data on child poverty in London. However, this indicator under-estimates child poverty in London as it excludes housing costs which are higher in the capital than elsewhere in Britain. When housing costs are taken into account, 38 per cent of children in London live in poverty.

The profile of families living in poverty in London is different from the national picture. Poor children in London are much more likely to be living in workless households, and less likely to be living in households where one or both adults are in work; some 25 per cent of children in London lived in workless households, compared to 17 per cent across the UK. Many of these workless households are single parent households, with London children being much more likely to grow up in single parent households than children elsewhere in the UK. In London 32.2 per cent of families with dependent children were single parent households in 2001, compared with 25.3 per cent in England and Wales (Figure 3). The majority (92 per cent) of single parent households are headed by women.

While London women have the highest level of qualifications of any UK region, the proportion of working age women in employment in the capital is 60.5 per cent, the lowest of any UK region or nation (Figure 4). Among women who are economically inactive, 31 per cent were economically inactive because they were

Figure 2: Percentage of children living in poverty by London local authority, before housing costs



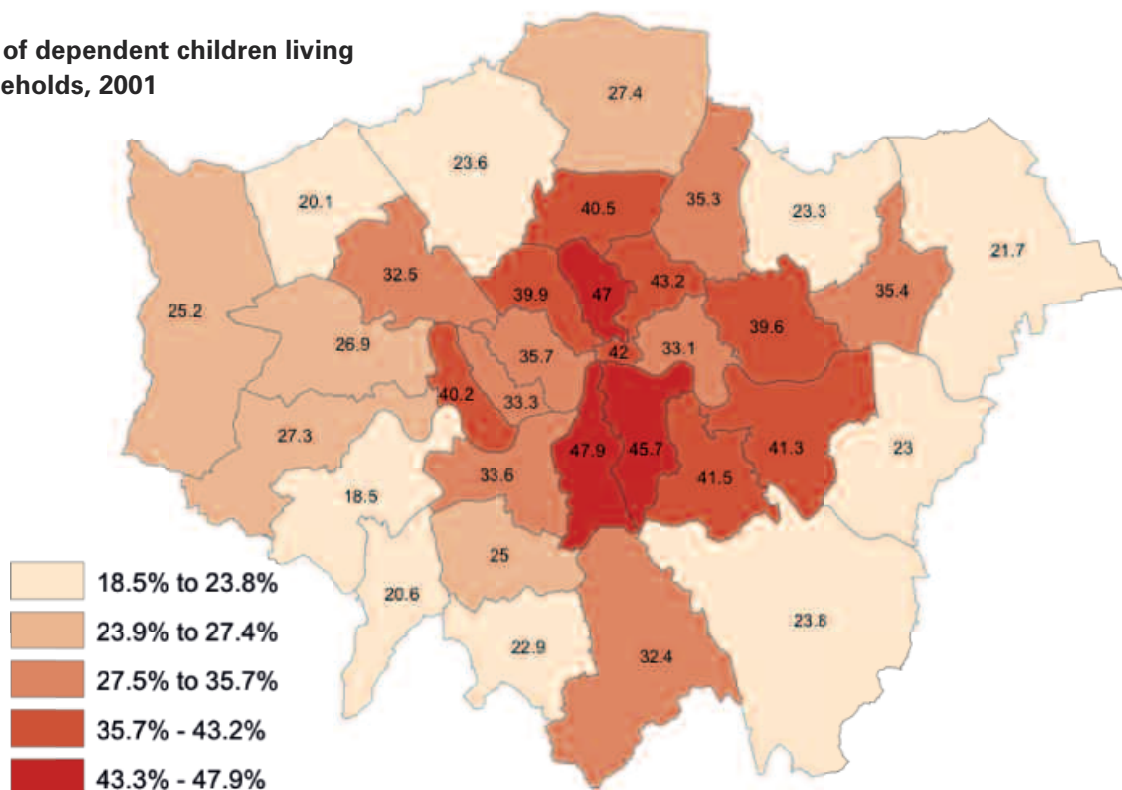
Source: HMRC Households Below Average Income dataset, 2010 cited in Child Poverty Action Group (CPAG) (2011) Child Poverty Map of the UK, London: CPAG

7. MacInnes, T. Parekh, A. and Kenway, P. (2011) *London's Poverty Profile*, London: Trust for London and New Policy Institute

looking after family or the home in London, compared with 25.1 per cent across the UK (Figure 5). Lower levels of female employment in London are another factor that contributes towards child poverty. Getting parents into work is the most important route

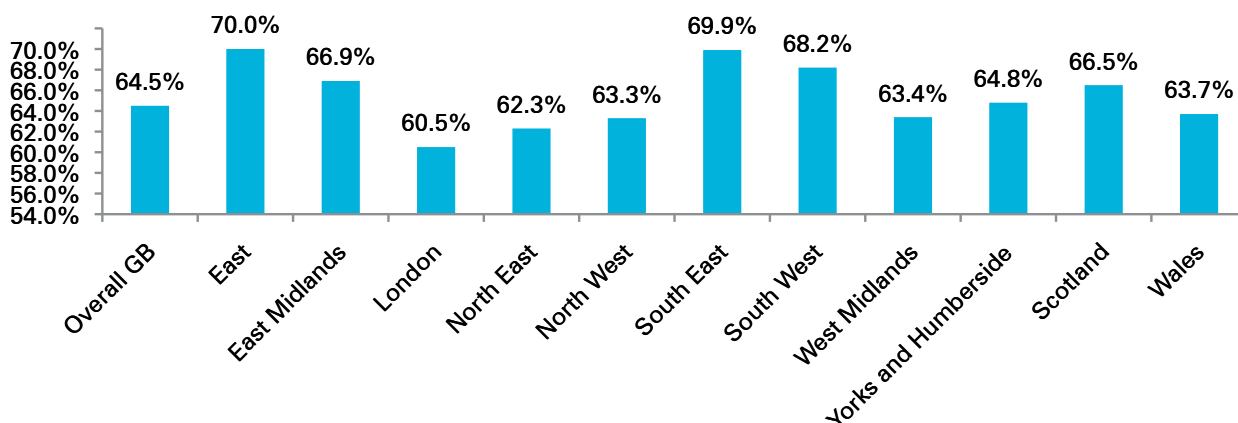
out of poverty for children in London. Daycare Trust believes that the provision of affordable childcare is one of the most effective ways of reducing child poverty, as it enables parents, particularly single parents, to work.

Figure 3: Percentage of dependent children living in single parent households, 2001



Source: ONS Census 2001

Figure 4: Females in employment, as percentage of 16-64 population, January-March 2012



Source: ONS Labour Force Survey, made available on NOMIS

Housing and poverty

In addition to income-based poverty levels, other measures of material deprivation need to be taken into account when understanding the experiences of London families. At the end of 2011 nearly one quarter (24 per cent) of the 48,510 households accepted as statutorily homeless in England were living in London. At the same time 35,920 London households who had been accepted as homeless were being housed in temporary accommodation⁸.

London also has the highest levels of housing overcrowding of any UK region. Data from the 2010 English Housing Survey suggests that 13.5 per cent of social tenants living in London were living in accommodation that was overcrowded, compared with 6.7 per cent across England.

Some 50 per cent of London households live in flats. London children are thus more likely to live in homes without gardens than children in any other region. Moreover, 33 per cent of families in London made less than 6 visits to a park or natural areas of the countryside in 2010 and 14 per cent made no visits at all (Gill, 2011).

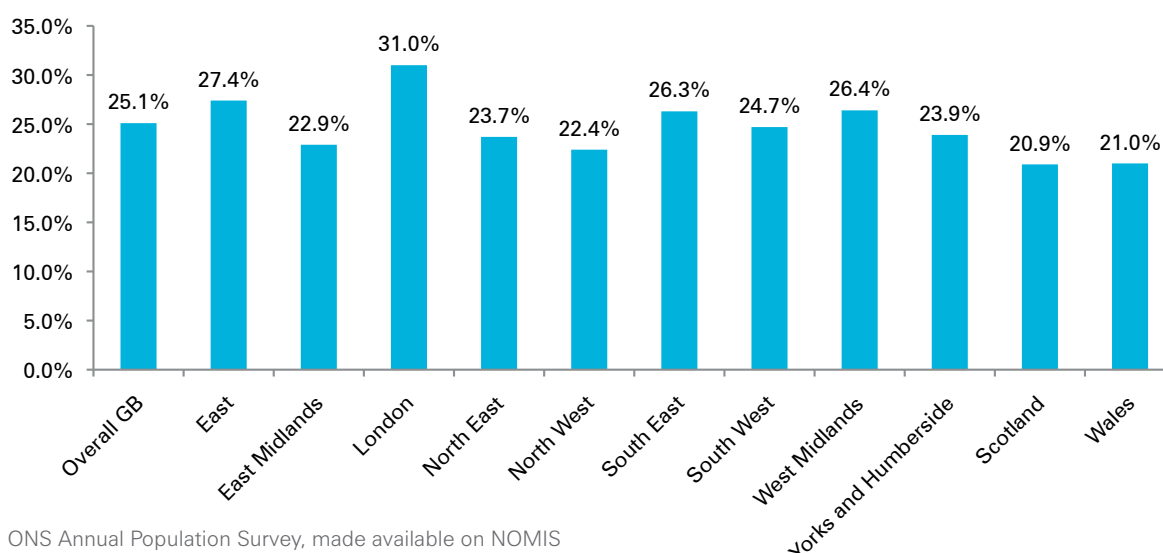
Access to early education and childcare is particularly important for children living in overcrowded homes or who do not have access to outdoor play space. For them, outdoor play received through formal childcare has significant physical benefits. Nurseries and holiday clubs give children the opportunity to play outside.

A hub for migrants

London is a city of migrants, both people who have moved to the capital from overseas as well as elsewhere in the UK. Data from the Office for National Statistics showed in the years 2001 – 2009 some 1,460,000 people moved into London from elsewhere in the UK and 1,380,000 moved from abroad. Patterns of internal and international migration in the UK are complex, but a movement of young adults into London, for study and for work, has been a constant the over the last 50 years. This in-migration of young adults has contributed to the youthful age structure of London's population, as well as leading to some unique childcare challenges. Moving, whether from overseas or elsewhere in the UK, often severs childcare support networks. There is consequently a bigger need for formal childcare in the capital.

As a consequence of international migration, children in London are also more likely to grow up in households where English is not frequently spoken. In 2011 some 45.7 per cent of primary school pupils spoke a language other than English at home, as did 37.3 per cent of secondary school pupils⁹. For children who speak little English at home, free early education, available to all three and four-years-olds and now some two-year-olds, enables them to start school with some grasp of English. Children's centres and nurseries also enable families from different ethnic groups to meet and mix, thus supporting good community relations.

Figure 5: Percentage of people who are economically inactive because they are looking after family, out of total economically inactive population, October 2010-September 2011



Source: ONS Annual Population Survey, made available on NOMIS

8. Communities and Local Government live homeless data tables

9. Department for Education (DfE) (2011b) *Schools, Pupils and their Characteristics*, 2011, London: DfE

London's labour market

London's labour market poses unique challenges for childcare. The transport, communications, retail, hotel and catering, and health and social care industries all employ large numbers of Londoners and are all sectors of the economy which involve significant amounts of work outside office hours. There were an estimated 1,349,200 jobs in these sectors in 2009¹⁰ and in some parts of London – for example, Westminster and Hillingdon – a very high proportion of local jobs involve work outside normal office hours. Figure 6 shows that total numbers of jobs in the transport, communications, retail, hotel and catering and health and social care sectors across London local authorities.

Health and social care hotspots 2009

Camden 21,600 jobs
Islington 19,500 jobs
Lambeth 26,200 jobs
Southwark 18,900 jobs

Retail hotspots 2009

Barnet 17,000 jobs
Camden 18,000 jobs
Kensington and Chelsea 17,900 jobs
Westminster 67,200 jobs

Transport hotspots 2009

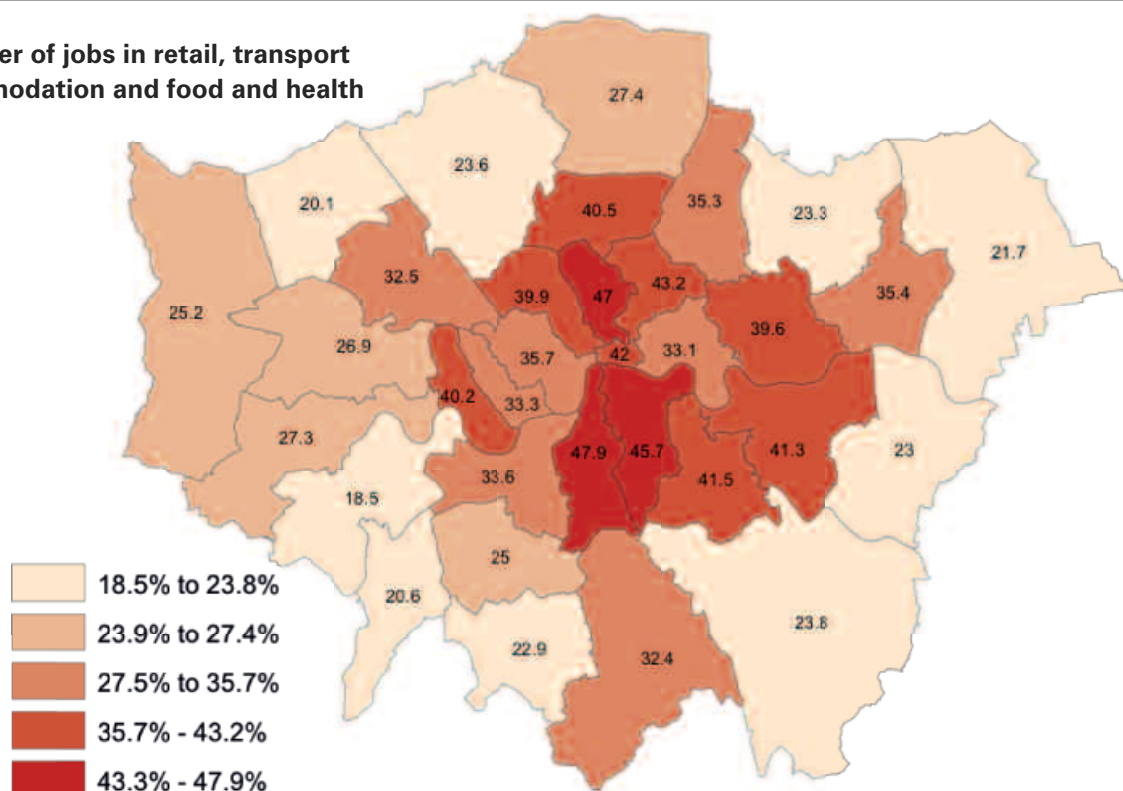
Camden 19,000 jobs
Hillingdon 61,900 jobs

Accommodation and food services hotspots 2009

Camden 23,200 jobs
Kensington and Chelsea 21,000 jobs
Westminster 78,100 jobs

Londoners also work the longest hours of any UK region¹¹. The average time spent at work every week was 33.1 hours in London, the highest of any UK region. And more Londoners work long hours than do adults elsewhere in the UK. In 2010, 23.5 per cent of working Londoners spent more than 45 hours a week at their job (Figure 7).

Figure 6: Total number of jobs in retail, transport and storage, accommodation and food and health and social care



Source: Business Register and Employment Survey, 2009

10. Labour Force Survey data, 2010.

11. Labour Force Survey data, 2010.

The times when parents work also influences whether they are able to find appropriate childcare. Recent Daycare Trust research highlighted the difficulties of finding childcare for parents who work outside normal office hours (Singler, 2011). In this research 53 per cent of parents surveyed had problems accessing childcare before 8am and 66 per cent had problems accessing childcare after 6pm. Parents whose hours varied from week to week – a condition common in the retail and health and social care sectors – find it particularly difficult to find suitable childcare, as most nurseries and childminders are unable to accommodate regular changes in hours.

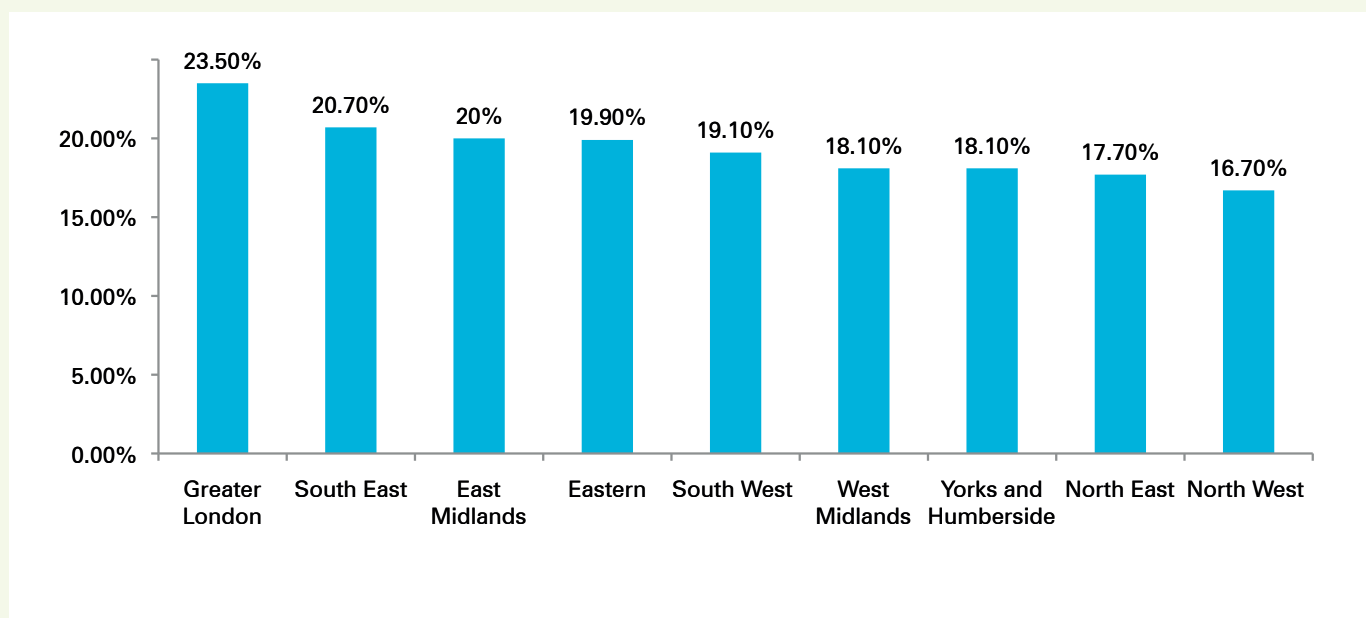
Some London parents who work outside normal office hours may use relatives or friends to provide informal childcare. However, as we show later, London parents are less likely to live close to relatives who are willing to provide this type of childcare. Higher income families may also use nannies to provide childcare outside normal office hours, but the high cost of a nanny or nanny share puts this type of childcare out of reach of most families. In other families, parents work at different times in order to manage childcare – an adaptation sometimes called ‘shift parenting’. But

Daycare Trust research suggest that lone parents, couples who need to work at the same time and those who have no nearby relatives willing or able to provide childcare may not be able to take up employment that involves working outside normal office hours. Daycare Trust believes that the absence of affordable formal childcare outside normal office hours contributes to higher levels of parental unemployment in London.

Commuting times in London

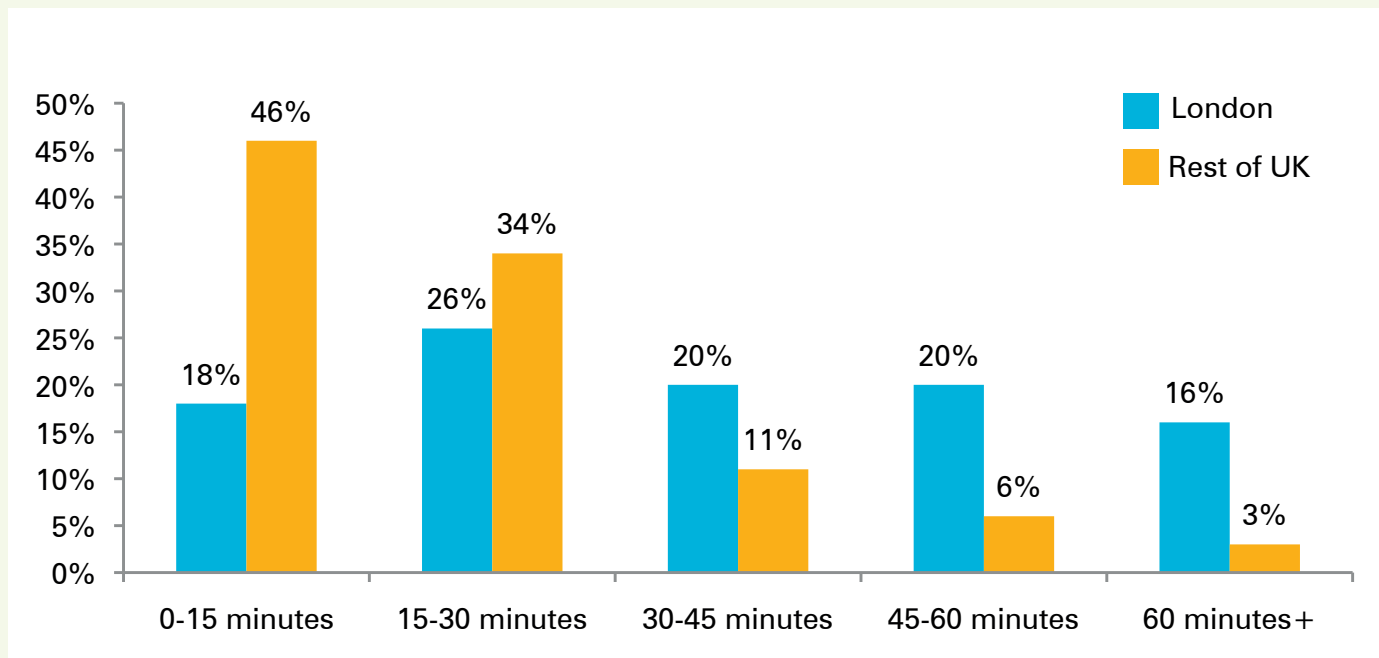
As well as childcare to cover the hours of work, parents need to cover the time they spend travelling to and from work. Londoners have the longest journeys of all UK workers, with 2009 data showing that 16 per cent of all Londoners have a journey to work that lasted more than one hour (Figure 8). Long commutes increase the demand for childcare early in the morning and after 6pm. Those living in the outer London boroughs who travel to work in central London tend to have the longest journey times. Outer London local authorities, in particular, need to ensure that formal childcare provision opens early in the morning and closes after 6pm in the evening.

Figure 7: Percentage of those in employment working more than 45 hours per week, 2010



Source: ONS labour market data, January – December, 2010

Figure 8: Duration of commute to work, Q4, 2009



Source: Labour Force Survey Q4, 2009

Part two: The current state of childcare provision in London



Childcare providers in London

Childcare in London is a mixed economy, with services provided by the public, private, voluntary and independent sectors. Today in London there are:

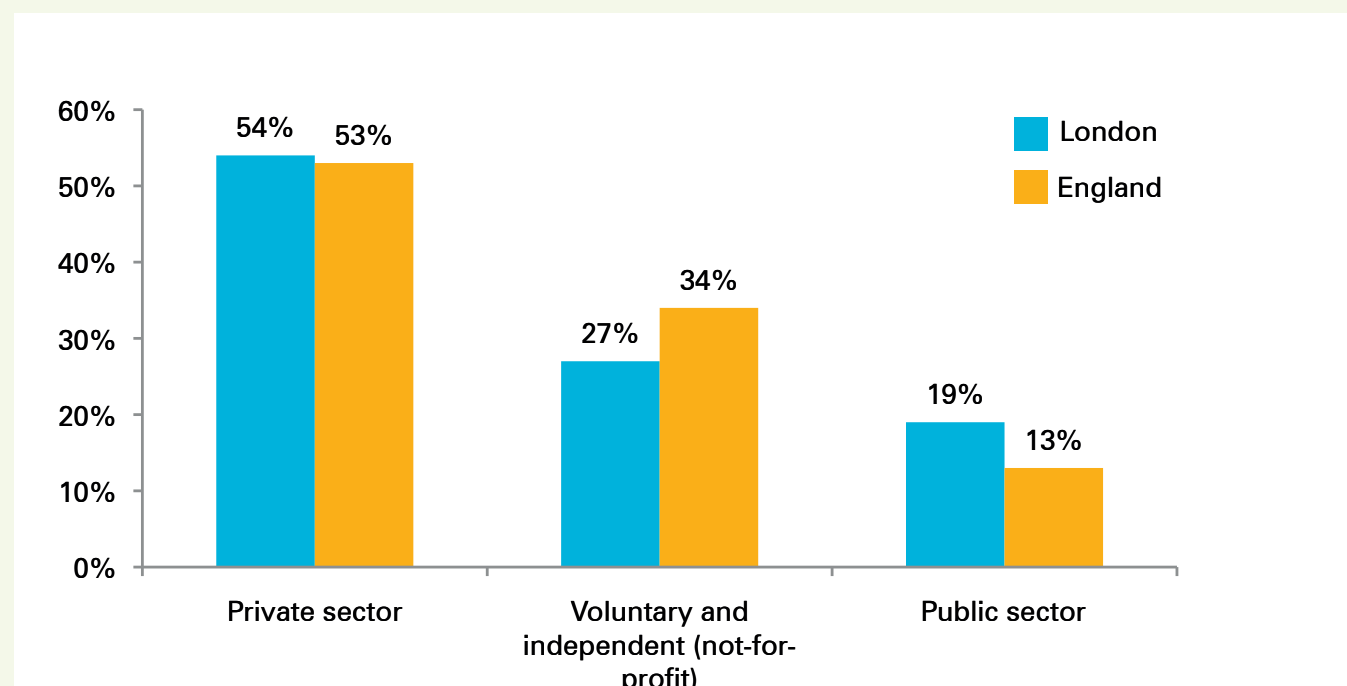
- 9,900 registered childminders providing childcare for nearly 49,000 children¹²
- 2,400 nurseries providing full day care, almost all of which are in the private, voluntary and independent sectors
- 80 nursery schools run by local authorities
- 1,300 primary schools with nursery classes attached to them
- 528 Sure Start Children's Centres providing full daycare and other services for families
- 1,100 sessional crèches and pre-schools
- 1,200 breakfast and after school clubs
- 900 holiday clubs.

Additionally, many thousands of London families employ nannies who provide childcare in the family home. Some nannies choose to register with Ofsted's Voluntary Childcare Register, but legally nannies are not required to

register, undergo Criminal Record Bureau checks or have insurance. Neither are they obliged to possess qualifications or experience, although many do. The use of nannies by London families is highest of any region of the UK and analysis of Childcare Sufficiency Assessments suggest that about 6 per cent of London families with young children employ a nanny, although their use is largely confined to more prosperous families.

Most childcare in England is provided by private, for profit companies, although nurseries, sessional childcare and provision for older children are also provided by the public sector and voluntary and independent providers. In London, a greater proportion of childcare is provided by public sector organisations than elsewhere in England, which includes nurseries in state schools, childcare in colleges, NHS nurseries and local authority owned and operated childcare, usually in children's centres. There are proportionally fewer voluntary and independent sector childcare providers in London than in other parts of England (Figure 9). In London, nearly 40 per cent of all childcare providers

Figure 9: Ownership of childcare provision, London and England, 2010



Source: Laing and Buisson database of childcare providers cited in London Development

12. Ofsted childcare providers live data, December 2011. All other statistics are drawn from the Department for Education's 2010 Childcare and Early Years Survey of Parents, Department for Education data on children's centres and local authority Childcare Sufficiency Assessments.

are companies, while about 15 per cent are sole traders or partnerships who usually run one or two childcare settings, although patterns of ownership can vary greatly across local authorities.

In London the number of nurseries, after school and holiday childcare clubs has increased since England's first childcare strategy was published in 1998. Over the last five years, the number of nurseries has continued to increase, albeit at a slower rate than in the years between 2000 and 2007. In 2010 there were an estimated 2,400 nurseries providing full daycare in London, compared with 2,000 in 2006¹³. The number of after school and holiday childcare clubs has remained constant. However, registered childminder numbers have continued to fall in London and elsewhere in England.

While the number of nurseries has increased in London -

"I am a single parent and at times I struggled. I used to volunteer in the nursery my child attended. Then I became a registered childminder 16 years ago so my working hours fitted in with school hours. I have worked extremely hard to get where I am today at the age of 46 and am proud to know that I have made a huge contribution to the lives of all the children I've looked after. Once childcare has ended, being that they have moved on in education or moved house, they still to this day respect me and what I have done for them as a family. I attend regular training, I give advice to potential childminders and parents seeking childcare. I feel I am a success story, I work hard and I love it"
(London childminder).

at least up until 2010 – Daycare Trust is concerned about the sustainability of some private nursery provision in London. In the last three years there has been a 15 per cent turnover rate in for-profit childcare, with a further third of all providers now saying that their business is currently in difficulties (Laing and Buisson data cited in London Development Agency, 2011). The Department for Education's Childcare and Early Years Providers' Survey indicated that 21 per cent of London childcare providers made a loss in 2010, an increase over the previous year. Daycare Trust data supports these concerns about the financial sustainability of some childcare; in recent years, Daycare Trust has carried out a survey of London childcare providers. In 2012, this survey indicated that the biggest issue facing all childcare providers in London was parents not being able to afford fees. Over half (51 per cent) of all childcare providers – nurseries, childminders, sessional provision and childcare for older children – indicated that this was their biggest problem. Some 44 per cent of all childcare providers indicated that parents' inability to pay childcare fees threatened the future of their businesses. The 2012 London Childcare Providers Survey also reported that 13 per cent of childcare providers in London had fee arrears that threatened the financial future of their business.

Daycare Trust believes that the high cost of childcare in London to parents is one of the reasons that the financial sustainability of childcare is threatened. Childcare is so expensive and decreased levels of support through Working Tax Credit results in some parents deciding that work is simply not financially viable. In turn, the financial sustainability of childcare provision is threatened, as parents leave the labour market. Nobody benefits: not children, not families, not childcare providers, nor the London economy.

13. From the Department for Education's Childcare and Early Years' Providers Survey and London Development Agency (LDA) (2011) *The London Childcare Market*, London: LDA

Formal childcare supply in London

Childcare provision in London has expanded significantly over the last 10 years. In 2007, for example, there were 2,000 nurseries offering full daycare in London and by 2010 there were 2,400. Despite the steady rise in the numbers of childcare providers and places for children, many parents in London still struggle to find childcare and there remain significant gaps in supply. Daycare Trust's most recent Childcare costs survey, published in 2012 showed that in over half of London's local authorities (55 per cent) parents had voiced a lack of childcare over the last six months.

As already noted the Childcare Act 2006 obliges local authorities to ensure that there is sufficient childcare for working parents and those undertaking employment related study or training. In order to fulfil this obligation, all local authorities have been obliged to undertake three-yearly Childcare Sufficiency Assessments, to look at gaps in supply, alongside shorter annual updates. Gaps in supply can include:

- **Geographic gaps in supply** – shortages in particular wards or areas
- **Affordability gaps** – where there is a shortage of affordable childcare for the income groups populating an area
- **Specific need gaps** – where there is a shortage of suitable places for children with specific needs, for example, disabled children
- **Time and flexibility gaps** – where there is a shortage of childcare at a time that parents would wish to use childcare, such as holiday and after school provision or childcare outside normal office hours
- **Age gaps** – where there is a shortage of childcare suitable for children of specific ages, for example 5-11 year olds
- **Type gaps** – where there is a shortage in the type of childcare for which parents may be expressing a preference, for example, for a nursery place rather than a childminder.

The most recent Childcare Sufficiency Assessments were undertaken in 2011; we have analysed these to documents in order to build a picture of childcare supply in London. One London local authority did not compile Childcare Sufficiency Assessments. Here we submitted Freedom of Information Act requests to the local authority in order to collect the required information.

Overall, the Childcare Sufficiency Assessments undertaken in 2011 showed that local authorities believed that there was insufficient affordable childcare in all but one London local authority. Childcare affordability remains the biggest gap in provision in London. Another major gap in supply is childcare for parents whose work patterns are atypical – they work outside normal office hours or their hours of work vary from week to week. We examine this issue in the next section of this report. The next most significant gap in London was childcare for school aged children. We discuss this and other gaps in provision below.

Childcare for children aged 0-2 years

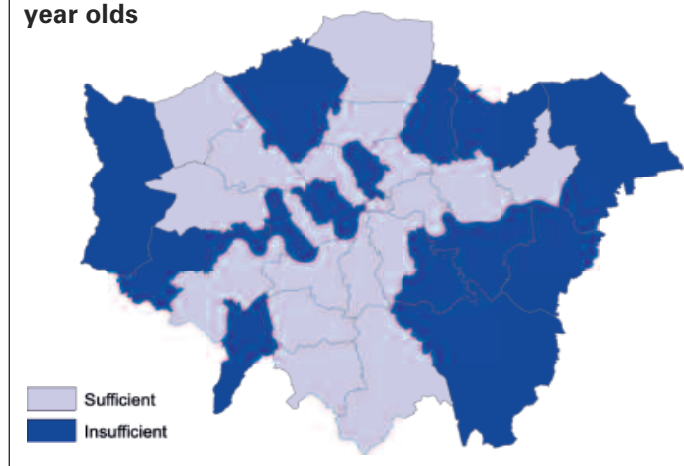
Analysis of Childcare Sufficiency Assessments suggested that there was insufficient childcare for children aged 0-2 years in nine London local authorities (Figure 10). However, significant expansion is needed for this age group due to the expansion of 15 hours of free early education to the 20 per cent most deprived two year olds by September 2013 and the 40 per cent most deprived two year olds by September 2014. This will require a significant expansion in provision for younger children.

Childcare for children aged 3-4

Analysis of Childcare Sufficiency Assessments suggested that there was insufficient childcare for children aged 3-4 years in eight London local authorities.

"The after school club enables me to work. Working part-time and finishing at 3.30pm would not be an option and a part-time salary would not cover the cost of my rent and outgoings. If the club wasn't there I would have to go on benefits, it's as simple as that".
(Parent interviewed by Daycare Trust, 2011).

Figure 10: Current childcare sufficiency for 0 to 2 year olds



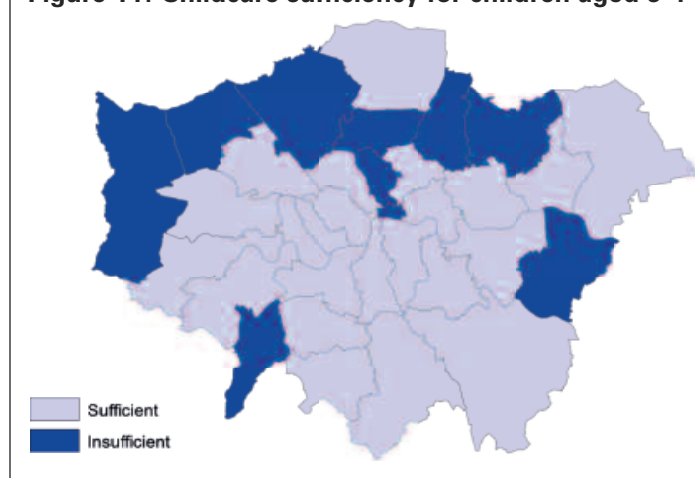
Childcare for school aged children

Childcare for school aged children emerged as the third most significant gap in provision in London. Some 15 London local authorities did not have enough breakfast and after school provision (Figure 12). Another 16 local authorities did not have sufficient holiday childcare to meet demand (Figure 13). Moreover, there is evidence that after a period of expansion the numbers of places in breakfast, after school and holiday childcare schemes is now starting to decline across London.

The reduction in the number of places appears to be most severe in relation to breakfast and school holiday provision. There are many reasons for this, including pressures on family incomes causing parents to cease using childcare. However, some breakfast, after school and holiday childcare has been subsidised by local authorities and sometimes the schools in which this childcare is located. Holiday childcare projects have tended to receive slightly larger subsidies than after school childcare because of the very high costs to parents and the desire by some local authorities to help parents to work. Public spending cuts are now forcing schools and local authorities to cut back on subsidies to childcare for older children and in some cases this is causing provision to close. Daycare Trust's 2011 Holiday childcare costs survey indicated that in London, nearly one in five local authorities had seen a reduction in the numbers of holiday childcare schemes on offer between 2010 and 2011. In the same survey on third of London local authorities had cut their budgets for holiday childcare between 2010 and 2011.

In an already tight childcare market, significant reductions in the numbers of childcare places for school age children could have a major impact on families. Clearly, this is a trend that needs to be closely monitored.

Figure 11: Childcare sufficiency for children aged 3-4



Activities for older children

Daycare Trust's annual Holiday childcare costs surveys show that older children often fall into a childcare 'gap' in the school holidays. Many parents of older children resort to a range of strategies to supervise children of secondary school age over school holidays: 'shift' holiday leave where parents take their leave at different times, informal childcare from friends and relatives, holiday childcare clubs and a range of cultural and sporting activities. Many London children are also left unsupervised, some for protracted periods of time.

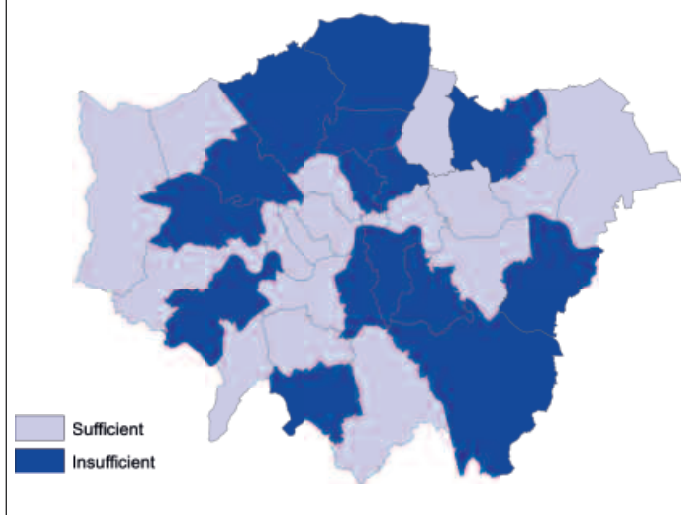
Analysis of local authority Childcare Sufficiency Assessments indicates that many local authorities are not taking the needs of children of secondary school age into account in their planning of childcare and youth services. Fewer than one in five local authorities mentioned this age group in their childcare sufficiency analysis. This may be because school holiday activities for older children are not seen as 'childcare'.

Daycare Trust's 2011 Holiday childcare costs survey indicated that just five per cent of London boroughs had sufficient school holiday activities for children aged 12-14 years in all parts of the local authority. Nearly one-third of London boroughs did not have sufficient school holiday activities in any part of that local authority (Figure 13).

Yet children and young people of secondary school age require supervision and there is continued media concern about teenagers who are left unsupervised at the end of the school day or in the school holidays.

We simply do not know how many UK children are left unsupervised after school or during the school holidays, but research from the United States suggested that

Figure 12: Current sufficiency for breakfast and after school clubs



every day 77 per cent of all teenagers return home to an empty house. There, children from single parent households are particularly likely to be 'latch key kids'. Research studies undertaken outside the UK link greater incidences of depression and loneliness among latch key kids as well as a greater risk of alcohol and drug abuse, early sexual activity and smoking.¹⁴

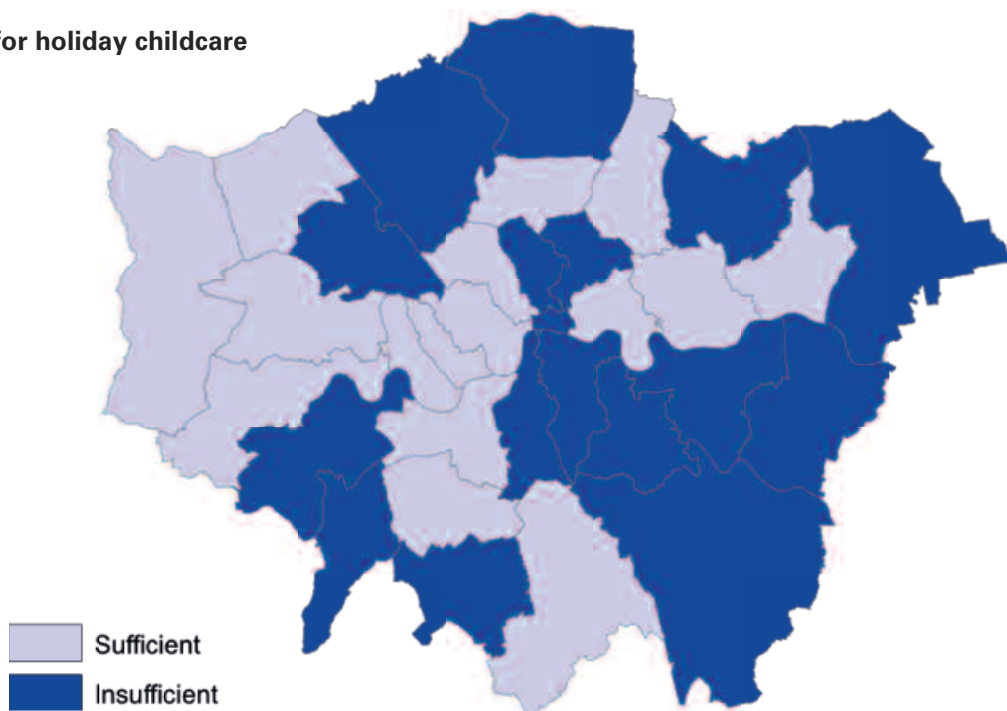
While affordability deters parents from using after school and holiday provision, young people themselves

sometime do not want to attend clubs whose activities they perceive as being unattractive or boring. The term 'childcare' may itself act as a barrier to young people who do not see themselves as children and may reject close adult supervision. Yet we lack research about what kind of clubs young people want. In contrast to under fives provision, Government has placed very little emphasis on childcare for older children, despite requiring parents of older children to enter the labour market. Additionally there is very little analysis in local authority childcare sufficiency assessments of the range of activities – sporting and cultural – that act as a surrogate form of childcare for older children. Some local authority Family Information Services do not hold information on these activities.

The extended school initiatives which aimed to increase breakfast and after school provision have largely stalled and places in after school clubs declined by four per cent between 2008 and 2009. More recently, local authority youth services have seen considerable spending cuts, further limiting their ability to provide activities for young people after school or in the school holidays. There has been no national or London-wide analysis about the impacts of these spending cuts.

Daycare Trust would like to see the Mayor of London map the provision of school holiday activities for older

Figure 13: Current sufficiency for holiday childcare



14. See ippr (2006) *Freedom's Orphans*: London ippr and Belle, D. (1999) *The After-School Lives of Children: Alone and With Others While Parents Work*, New Jersey: Lawrence Erlbaum Associates

children and use his influence with local authorities to ensure a sufficient range of attractive activities for older children in all parts of London.

Childcare for disabled children

This was another significant gap across London, with 13 London local authorities identifying that they lacked enough suitable childcare for disabled children in the 2011 Childcare Sufficiency Assessments. This gap in provision is disappointing, given the legal obligations of the Childcare Act 2006 to consider the needs of disabled children and their parents and the Disabled Children's Access to Childcare (DCATCH) initiative. This latter project, running between 2008 and 2011 in ten local authorities aimed to improve the range and quality of childcare for families of disabled children, and involve families in shaping childcare services. Support for childcare providers to help them meet the needs of disabled children was a core component of the DCATCH project.

Registered childminder shortages

One London local authority identified a lack of registered childminders for parents who want to use this form of childcare. It should be noted that the numbers of registered childminders varies considerably across different local authorities in London. Generally there are fewer childminders per child in inner London than in outer London boroughs. Overall, the numbers of registered childminders working in London has also declined over the last 10 years. We think this trend needs to be monitored, as registered childminders are a key component of childcare provision in London. Many parents prefer the home-based childcare offered by childminders for babies. Childminders can also be more flexible and able to respond to parents' requests for additional hours of care. This flexibility is essential in a city where many parents have atypical work patterns.

Lack of sessional childcare

Parents who are not working may have childcare needs from time to time and may use sessional crèches that are run in children's centres or by the voluntary sector. Unemployed parents who are studying also make use of sessional crèches, particularly in colleges and universities. Daycare Trust's research with parents has identified a shortage in this form of childcare. Sessional crèches are often oversubscribed. The Childcare and Early Years Providers Surveys shows that sessional provision has the highest occupancy rate of any form of

childcare – with the 2010 survey indicating that 36 per cent of all sessional crèches had no vacancies at all¹⁵. A number of sessional crèches in colleges and universities have closed over the last two years. While one local authority – Westminster – identified a lack of sessional childcare for parents making the transition to work, many London Childcare Sufficiency Assessments gave little attention to this form of childcare.

Lack of places for free early education offer

Two London local authorities identified a lack of places for three and four year old children who qualify for the free early education offer. This is a gap that needs monitoring, given the additional demand for places as a result of the extension of free early education to the most deprived two year olds.

Geographic gaps in supply

There were geographic gaps in childcare supply in 14 London local authorities. This means that there were insufficient places for children in a range of age groups in a specific local authority ward or wards.

Closing the gaps in supply

The Childcare Sufficiency Assessments undertaken by London local authorities have identified many gaps in supply which we have outlined above. From 2013 there will be changes to the way in which local authorities assess supply and demand for childcare. The three yearly Childcare Sufficiency Assessments that are presently supplemented by annual updates will no longer take place. Instead, local authorities will undertake shorter annual reviews. Daycare Trust believes that it is essential that these reviews follow a rigorous methodology.

Where gaps in childcare provision have been identified, the Childcare Act 2006 obliges local authorities to fill them. Local authorities can do this by giving private and third sector childcare providers market information and working with them to enable new provision to be set up. The Childcare Act 2006 makes local authorities the providers of last resort where the private and third sector are unable or unwilling to fill gaps in provision. Daycare Trust believes that local authorities have a varied record in filling gaps in provision. As we discuss later, there has been little attempt to fill gaps in childcare outside normal office hours. Some local authorities have been effective in working with childcare providers to fill

15. Department for Education (DfE) (2010) Childcare and Early Years Providers Survey, London: DfE

gaps in after school and holiday childcare: others have not. Daycare Trust urges all local authorities to fulfill the obligations of the Childcare Act 2006. We urge the Mayor of London to hold local authorities to account for failures to fill gaps in provision.

Apart from affordability and childcare for parents with atypical work patterns, after school and holiday childcare emerged as the most significant gaps in childcare provision in London. Daycare Trust would like to see local authorities and schools implement previous commitments to develop extended schools.

Extended schools have drawn from the pioneering work of educators such as Henry Barnard, Teddy O'Neill and Henry Morris¹⁶ and more recently full service schooling initiatives in the United States. In England, a 2002 strategy document from the Department for Education¹⁷ was followed by a grant awarded to 25 local authorities to pilot extended school provision. A later strategy document, published in 2005, committed all schools to providing a core of extended provision by 2010, comprising:

- High quality wrap-around childcare, provided on the school site or through other local providers, with supervised transfer arrangements, available from 8am to 6pm all year round
- Study support and a varied menu of cultural enrichment activities for school students
- Parenting support and family learning sessions
- Swift and easy referral to a wide range of support services
- Wider community access to schools' IT, sport and arts facilities¹⁸.

The extended school model also offers a means of offering supervised activities to older children who may be unwilling to attend after school and holiday childcare schemes.

School inspection reports show that a small number of schools in London do function as extended schools, often using a wide range of funding to fulfil this role. In the last 10 years, some schools have increased the range of activities available after 3.15pm and during the school holidays. But the vision of extended schools articulated in the 2002 and 2005 strategy documents has not become a reality and the momentum to move towards extended schools provision has petered out. Daycare Trust urges the Mayor of London to provide the leadership needed to ensure that all schools in London move towards an extended school model.

Finally, Daycare Trust would like to see local authorities review their supply of sessional childcare places, particularly for those parents making the transition to work. Local authorities should develop a strategy for sessional and emergency childcare in their areas, incorporated within their Childcare Sufficiency Assessments. Such a strategy might include advice on financial sustainability. Vacant places in day nurseries should be offered to parents who need emergency and short-term forms of childcare.

16. Henry Morris (189-1962) was chief education officer for Cambridgeshire and pioneered village colleges that provided primary, secondary and community education in rural areas.

17. Department for Education and Skills (DfES) (2002) *Extended Schools: providing opportunities and services for all*, London: DFES

18. DfES (2005) *Extended Schools: providing opportunities and services for all*, London: DFES

"I haven't got family, I don't have anybody on weekends or in the nights. Basically I didn't get the jobs because I couldn't do evenings. Recently I got a job again come through – it's supposed to start in two week's time but it's for six to nine in the night". (Parent interviewed by Daycare Trust, 2011).



Informal childcare in London

Faced with the high costs of formal childcare, a lack of availability of formal childcare for older children, as well as little provision for parents with atypical work patterns, many London parents are forced to turn to their friends and relatives to provide informal childcare.

Daycare Trust defines informal childcare as care that is 'unregulated by the state for quality control, child protection or taxation purposes'. In the UK most informal childcare is provided by grandparents, although parents also use other relatives, neighbours, friends and babysitters to look after their children. Parents use informal childcare for different reasons, but one factor that causes parents to use relatives and friends to look after their children is atypical work patterns.

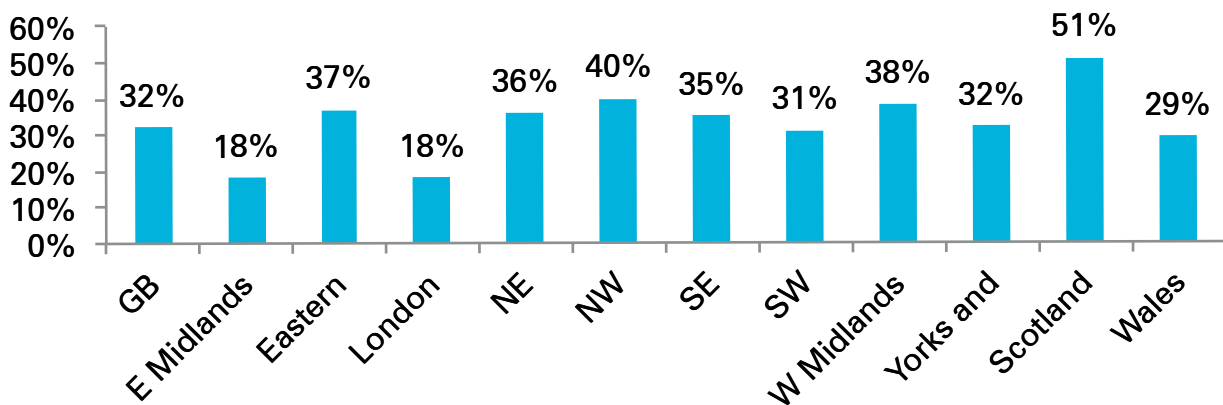
Despite the expansion of formal childcare in Britain, research conducted by Daycare Trust in 2011 showed that nearly half of parents (47 per cent) use informal childcare. The same research showed that London parents were the least likely to use informal childcare of any British nation or region. While nearly one third (32 per cent) of parents had used grandparents to provide childcare in the last six months, just 18 per cent of parents in London had done so (Figure 14). Moreover, parents who did not have informal childcare support networks sometimes had to turn down work.

Daycare Trust believes that the low use of informal childcare in London is a consequence of internal and international migration into the city, processes which often sever childcare support networks.

The lesser use of informal childcare in London raises important policy issues. As we have previously argued, the nature of London's economy and travel patterns in the capital means there is significant demand for childcare outside normal office hours. Daycare Trust's research shows that families that have atypical work patterns often turn to friends and relatives to provide informal childcare. Where informal childcare is not available, families with higher incomes may employ a nanny, who can usually provide flexible childcare. But families who cannot afford a nanny and do not have the option of informal childcare or shift-parenting are often faced with a stark option – to turn down work.

Daycare Trust believes that it is essential that London local authorities are aware that parents in the capital have less access to informal childcare than elsewhere in Britain. It was very disappointing to note that not one of the 2011 Childcare Sufficiency Assessments acknowledged this condition. Those planning childcare in local authorities need to be aware that London parents have less access to informal childcare support networks than families who live in other parts of Britain, and must ensure that suitable formal provision is made available.

Figure 14: Percentage of parents using grandparent childcare use in last six months by GB region and nation



N = 1,413 parents with sole or joint responsibility for childcare decisions

Source: Daycare Trust Parents' Survey, 2011



Childcare for parents with atypical work patterns

Daycare Trust's research on childcare in London shows that one of the most significant gaps in childcare provision in London is that for parents with atypical work patterns. We define atypical work patterns as:

- working outside the normal office hours of 8am to 6pm. Atypical hours working encompasses a wide range of work patterns, including extended hours, evening or weekend work and shift work. Atypical work patterns can be known about in advance, or unplanned, with research showing that parents find it most difficult to find childcare when they have little advance notice (Singler, 2011); or
- irregular working or studying patterns, including moving in and out of short-term forms of work, agency working, zero hours contracts, and some self-employed workers.

Long periods spent travelling to work can also turn 'typical' hours into atypical hours. Daycare Trust's analysis of 2011 Childcare Sufficiency Assessments shows that more local authorities in London are beginning to recognise that parents have 'atypical' childcare needs, with 18 local authorities mentioning this issue in the 2011 assessments. Greater numbers of local authorities and childcare providers are now responding to the needs of parents with atypical work patterns. Responses in London include:

- bringing childcare providers together in a local authority to highlight gaps in the market for childcare outside normal office hours;
- ensuring that nurseries and breakfast clubs open by 7.30am and that after school clubs and nurseries open until 6.30pm or later, to accommodate parents who have long journeys;
- ensuring that school holiday childcare opens by 7.30am and stays open later in the evening;
- having a local strategy for sessional crèche provision to help parents who have irregular work and study patterns; and
- where there is a demand for it, providing nursery care that runs over the weekend, or late into the evening.

Some large hospitals or other large employers in London have workplace nurseries that open late into the evening or over the weekend.

Daycare Trust believes that London employers could do more to ensure that their staff have adequate notice of the need to work outside normal office hours. All too often shift rotas are set at very short notice, leaving staff little time to plan their childcare. There is often little justification in doing this and giving parents greater notice would enable them better to plan childcare.



"In London I think they should definitely do the out-of-hours service because if you look on London as a city anyway there's a lot of people that don't come from London that live in London, people come from a different place or a different country, who might not have family or like you've been brought up in London". (Mother interviewed by Daycare Trust, 2011).

We would also like to see an expansion in workplace nurseries; Daycare Trust would like to see groups of employers co-operate and set up workplace nurseries together. This is a particular priority in the central London area, with a high concentration of shops and restaurants open late into the evening and at weekends.

However, many parents who have atypical work patterns, especially shift-workers, prefer their children to be cared for in a home environment, either in their own home or at a registered childminder's home. Daycare Trust is concerned about the year-on-year fall in the numbers of working registered childminders in London and nationally, as childminders, more so than nurseries, have a greater capacity to accommodate out-of-hours or changeable childcare needs.

In some parts of the UK, private childcare providers and a small number of employers have started to provide registered 'at home' childcare services. Here registered childminders or other groups of people who regularly work with young children provide childcare in the child's own home. The carers are registered with Ofsted, so low income parents are able to apply for the childcare element of Working Tax Credit. The organisation that runs the service – a private company or large employer – brokers the relationship between parent and the 'at home' carer. Such services do have start-up costs, albeit small ones, as well as ongoing administrative costs.

In London, Southwark Council ran an 'at home' childcare service until late 2011. This exemplary service helped many parents find childcare, with health service staff being particular beneficiaries. Unfortunately, cuts to local authority spending resulted in this service being disbanded, although its costs were small. Daycare Trust would like to see the Mayor of London support London local authorities to co-operate with each other and develop a service similar to that offered by Southwark Council. We believe that groups of six or seven local authorities could work together to set up 'at home' childcare services. This would involve collating data on registered childcare workers who are willing and able to provide childcare in the child's own home, and making these details available to parents. Daycare Trust calls on the Mayor of London to make childcare for parents with atypical work patterns a priority and work with local authorities to facilitate the development of a London-wide 'at home' childcare service.

Childcare costs in London

The cost of childcare in London is significantly higher than the British average and London is the most expensive region or nation for all categories of early years childcare. Daycare Trust's 2012 Childcare costs survey indicated that a part-time (25 hours) nursery place for a child under two now cost an average of £126.80 per week in London, nearly £25 more per week than the average price across Britain. Table 15 sets out the differences in weekly childcare costs between London and the rest of Britain.

The most expensive London nursery charged £247.50 per week for 25 hours childcare for a child under two. For a parent using 50 hours childcare (8am to 6pm every weekday), these costs would add up to nearly £25,750 a year.

In all but one London local authority, childcare costs in public nurseries are lower than those in the private, voluntary and independent sector. Across London, for 25 hours childcare per week for children aged under two years, childcare in the private, voluntary and independent sector is £21.07 more expensive than in the maintained sector.

There is also a difference in early years childcare costs between inner London and outer London boroughs. Daycare Trust's 2012 Childcare costs survey suggested that the average cost for 25 hours care from a registered childminder was £140.55 per week in inner London, but £120.63 in outer London.

Early years childcare costs in London have also risen above the rate of inflation over the last five years in London. Daycare Trust's annual Childcare costs surveys shows there was a 9 per cent increase in nursery costs for under twos between 2010 and 2011 and a 7 per cent increase between 2011 and 2012.

Out-of-school and holiday childcare

Out-of-school clubs provide wrap around childcare for children of school age during term time. Some children attend breakfast clubs before school, but most out-of-school childcare are after school clubs, providing childcare for about three hours after the school day. Out-of-school childcare at an average of £47.48 per week is also more expensive in London than the average in Britain, although London is not the most expensive region for this form of childcare. Figure 16 presents data from Daycare Trust's Childcare costs survey 2012 on the costs of 15 hours of out-of-school childcare across Britain.

Daycare Trust's 2012 survey also showed significant variation in the costs of out-of-school childcare within London. The local authority with the cheapest out-of-school childcare charged £25 per week for 15 hours of childcare, while the most expensive local authority charged an average of £100.61 per week. Unlike early years childcare, where costs tend to be higher in inner London than in the outer London local authorities, out-of-school childcare tends to be cheaper in inner London. Daycare Trust's Childcare costs survey suggested that 15 hours of out-of-school childcare cost an average of £38.62 per week across inner London local authorities in 2012, compared with £58.62 in outer London.

Many parents of school aged children also need childcare over the school holidays. While families may be able to manage the costs of after school childcare, holiday childcare can turn out to be much more expensive. Daycare Trust's 2011 Holiday childcare costs survey indicated that the average cost for holiday childcare was £93.11 per week. The most expensive holiday club in London cost £320 for care that was offered between 8am and 6pm each weekday.

Table 15: Comparative weekly childcare costs, London and Britain

Source: Daycare Trust Childcare costs survey, 2012

	25 hours nursery care for a child under two	25 hours nursery care for a child aged two and over	25 hours childminder care for a child under two	25 hours childminder care for a child aged two and over	15 hours after school childcare	Average holiday childcare costs per week, 2011
London	£126.80	£112.24	£129.59	£129.02	£47.48	£93.11
Britain average	£102.05	£97.51	£92.68	£91.87	£45.53	£94.78

Childcare costs and earnings

Data from Daycare Trust's Childcare costs survey in 2012 indicates that the average hourly costs for early years childcare in London is now £4.41 per hour. For after school childcare the average costs is £3.17 per hour. This represents a large slice out of the income of many London parents. Median gross hourly earnings were estimated to be £15.67 in London in 2011, but half of London's workforce earned less than this. Figure 17 shows Annual Survey of Hours and Earnings data for different sectors of London's workforce.

As already noted, support for childcare costs through Working Tax Credit was cut back in April 2011. At a time when incomes are stagnant, and living costs have increased, the high costs of childcare are placing considerable financial strains on families in the capital. Research undertaken by Daycare Trust and Save the Children in 2011 suggested that low income working parents have cut back on key essentials such as food in order to pay for childcare. Other parents have had to make difficult choices such as going into debt. The same research indicated that the majority (58 per cent) of parents on the lowest incomes said that they were no better off working and paying for childcare. Successive governments have committed themselves to eliminating welfare dependency and incentivising work. But for many London parents work does not pay because childcare costs are so high. If female employment in the capital is to be increased and families are able to move out of poverty, childcare must be made affordable.

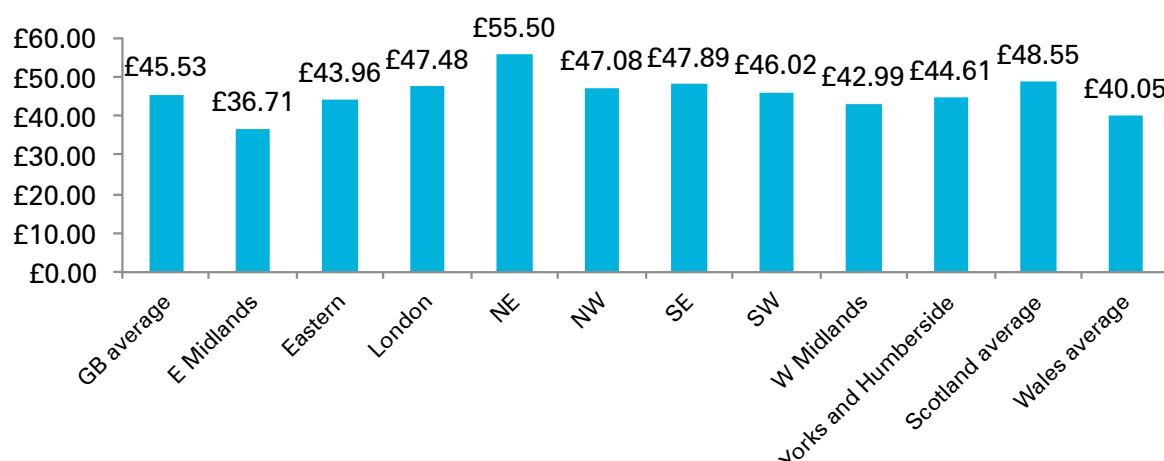
Deposits and upfront fees

Another barrier which prevents parents from taking up work is the up-front cost of childcare. Research by Daycare Trust found that many providers require parents to pay up-front costs such as a holding deposit and a month's fees in advance and many parents report that this presents a major barrier to them returning to work (Bartholomeou, 2009). Evidence from the Department for Education's Childcare and Early Years Providers Survey showed that one third (33 per cent) of nursery providers charged a registration fee, averaging £35 per child. Nearly half (48 per cent) of nursery providers charged a deposit, with the average deposit being £8. On top of this is the requirement by most childcare providers to pay one month's fee in advance. London parents could typically be asked to pay between £650 and £1000 before they receive their first pay packets. This may present an insurmountable barrier to many parents wishing to return to work.

Why is childcare so expensive in London?

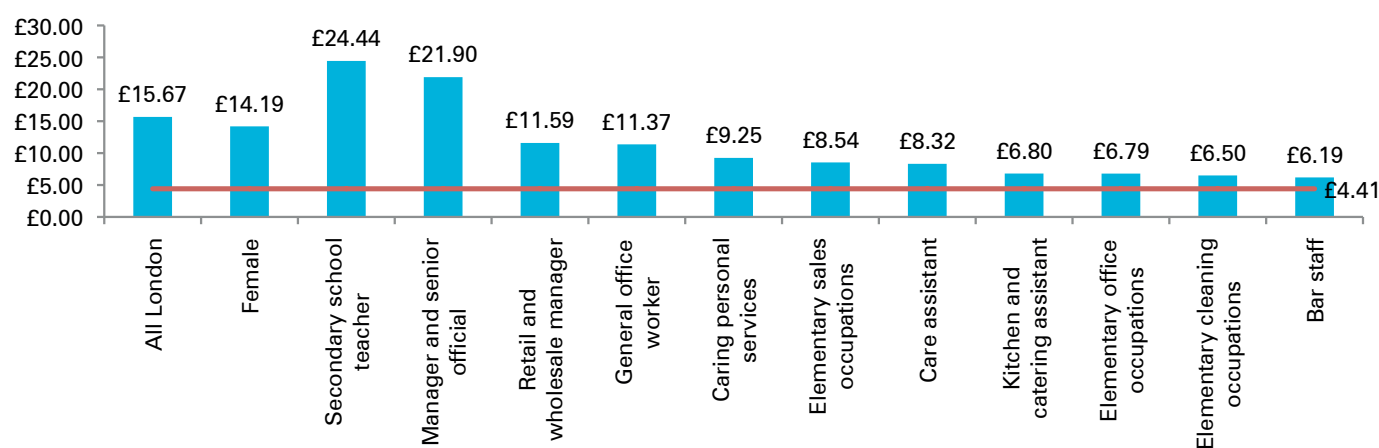
While childcare is expensive for parents, it is inaccurate to argue that these high costs are merely the result of childcare providers charging high fees to hard-pressed parents. The reality is more complex. Much of the high costs of childcare are due to high staff costs, with recent Government research suggesting that 77 per cent of group based (nursery and club) childcare costs were staff costs (Department for Education, 2012). Regulations stipulate that for children aged under two in

Figure 16: Average costs for 15 hours out-of-school club per week across Britain, 2012



Source: Daycare Trust Childcare costs survey 2012; Daycare Trust Holiday childcare costs survey, 2011

Figure 17: Median gross hourly earnings in London, 2011, and average childcare costs



Source: Annual Survey of Hours and Earnings, 2011

nurseries there must be one member of staff for three children. In nurseries, too, the manager must have a relevant level 3 qualification – equivalent of an A-Level. While salaries for nursery workers are not high, the need to maintain safe supervision levels and high quality childcare does, inevitably, mean that childcare cannot – and should not – be provided ‘on the cheap’.

But there are other reasons that raise the cost of provision. As previously noted, over half (54 per cent) of childcare in London is delivered by the private sector and a further 27 per cent by the voluntary and independent sectors. Most private and not-for-profit providers are required to pay business rates and many pay rent for their premises. Bank loans for expansion need to be serviced. Government research suggested that seven per cent of the childcare costs of group settings could be accounted for by rent or mortgage payments (Department for Education, 2012). Funding mechanisms for subsidising childcare are also complex. Parents receive financial help directly, through the childcare element of Working Tax Credit and through childcare vouchers. Other subsidies go from the Government directly to the childcare provider through the free early education offer. For nurseries there are some administrative costs involved in delivering the free early education offer. There is considerable potential to simplify funding streams, enabling more funding to go to the front-line, rather than administering an extremely complex funding system.

The reliance on the private and voluntary and independent sectors to deliver childcare in Britain is also associated with extra costs that public sector provision does not incur. This is reflected in the differential costs in London between public sector and private and voluntary sector provision, which runs to a difference of about £1 per hour of childcare in London.

All political parties have acknowledged the impact on families of high childcare costs and there has been much recent media debate on this issue. The Department for Education has also recently published research that has examined why childcare costs are high. Some commentators have argued that childcare costs in the UK could be reduced by reducing ‘red tape’, particularly for registered childminders¹⁹ or by changing staff-to-child ratios increasing the numbers of children who can be cared for by early years workers. In England, both moves would involve amending the Early Years Foundation Stage (EYFS) guidance.

In the run-up to the next general election, ways of reducing childcare costs are likely to remain high on the political agenda. In looking at wider reform of the childcare system, Daycare Trust favours a move to a simpler supply-side funding system, with government subsidies paid to providers to deliver childcare. This would reduce the complexity that both parents and childcare providers face. We believe it is vital that parents and childcare providers themselves are listened to in taking forward any proposals that aim to reduce childcare costs.

19. See Truss, E. (2012) *Affordable Quality: new approaches to childcare*, London: CentreForum

Making childcare more affordable for London parents

As already noted, the childcare element of Working Tax Credit provides financial support for parents on low incomes with their childcare costs. It is a means-tested benefit that offers up to 70 per cent of childcare costs to a maximum level of £175 per week for one child and £300 per week for two or more children. For many parents, this help with childcare costs has incentivised work and helped them stay in the labour market. Overall, in London some eight per cent of families with dependent children were receiving some assistance with childcare costs through the childcare element of Working Tax Credit, compared with nine per cent of families nationally (HMRC, 2011b). There is, however, a wide variation in the proportions of families receiving this help across London – Figure 18 presents data on the proportions of families receiving help with childcare through Working Tax Credit in the different London boroughs. In London the average award for the childcare element of Working Tax Credit was £92.81 per week in the period 2009-2010 (HMRC, 2011a).

Despite high childcare costs, the uptake of tax credits, including the childcare element of Working Tax Credit, is low in London. Low uptake may be partly due to the nature of the London labour market, as the tax credit system does not work well for parents with intermittent or unpredictable employment. The complexity of making a Working Tax Credit claim may be a barrier to uptake for

parents with low levels of literacy or limited fluency in English. Negative past experiences of tax credit overpayment may also act to limit uptake of the childcare element of Working Tax Credit.

The childcare element of Working Tax Credit has also been subject to recent changes which have decreased the amount of support for childcare that parents could claim. The level of support was cut in April 2011 – prior to this up to 80 per cent of costs could be claimed. Since April 2011 parents have only been able to claim a maximum of 70 per cent of costs. This change has disproportionately affected London families, who tend to have the highest childcare costs and is likely to result in some of them giving up work. This cut means an average loss of £546 per year for a family with two children and could mean a loss of up to £1,500 for parents with the highest claim. In London, the numbers of recipients of the childcare element of Working Tax Credit fell by 5,800 people between April and December 2011. The average amount that London parents have been able to claim dropped from £94.56 per week in April 2011 to £79.11 per week in December 2011²⁰.

Tax Credits and out-of-work benefits such as Jobseeker's Allowance are being merged into a single Universal Credit between 2013 and 2017. Tax Credits and out-of-work benefits such as Jobseeker's Allowance are being merged into a single Universal Credit between 2013 and 2017. The structure of childcare support under Universal Credit will be very similar to the childcare element of Working Tax Credit – with a percentage of costs covered up to a maximum weekly limit, with a taper applied based on earnings. Although the rates for Universal Credit have not yet been announced by Government, during the passage of the Welfare Reform Act the Government indicated that it would keep the current parameters, that is support for up to 70 per cent of childcare costs, with a weekly maximum of £175 for one child and £300 for two or more children.

Precise details on the process for claiming Universal Credit are yet to be decided as regulations are still to be laid, but there are a number of positive developments which the Government has announced. First, the 'hours

“Londoners do worse when moving into work in the current benefit system. The Universal Credit is an opportunity to ensure that Londoners do not face that disadvantage any more”. (London Councils (2011) Making Work Pay Under Universal Credit)

20. HMRC Child and Working Tax Credit Statistics, December 2011



Jan Kranendonk

It is essential, too, that parents know about the financial support available to them and the changes introduced through Universal Credit. There is much that the Mayor of London could do to publicise sources of financial support and the work of Family Information Services in London.

Daycare Trust is concerned that while the Government wishes a greater number of workless households to move into employment, its tax credit changes limit families' capacity to do so. Moreover, the high costs of childcare in the capital mean that even with tax credit support, being in work does not make economic sense. We recommend that the Mayor of London lobbies central Government to reverse the cut to the childcare element of Working Tax credit, restoring support to 80 per cent of costs. This 80 per cent subsidy must continue under Universal Credit.

Childcare loans

As already noted another barrier which prevents parents from taking up work is the up-front cost of childcare, which include registration fees, deposits and the need to pay for childcare in advance. This may present an insurmountable barrier to many parents wishing to return to work. Discretionary Jobcentre Plus support is rarely available to meet this need and low-income parents who are returning to work or working for the first time find it difficult to access credit to pay these costs. Some London local authorities offer grants or loans to low income parents making the transition back to work. Daycare Trust piloted a low interest scheme in Hillingdon, working with a credit union and registered social landlord. This scheme has now been evaluated, showing a fairly low take-up because of a tight labour market, a small target population and a reluctance among potential claimants to take on additional debt. Significantly, too, there have been a number of difficulties in publicising the Hillingdon scheme. Any financial support to cover deposits and up-front fees – whether a grant or a loan – must be well-publicised.

Family-friendly workplaces

Daycare Trust's work with both parents and employers continues to show the benefits of family-friendly work practices, for both families and for employers. There are many ways in which employers can support the needs of their staff who are parents. This support includes flexible working practices such as job-share, part-time work, home working or compressed hours.

Some larger employers run their own workplace nurseries. These nurseries often operate a salary exchange scheme, where nursery costs taken out of employees' salaries before tax, thus helping parents make savings on tax and National Insurance contributions. Many employers also offer childcare vouchers, either as an additional benefit on top of their salary or as a salary sacrifice. Parents receiving childcare vouchers as a salary sacrifice receive tax-free vouchers to pay for childcare. This is worth £55 per week for basic rate taxpayers and higher rate taxpayers who joined a voucher scheme before 5 April 2011. Higher rate

taxpayers that joined a scheme after this date can save £28 per week. These are the savings that can be made by each parent so, in families with two working parents, these figures may be doubled.

Childcare vouchers can also be saved up over time. Parents can start collecting them from when their child is born and save them up to use at a time when childcare costs may be particularly high, for example during school holidays. The scheme is also beneficial for employers who can save on National Insurance contributions by offering a voucher scheme to employees. Unfortunately not all parents can benefit from childcare vouchers. Not all employers offer them and not all childcare providers accept vouchers; after school and holiday clubs are the least likely to take them. Self-employed people are not currently able to access childcare vouchers. Daycare Trust feels that the Mayor of London could work with employers to ensure that more London parents have the opportunity to use childcare vouchers. London local



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authorities could also work with childcare providers to ensure that more of them accept these vouchers.

Research has shown the benefits of family-friendly work practices, which include positive impacts on employee motivation and commitment, workplace relations, productivity and absenteeism (Budd and Mumford, 2005). Most working parents now have the statutory right to request flexible working. There has also been some growth in the number of workplaces where flexibility is accepted over the last decade, or where help is given to parents with childcare costs. The most recent *Childcare and Early Years Survey of Parents* suggests that nearly a quarter (23 per cent) of mothers have the opportunity to work flexibly (Department for Education, 2010). The same survey suggests that about six per cent of families receive some financial help from their employer with childcare costs. Of those who receive this help about three quarters (74 per cent) of parents receive childcare vouchers and 21 per cent use workplace nurseries and other directly contracted childcare.

However, there are still many workplaces which have seen little change in traditional patterns of working over the last decade. Not all workers have the right to request flexible working, as the law excludes agency workers and those who have been in a job for less than 26 weeks. Additionally, a parent cannot make a new

application to their employer for flexible work, if a previous request has been lodged in the past 12 months. Research also shows parents in lower income groups are much less likely to benefit from family-friendly work practices: the 2009 *Childcare and Early Years Survey of Parents* suggested that 73 per cent of parents who received help from their employer had a household income of £45,000 or more. The same survey suggested that 26 per cent of highly-qualified mothers reported that flexi-time helped them work, compared with 15-20 per cent of less educated mothers (Department for Education, 2010). This trend is supported in other research that argues that better qualified parents have greater power when it comes to negotiating work practices compared to parents with fewer qualifications (Vincent and Ball, 2006).

This is a major inequality that needs to be addressed if more London parents are to be able to work. Daycare Trust would like to see new employees given the right to request flexible work at the start of their employment, not just after 26 weeks in the job. We would also like to see the Mayor of London ensure that the GLA group²¹ operate exemplary practice in relation to family-friendly working. We would also like to see the Mayor of London promote the business case for family-friendly work practices, targeting sectors where there is less acceptance of flexible working practices.

21. The GLA group consists of the Greater London Authority, Transport for London, the London Development Agency, London Fire and Emergency Planning Authority, and the Metropolitan Police Authority

Part three: Childcare, child development and parenting in London



Sure Start Children's Centres

As well as helping parents work, high quality childcare and family support also supports children's development and boosts the life chances of the most vulnerable children in society. Both Sure Start Children's Centres and free nursery education have an important role in providing high quality early education to London's children.

Sure Start Children's Centres provide essential help for London families. Today there are over 520 such children's centres in London²² (Figure 19). They provide a range of integrated services for the under-fives and their parents which national guidance²³ stipulates must include some childcare provision, health advice, parenting support and assistance for parents who want to get back into work.

Sure Start was inspired by Head Start, a programme for

deprived under fives set up in the United States in the 1960s. In England, the first Sure Start Children's Centres opened in 1998. While they were initially set up in deprived areas, Sure Start Children's Centres were eventually rolled out across England. Today they offer a universal service to all parents of young children, alongside targeted support for families with additional needs.

While Sure Start Children's Centres have to comply with guidance and offer childcare, health and parenting advice as well as support for parents who wish to move back into work, the range of services offered by children's centres varies from place to place. Some run health visitor clinics, as well as other child health services, for example, speech therapy or breast feeding advice, from children's centres. There is a variety of

Figure 19: Sure Start Children's Centres by local authority, December 2011



Source: Department for Education statistics, December 11

22. Department for Education data indicated that there were 528 Sure Start children's centres in September 2011. See <http://www.education.gov.uk/inthenews/inthenews/a00200125/number-of-childrens-centres-by-local-authority>

23. The Department for Education issued new statutory guidance on Sure Start in October 2010. This stated that full daycare need not be offered by children's centres. At the time of writing in June 2012 the Government is in the process of reviewing this guidance.

parenting support on offer which may include healthy eating workshops and behaviour management advice. Sure Start Children's Centres may also run home learning projects. Many also offer play and cultural activities.

The range of support for parents who may wish to return to work also varies. Some Sure Start Children's Centres host advice sessions run by Job Centre Plus, where parents can be offered support in returning to work (Marangozov and Stevens, 2011). In other children's centres family support workers have been trained to offer advice about tax credits and other support for childcare. Some children's centres also offer training courses to help parents find work, for example on job-search. Children's centres may also link up with colleges and adult education services and offer ESOL courses and other adult learning.

Many London parents make regular use of Sure Start Children's Centres. But over the last two years their work has been the subject of much debate. Cuts to local authority funding has have meant that some Sure Start Children's Centres have been threatened with closure or major reductions to their services. In many cases parents have been active in campaigning against these cuts.

There has also been discussion about the targeting and focus of Sure Start Children's Centres. In 2010 the Government argued that it wished to see Sure Start refocus its work on the most disadvantaged families. However, a move away from a universal service would

stigmatise Sure Start provision and also impact on community cohesion, as early years provision are sites where diverse communities meet. Children from diverse backgrounds learn from each other and The Effective Provision of Pre-School Education (EPPE) research project²⁴ and the evaluation of the Neighbourhood Nurseries Initiative (NNI)²⁵ showed that the benefits of good quality pre-school settings for disadvantaged children are particularly significant where they are with a mixture of children from different social backgrounds. Of course, extra support for the most disadvantaged families is essential, but Daycare Trust believes that Sure Start, in its entirety, should remain a universal service.

We also feel that the Government could review the range of services that are delivered at Sure Start Children's Centres. In some areas there is greater potential for adult and further education, libraries and advice-giving organisations such as Citizens Advice Bureaux to develop partnerships with Sure Start.

Local authorities also need to review the uptake of services and look at who uses children's centres. Until recently local authorities have been obliged to collect statistics on the characteristics of families who use Sure Start Children's Centres. In many areas this data shows that children's centres are under-utilised by groups such as children in workless households and some minority ethnic groups. If Sure Start Children's Centres are to help the most disadvantaged families, it is essential that local authorities understand who is using these services and who is not, as well as the reasons for under-utilisation.

24. Melhuish, E.C., (2004) *A literature review of the impact of early years provision on young children, with emphasis given to children from disadvantaged backgrounds*, prepared for the National Audit Office, Institute for the Study of Children, Families and Social Issues, Birkbeck College

25. Mathers and Sylvia (2007) *National evaluation of the Neighbourhood Nurseries initiative: The relationship between quality and children's behavioural development*, Research Report SSU/2007/FR/022

Free early education for the under fives

Since 1998 young children have received some free early education in England, usually provided in a nursery. The free early education offer was first made available to four-year-olds and initially comprised 12.5 hours of early education over 38 weeks of the year. This was then extended to three-year-olds and increased to 15 hours of free provision over 38 weeks of the year. The present coalition government has maintained this commitment to early education by making free early education available to the most disadvantaged two-year-olds, with an aim to cover 20 per cent of the national cohort by 2013 and 40 per cent by 2014.

This commitment to early education helps families in two respects. First, it supports children's learning and social development. High quality early education means that children are much better prepared to start compulsory education at five, in relation to their language and cognitive development, as well as their social and physical skills. Free early education is particularly important in London where a higher than average proportion of children come from homes where little English is spoken. Early contact with teachers and nursery nurses enables the earlier identification of special educational needs or other problems. An assessment into the impacts of the free early education offer concluded that it had a positive impact on young children's learning and development.

Nationally, at age five, 59 per cent of children achieved a good level of development in 2010-11 (compared with 45 per cent in 2005-06). The gap in outcomes between the lowest achievers and their peers has also narrowed (National Audit Office, 2012).

The free early education offer also helps working parents, as it means that they have a significant proportion of their childcare costs covered.

Despite these benefits, there are some significant challenges in London in delivering the free early education offer. The uptake of provision varies across local authorities and some of the most disadvantaged children do not take up their free early education. Not all working parents are offered free provision at the times

they need it. The quality of provision varies, too, and 2011 Childcare Sufficiency Assessments suggest that in seven London local authorities there is insufficient provision for three and four-year-olds who qualify for free early education.

There are also concerns that some nurseries charge top-up fees to parents who qualify for free provision, although regulations bar this practice. A 2012 omnibus survey for Bounty Parenting Club suggested that 11 per cent of parents who used the free early education offer were charged a compulsory top-up fee and a further 4 per cent were asked for a voluntary contribution.

Uptake of free early education

Across London 91 per cent of three year olds and 99 per cent of four year olds benefited from some free early education in 2010-11. However, there is considerable variation in the uptake of free places, within and across local authorities in London and in one local authority less than three quarters of eligible children (74 per cent) appear to be taking up their offer of free places. Some groups are particularly under-represented, with analysis

**"These were really good for me, I signed up from a college course, just as it started they signed me up the day before and gave him a taster day and took my little boy on so I was really, really lucky. My little boy loves it here, on the days he doesn't go [to the nursery] he asks if he can go. He's just a different child to how he was."
(Parent on two year old free early education offer pilot, interviewed by Daycare Trust, 2011).**

Table 20: Uptake of the free early education offer by child and family characteristic, 2008-2009

Characteristic	Percentage of 3 and 4 year olds receiving free early education hours	Percentage of 3 and 4 year olds not receiving any early education
All three and four year olds	86	8
Three year olds	77	13
Child with illness or disability	87	8
Child with special educational needs	81	11
Child of single parent	88	3
Household income <£10,000	77	13
Household income £20,000-£29,999	89	7
Household income >£45,000	92	5
No driving licence or access to car	78	13
Mother with no educational qualifications	76	16
Mother has degree	93	4
More than 5 children in family	76	19
Mother of white British ethnicity	89	7
Mother of Indian ethnicity	91	5
Mother of black Caribbean ethnicity	74	6
Mother of black African ethnicity	71	16
Mother of Pakistani ethnicity	72	20
Family lives in 20 per cent most deprived area	77	13

Source: 2008 and 2009 Childcare and Early Years Survey of Parents cited in Speight et al, 2010.

of national data on free place uptake suggesting that the following groups of children are less likely to take up the free early education offer:

Clearly there are significant numbers of children in London who are not benefiting from free early education. Getting these children into a high quality nursery is an educational priority. For this to happen, we need better to understand the barriers to take up. Better outreach services are needed to reach these families. London local authorities also need to learn from each other about effective strategies to get families to take up the free early education offer. Some London local authorities have secured very high uptake, by offering taster sessions in nurseries or using 'parent champions' who are peer outreach volunteers who offer face-to-face encouragement to parents. However, Daycare Trust is

concerned that outreach services that aim to get parents to take up the free early education offer are being cut in many London local authorities. In a survey of local authority Family Information Services undertaken in 2011, some 45 per cent of local authorities had cut their outreach services.

Nationally, the uptake of free early education for three and four-year-olds is lowest among deprived families – the groups who are most likely to qualify for the free early education offer for two-year-olds from 2013. In order to make the two-year-old offer a success, London local authorities will have to maintain a commitment to outreach.

Sufficiency of provision for free early education offer

Daycare Trust's analysis of the 2011 Childcare Sufficiency Assessments in London suggests that seven London local authorities have insufficient provision for three and four-year-olds who qualify for free early education. These challenges are likely to increase as more children become entitled to free early education after 2013. Across London, some 28,800 extra nursery places will have to be found by September 2013 for two-year-olds who qualify for a free place in that year. Figure 21 shows the numbers of free places needed across London by September 2013.

Some local authorities will be able to guarantee sufficient free places by placing children in nurseries and children's centres that have vacancies. Local authorities are also planning to use high quality registered childminders to provide free places in some instances. Some larger chains of private providers are also able to expand provision as they have access to capital. However, these three strategies alone are unlikely to deliver sufficient places for children in all parts of London. There needs to be some capital investment from central Government to allow children's centres, smaller private providers and not-for-profit early years providers to expand in some parts of London.

Quality of free places

In many parts of London finding sufficient high quality providers for children who qualify for the free early education offer remains a pressing challenge. Research shows that it is only high quality early education that improved outcomes for the most disadvantaged children (see, for example, Sylva and Roberts, 2009). There have been substantial improvements in the quality of early childhood education in London over the five years, some of which has been brought about by the

Figure 21: Number of free places needed for 2 year olds who will qualify for free early education in 2013



introduction of the Early Years Foundation Stage (EYFS) requirements in 2008. However, over a quarter of early years providers in London who were inspected by Ofsted in the last quarter of 2011 were only judged to be 'satisfactory' or 'inadequate' (Table 22). The most deprived children who qualify for the free early education offer for two-year-olds are unlikely to benefit significantly unless they attend high quality provision (National Audit Office, 2012).

Staff qualifications have been shown to have the biggest impact on the quality of settings and therefore on children's outcomes (Sylva and Roberts, 2009). There have been steady improvements in the levels of qualifications held by the early years' workforce since 2000. Additionally, initiatives such as the introduction of the Early Years Professional Status qualifications and the Graduate Leader Fund²⁶, which supported private and

voluntary sector early year providers to employ graduates have helped improve the level of staff qualifications and thus the quality of provision. But data from the 2010 Childcare and Early Years Survey of Providers suggests that eight per cent of childcare providers and 22 per cent of registered childminders still have no qualification at all.

The Government has recently commissioned a review into early education and childcare qualifications – the Nutbrown review – which has made a series of policy recommendations (Nutbrown, 2011). Crucially this review has recommended that by September 2022, all staff counting in the staff:child ratios must have a relevant level 3 qualification in childcare, equivalent to an A-level. Daycare Trust is calling on the Government to implement the recommendations of the Nutbrown review.

26. The Graduate Leader Fund had previously ring-fenced monies available to local authorities for distribution to settings. However, funding is now part of the early intervention grant and no longer ring-fenced and there is evidence that this monies is not being used for its original purpose.

But if the quality of early years education is to be improved, bigger changes are needed. Getting graduates into nurseries is not enough, early years providers also need to look at how they are used. Research shows that highly-qualified staff rarely work with the youngest children (Mathers et al, 2010). Above all, Daycare Trust believes that pervasive low levels of pay in childcare is a major barrier to attracting highly-qualified people into early education and childcare, especially in a city with high living costs. There are significant numbers of early years and childcare workers who are paid at levels at or near the National Minimum Wage (Figure 22). Daycare Trust would like to see qualified staff paid the London Living Wage, as well as national standards of pay for all childcare workers that rewards qualifications.

**Table 22: Ofsted grades awarded during inspection
30 September 2011 – 31 December 2011**

	England	London (all providers)	London (childminders)
Outstanding	13%	14%	12%
Good	61%	59%	59%
Satisfactory	23%	22%	24%
Inadequate	3%	5%	5%

Source: Ofsted database

Figure 22: Mean hourly pay for childcare workers, 2010

	In full daycare	Full daycare in children's centres	Sessional	After school clubs	Holiday clubs
Senior managers	£10.80	£16.30	£9.60	£11.20	£11.90
Supervisory	£8.30	£11.50	£8.00	£8.60	£9.30
Other paid staff	£6.60	£8.40	£6.70	£6.70	£7.80

Source: Department for Education Childcare and Early Years Providers Survey, 2010

Childcare and family information for London parents

As we have already noted, childcare is a mixed market provided by many different types of organisation. Research shows that many parents find the childcare market harder to navigate than finding primary school places (Vincent and Ball, 2006). Every year many thousands of parents receive help finding childcare through their local Family Information Service. As well as answering parent's questions about local childcare provision and sources of financial help, many Family Information Services offer much more. They have a range of information on other sources of help and support for families, from parenting classes to after school sporting and cultural activities. Through childcare brokerage they give greater assistance to parents who cannot find suitable childcare and they help some families apply for grants and Tax Credit support. Getting information out to disadvantaged sectors of society is another key role of Family Information Services. But new Daycare Trust research shows that changes to the way that local authorities deliver information, are jeopardising the quality of these crucial services in London. A growing number of Family Information Services are being merged into local authority call centres, a move that jeopardises the quality of service they can offer.

The development of Family Information Services

We have previously outlined the many initiatives that have aimed to increase childcare provision and make it more affordable to parents. Policy changes such as Working Tax Credit and the free early education offer have sat alongside many other changes to education and family policy – for example the Connexions advice service for 13 to 19-year-olds. The overhaul of childcare provision and the development of new children's services brought the importance of information to the attention of policy-makers. If children and their parents are to benefit from affordable childcare, play provision and the diverse range of sporting and cultural activities available locally, families need to know about what is on offer. Moreover, this information needs to get to all parents, including those with the fewest educational qualifications, no internet access, limited literacy or fluency in English. Section 118A (3) of the School Standards and Framework Act 1998 introduced a childcare information duty for local authorities in

England and Wales which obliged them to provide information to families. As a consequence of the 1998 legislation, from 1999 onwards a growing number of local authorities – in all parts of the UK – set up Children's Information Services which aimed to address this need for information. In the areas covered by the first Sure Start Children's Centres, these local programmes delivered much of this information to families.

The legal duty to provide information was later strengthened through the Childcare Act 2006. Section 12 of this Act obliges local authorities to run a service provide information, advice and assistance about childcare and other activities of benefit parents, children and young people up to the age of 20. After the Childcare Act 2006 was implemented, all local authorities in England overhauled their information for children and parents and set up Family Information Services.

In London, Family Information Services are dealing with an average of 450 enquiries in an average month. They provide written and web-based information on childcare, as well as answering telephone and email enquiries. Many Family Information Services also provide face-to-face help, through outreach sessions or through a 'shop front' presence. Family Information Services may also reach parents through having a presence in children's centres.

Family Information Services have also pioneered ways of delivering information to hard-to-reach groups such as working parents and those with limited literacy or fluency in English. These outreach methods include the use of health visitors to alert new parents to Family Information Services and putting stickers about the service in the parent-held baby development book. Many Family Information Services attend local events and parents evenings in primary schools and some visit supermarkets on Saturday to target working parents. A number of Family Information Services work closely with Jobcentre Plus or welfare-to-work providers.

Since their inception much excellent work has been developed by today's Family Information Services. But over the last two years, Daycare Trust has grown increasingly concerned that some local authorities are



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not fulfilling the obligations outlined in the Childcare Act 2006 and its accompanying statutory guidance. Daycare Trust is particularly concerned that some local authorities had moved most of their Family Information Service function into generic local authority call centres. Additionally, many Family Information Services have cut back on their outreach services. In some cases, outreach services have been moved out of Family Information Services and solely delivered by staff based in children's centres. Many local authorities have also closed 'shop front' public access points.

We have lost all dedicated outreach staff so outreach work has almost completely stopped. This makes it much more likely that families which could benefit from the service will not know about it. Attendance at events has stopped so there is no informal face-to-face advice being delivered.
(Comment from a London Family Information Service, 2012)

In London seven local authorities have merged most of their Family Information Services into generic local authority call centres (Daycare Trust, 2011). More may follow later in 2012. Daycare Trust's research suggests that the quality of Family Information Services is suffering as a consequence. Our research shows that no

procedures put in place to update the information that is held by call centres. Many local authority call centres also limit the length of time that a telephone operator can talk to a parent. But for many parents help finding childcare usually requires a number of discussions, and may also involve childcare providers, all of which may take a period of time.

Daycare Trust acknowledges the need for smarter ways of working for some Family Information Services. In some local authorities, too, spending cuts have forced better ways of working for Family Information Services, for example merging youth advice into Family Information Services or rationalising print production, website design and outreach services. But the roll-out of free early education to the most deprived two-year-olds, and the introduction of Universal Credit, will bring in new challenges for Family Information Services. Cutting back on their capacity to undertake outreach, or merging them into generic local authority call centres is a short-sighted move. Daycare Trust calls on London local authorities to continue to support this excellent service and for the Mayor of London to promote their work in future London-wide awareness campaigns targeted at parents.

Part four: Moving forward



Jan Kranendonk

There is scope for all levels of government to do more to make quality childcare more affordable in London. Central government provides financial support to help families afford childcare, but changes are needed to ensure Londoners get as much benefit from this support as others. The Mayor could play a useful role in researching what could be done to improve access to early education in the capital, and promoting the use of childcare vouchers as a way for parents at all income levels to reduce their childcare costs. Local government is responsible for ensuring sufficient provision of childcare to meet local needs, but financial retrenchment could mean there is a risk of cuts to the amount of affordable childcare available in the capital. Work to mitigate these risks is therefore crucial. (*Tackling Childcare Affordability in London*, report of a London Assembly investigation)

Policy recommendations

Our analysis of childcare provision in London is a story of significant achievements, but also many problems facing parents, childcare providers and London government. We have seen a considerable expansion in nursery and after school provision in London over the last 10 years. London local authorities have also worked hard to ensure that the most disadvantaged families benefit from 15 hours of free early education offer. But London still faces significant challenges in relation to childcare.

Childcare in the capital remains the costliest in Britain and support through Working Tax Credit has been cut for many families. For increasing numbers of low and middle income parents it no longer pays to work. Childcare for the under-twos and holiday childcare for older children is particularly expensive.

In London the number of nursery places has expanded over recent years, as have childcare places for older children, but there are still big gaps in childcare provision. Daycare Trust's analysis of local authority childcare sufficiency assessments shows that there is not enough formal children for school aged children, with nearly half of London local authorities not having enough breakfast, after school and holiday childcare provision. In some local authorities there is insufficient childcare for the under-twos, a trend that may get worse as a consequence of the free early education offer for the most disadvantaged two-year-olds. We are also concerned about the year-on-year fall in the numbers of registered childminders in London. However, the biggest gap in childcare provision in London is formal childcare for parents with 'atypical' work patterns or who have long journeys to work. For parents who do not have informal childcare networks, or the ability to 'shift parent', the absence of childcare outside normal office hours can severely constrain their work options.

We also need a greater number of employers in London to support family-friendly work practices. There is a strong business case for this.

Daycare Trust's analysis of childcare in London has led us to draw up a series of recommendations to improve its provision. Our recommendations are directed towards different organisations and groups, in particular, central government, the Mayor of London, London Councils, London local authorities and employers.

Helping with childcare costs

Ensuring that childcare is affordable is a policy priority. This requires action by central government and the Mayor of London. We recommend:

- The Department for Work and Pensions must ensure that Universal Credit support, to be introduced between 2013 and 2017, makes it worthwhile for parents on low and modest incomes to stay in work. Levels of support under Universal Credit should return to 80 per cent of childcare costs. Universal Credit also needs to work better for families with fluctuating employment patterns, for example by having longer run-ons when finishing a job to avoid having to start a new claim when they find new work.
- The Mayor of London should publicise sources of financial support for childcare and the work of Family Information Services in London. This is particularly important after the introduction of Universal Credit and for parents of school aged children who may not realise that there is financial help for after school and holiday childcare.
- The Mayor of London should work with central government to assist parents returning to work with the upfront costs of childcare. The Department for Work and Pensions could make better use of the Jobcentre Advisor Discretionary Fund (currently under spent) for up-front childcare costs. The Mayor of London should also consider a London-wide loan and grant scheme to help parents returning to work with up-front childcare costs and ensure that this scheme is well publicised.

Ensuring sufficient childcare in London

Despite increases in the number of childcare places, there are still gaps in childcare provision in London. We recommend:

- All local authorities should fulfill the obligations set out in the Childcare Act 2006 and its statutory guidance in relation to ensuring sufficient childcare for working parents and those making the transition back to work. Where private and voluntary sector providers are unwilling or unable to fill significant gaps in childcare provision, local authorities should do so.

- London local authorities should recognise that London parents have less access to informal childcare support networks than families who live in other parts of Britain and ensure that suitable formal provision is made available.

- Local authorities must implement the action plans set out in their Childcare Sufficiency Assessments.

- Local authorities should review their supply of sessional childcare places to make best use of vacant places in children's centre nurseries. Parents making the transition to work should be prioritised when allocating sessional childcare places.

- The Mayor of London should hold local authorities to account for failures to fill gaps in provision.

- The Mayor of London should map the provision of school holiday activities for older children across London and work with London Councils and local authorities to ensure a sufficient range of activities for older children in all parts of London.

- The Mayor of London should provide the leadership needed to ensure that all schools in London move towards an extended school model, where childcare is offered at the beginning and end of the school day and in school holidays.

- The Mayor of London, through the Greater London Authority, should research the decline in registered childminders in London to understand the reasons for this trend, as well as ways to reverse it.

Supporting parents who work outside normal office hours

The absence of formal childcare for parents who have atypical work patterns or long journeys to work is a key gap in provision in London. We recommend:

- Local authorities should bring childcare providers together to highlight gaps in the market for childcare outside normal office hours. London local authorities should use their childcare sufficiency research to highlight the demand for childcare that is open between 7am and 7pm, or weekend nursery provision.

- The Mayor of London should work with local authorities to establish a pan-London scheme to match parents to childcare providers, focusing on those who are able to provide childcare outside normal office hours.

- Local authorities should work with providers and suitably qualified individuals to increase the number of schemes that provide childcare outside normal office hours. These should include schemes that provide childcare in the family home.

- Where there are concentrations of people who work outside normal office hours, the Mayor of London should encourage large employers or groups of employers to provide workplace nurseries that run late into the evening or over the weekend.

Making the business case for family-friendly workplaces

Daycare Trust calls upon all employers to adopt family-friendly work practices. We believe that family-friendly employment practices ensure significant financial benefits for employers by decreasing staff absenteeism and encouraging the retention of skilled workers. We recommend:

- The Mayor of London should promote the business case for family-friendly workplaces across the capital in his dealings with London employers and their representatives such as the CBI, Chambers of Commerce and London First.

- The Mayor of London should provide a capital grant fund to help businesses set up workplace nurseries, prioritising employers whose staff are obliged to work outside normal office hours.

- The Mayor of London should ensure that the Greater London Authority group of organisations all operate exemplary practice with regard to their employees' childcare needs. This should include offering childcare vouchers, flexible working patterns to accommodate childcare arrangements, and signposting to information sources about childcare as a very minimum. Additional support could be offered, for example additional support for childcare costs, on or off-site subsidised childcare provision, or an emergency scheme to offer replacement childcare when normal arrangements fall through.

- The Mayor of London, alongside local authorities should develop a family-friendly business standard to provide clear guidance on good practice, then move to using contract compliance procedures to ensure that all businesses who secure Greater London Authority group contracts adhere to the family-friendly business standard.

- The Government should extend the right to request flexible working to those who cannot currently do so,

including workers who have been in a job for fewer than 26 weeks.

Ensuring that early education and childcare support children's development

Both Sure Start Children's Centres and free nursery education have an important role in supporting children and parents in London. However, it is essential that all children benefit from this support and that free early education is of the highest quality. We recommend:

- The Government and local authorities should review the range of services that are delivered at Sure Start Children's Centres. In some areas there is greater potential for adult and further education, libraries and advice-giving organisations such as Citizens Advice Bureaux to develop partnerships with Sure Start in order to support the most disadvantaged families.
- Local authorities should review the uptake of services and look at who uses Sure Start Children's Centres. Sure Start Children's Centres are to help the most disadvantaged families, it is essential that local authorities understand who is using these services and who is not, as well as the reasons for under-utilisation.
- The Mayor of London should lobby government to secure sufficient capital funding to enable local authorities to implement the free early education offer for two-year-olds. Allocation of capital spending resources by local authorities should be transparent and all high quality early years providers should be able to access this capital to help them deliver the two-year-old free early education offer.
- The Mayor of London and local authorities should use their planning remit to ensure that the physical

environment in London supports children's development. All London children should have easy access to safe and stimulating play space. London local authorities should work with childcare providers to promote nursery design that supports the best learning and development outcomes for children.

- In order to improve the quality of early education Daycare Trust would like to see the Department for Education implement the recommendations of the recent Nutbrown review of early education and childcare qualifications.
- Central government should support the professionalisation of the early years and childcare workforce with national standards of pay for all workers that reward qualifications.
- Childcare staff who have qualifications should receive the London Living Wage.

Information about early education and childcare

Local authority Family Information Services have an essential role to play in getting information out to parents about the range of support and services for families with children, a role that is enshrined in the Childcare Act 2006. We recommend:

- All local authorities should maintain a distinct Family Information Service, and that this should provide information, advice and assistance for parents on all aspects of their childcare requirements, as well as outreach to groups who may not be aware of childcare options and support as well as wider family advice services.

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