

REQUEST FOR DIRECTOR DECISION – DD2520

Title: Early Years Business Support Programme

Executive Summary:

London's early years sector is essential in promoting social cohesion, improving school readiness and closing the inequality gap. This has become more important as a result of COVID-19. It is vital for parents who wish to return to work and is a key driver across many of the Mayor's priorities including health, equalities, adult education and the economy.

ADD2459 approved expenditure of £35,000 for research into the provision of sector-specific business support to make recommendations for the wider system to ensure the sustainability of London's early years sector through the transition and recovery phase of the COVID-19 pandemic.

This research shows the urgent need for support with over 60 per cent of nurseries and childminders fearing bankruptcy in the next six to 12 months; rising to 70 per cent in deprived areas. The research brought together evidence from early years practitioners, business support organisations, sector representative bodies and local government. Its recommendations build on the London Business Hub infrastructure and the Mayor's business support offer. It provides a regional platform for stakeholders to support a sustainable and viable support offer to the sector.

This DD seeks approval for £150,000 for activities addressing the research recommendations, to:

- develop an early years sector-specific regional web-based one stop shop and triage tool, hosted on the London Business Hub (www.businesshub.london), as the main access point for business support information, advice and guidance for the early years sector;
- pilot an enhanced personal early years sector-specific business support triage service;
- deliver intensive business support for London's most at risk early years providers in the 2021-2022 financial year that focuses on their sustainability and growth; and
- evaluate the impact of the investment on the take up of business support across the capital's early years providers and on the sector's sustainability.

Decision:

That the Executive Director of Communities and Skills approves:

Expenditure of up to £150,000 in 2021-22 to grant fund an organisation to provide sector specific business support for the London early years sector and an evaluation of its impact.

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities. It has my approval.

Name: Sarah Mulley

Position: Executive Director of Communities and Skills

Signature:



Date:

17 February 2021

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. London's early years sector is essential in promoting social cohesion, improving school readiness and closing the inequality gap between disadvantaged children and their better off peers, something that has become more important as a result of COVID-19. The sector is also essential to the city's economy providing access to high quality early education and childcare, which supports parents who wish to return to work. Quality early education is a key driver across many of the Mayor's priorities including health, equalities, adult education and the economy.
- 1.2. The outbreak of COVID-19 and the mandatory closure of early years settings to most children from March to June 2020, and the subsequent lower and fluctuating number of parents using formal childcare, is predicted to have a significant impact on the medium and long-term sustainability of the sector.
- 1.3. Evidence following the first national lockdown shows that the lack of access to formal early years education had a significant impact on school readiness and mental wellbeing.
- 1.4. Department for Education data from 14 January 2021 shows that only about 38 per cent of the number of children who usually attend early years settings in term-time had returned. Parental demand is predicted to decrease over a prolonged period. This will impact on the early years sectors sustainability and could lead to lack of childcare places as a result of permanent nursery and childminder closures.
- 1.5. COVID-19 has disproportionately affected groups that were in a disadvantaged position before the pandemic. According to research by the Child Poverty Action Group¹, the problems faced by low-income families have been magnified, with 40 per cent of low-income families missing at least one essential resource to support their children's learning. The Thomas Reuter Foundation² has reported that women and low-paid workers are among worst hit by UK coronavirus job cuts.
- 1.6. The GLA commissioned a rapid evidence review on the inequalities in relation to COVID-19 and their effect on London³ and found that mothers were 47 per cent more likely than fathers to have lost their jobs or resigned from their jobs, and 14 per cent more likely to have been furloughed. Women have taken on more childcare responsibilities when working from home, yet more than half of those who needed childcare reported not having sufficient provision in place and that the lack of childcare was a substantial contributor to loss of a job and being furloughed, all of which will have long-term economic consequences.
- 1.7. [ADD2459](#) (August 2020) approved £35,000 for research into the provision of sector-specific business support to make recommendations for the wider system to ensure the sustainability of London's early years sector through the transition and recovery phase of the COVID-19 pandemic; and research into the impact of the COVID-19 pandemic on parental confidence in accessing formal childcare.
- 1.8. The research brought together evidence from early years practitioners, business support organisations, sector representative bodies and local government. Evidence was gathered through surveys and focus groups and followed up with interviews and a roundtable to test and shape recommendations.

¹ <https://www.nurseryworld.co.uk/news/article/coronavirus-has-exacerbated-problems-for-low-income-families>

² <https://news.trust.org/item/20200406125229-0o4qn>

³ [https://data.london.gov.uk/dataset/rapid-evidence-review-inequalities-in-relation-to-covid-19-and-their-effects-on-london#:~:text=The%20Greater%20London%20Authority%20\(GLA,characteristics%2C%20as%20well%20as%20those](https://data.london.gov.uk/dataset/rapid-evidence-review-inequalities-in-relation-to-covid-19-and-their-effects-on-london#:~:text=The%20Greater%20London%20Authority%20(GLA,characteristics%2C%20as%20well%20as%20those)

- 1.9. Findings from this research undertaken in November 2020 by the Early Years Alliance and CEEDA found that over 60 per cent of nurseries and childminders fear bankruptcy in the next six to 12 months; this increases to 70 per cent for those nurseries and childminders located in deprived areas.
- 1.10. The research produced three key recommendations on how the early years sector can be supported through and post COVID-19:
- bring greater coordination and accessibility to the offer of business support for the early years sector in London;
 - deliver a sustainability support initiative across London during 2021-2022; and
 - promote the essential importance of high-quality early childhood education and care to London's employers, parents, carers and the wider public.
- 1.11. This DD seeks approval for £150,000 for activities addressing these recommendations, to grant fund an organisation, partnership or consortium to:
- develop an early years sector-specific regional web-based one stop shop and triage tool, hosted on the [London Business Hub](http://www.businesshub.london) (www.businesshub.london)⁴, as the main access point for business support information, advice and guidance for the early years sector;
 - pilot an enhanced personal early years business support triage service; and deliver intensive business support for London's most at risk early years providers in the 2021-2022 financial year that focuses on their sustainability and growth; and
 - evaluate the impact of the investment on the take up of business support across the capital's early years providers and on the sector's sustainability.
- 1.12. This project will provide a platform for other funders and employers to come together to match-fund a sustainable and viable business support offer to the sector. We will be working with colleagues to lever external support and funding to increase the scale of delivery, particularly of the personal early years business support triage pilot.
- 1.13. The grant funding process will be conducted in accordance with the GLA's Contracts and Funding Code. A competitive process will be used to select the delivery organisation who will be appointed using the standard GLA funding agreement.

2. Objectives and expected outcomes

2.1 Objectives are to:

- increase the knowledge capacity and business acumen of London's early years sector;
- increase the early years sector's resilience and sustainability;
- increase the sector-specific business support offer for London's early years providers;
- offer advice, guidance and practical support to ensure sufficient levels of childcare provision for London parents; and
- build the sector's capacity to respond to future challenges and changes in demand.

2.2 This will be achieved by grant funding an early-years specialist organisation to deliver:

⁴ The London Business Hub is delivered by LEAP, the Local Enterprise Partnership for London. The LEAP brings entrepreneurs and business together with the Mayoralty and London Councils to identify strategic actions to support and lead economic growth and job creation in the capital. LEAP is a non-incorporated consultative and advisory board established by the Mayor under sections 30 and 34 of the Greater London Authority Act 1999.

- collation of resources and links to specialist business advice for the early years sector, with a quarterly refresh (hosted on the London Business Hub);
- promote the business support available to early years settings;
- development of an online business support triage tool;
- pilot an enhanced personal business support triage service targeting early years providers based on a matrix of needs (i.e. deprivation area, type of provider, size of business etc.); and
- intensive business support for London's most at risk early years providers in the 2021-2022 financial year that focuses on their sustainability and growth, including: financial forecasting, budgeting, marketing and human resource management.

2.3 This funding will contribute to the following outcomes:

- growth and long-term sustainability of London childcare provision;
- growth of community businesses and social purpose organisations in London; and
- building and disseminating knowledge and best practice about sustainable business models which secure social infrastructure.

3. Equality comments

- 3.1 Under section 149 of the Equality Act 2010 (the Equality Act), as a public authority the Mayor must have due regard to the need to eliminate discrimination, harassment and victimisation, and any conduct that is prohibited by or under the Equality Act; and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.
- 3.2 This business support for early years settings helps ensure that sufficient childcare places are available for London parents who want to work – especially in deprived areas and for children with protected characteristics, including disabled children.
- 3.3 Findings from the GLA's research undertaken in November 2020 by the Early Years Alliance and CEEDA found that over 60 per cent of nurseries and childminders fear bankruptcy in the next six to 12 months; this increases to 70 per cent for those nurseries and childminders located in deprived areas.
- 3.4 Children from some groups and communities do much worse than their peers, with initial gaps in development widening, as those children get older. There is a gap of 13 percentage points between the highest achieving ethnic group (Chinese) and the lowest achieving ethnic group (Black/Black British). The gap between children eligible for free school meals and their peers is 12 percentage points, up from 11 percentage points in 2018. Children living in the most deprived areas are also behind those living in the least deprived areas, the current gap is at 13 percentage points, up from 12 percentage points in 2018.
- 3.5 Childcare remains one of the biggest barriers to accessing work and training opportunities. This disproportionately affects women, as the primary care givers. Data published by the Office of National Statistics from the Labour Force Survey, shows that 69 per cent of mothers with dependent children in London are in paid work. This is less than the national level.

4. Other considerations

Key risks

Risk	Mitigating Action	Risk Rating RAG: Red/Amber/Green
Potential for increase in Covid-19 infection rate, local and national lockdowns to affect programme delivery.	The programme can be carried out virtually with online workshops and webinars.	Green
Insufficient bids are received	We will work closely with the sector in engage relevant parties in the process	Amber
Business Hub IT infrastructure cannot support the digital and/or enhanced triage support	We are working with Enterprise colleagues to ensure compatibility	Amber

Links to Mayoral strategies and priorities

- 4.1 The proposed research will contribute directly to the following strategies:
- the Health Inequality Strategy identifies the importance of support to parents in the early years and the impact that quality early years provision can have on a child's development and school readiness;
 - the Skills for Londoners Strategy focuses on education and skills with the aim to 'Empower all Londoners to access the education and skills to participate in society and progress in education and work';
 - the Economic Development Strategy identifies the importance of early years and childcare, with access to high quality early years education and childcare providing a 'world class education – which gives every child the best start in life' and
 - the Mayor's 'Inclusive London' Equality, Diversity and Inclusion Strategy.
- 4.2 Activity directly contributes to the London Recovery Missions, in particular to the "Good Work for All" Mission, "Building Strong Communities" and "Robust Safety Net".

Impact assessments and consultations

- 4.3 According to the Early Years Alliance (EYA) survey⁵, fewer than half of parents with young children plan to take up their childcare. Government commissioned research⁶ found that around half (49 per cent) of 0 to 4-year-olds that used formal or informal childcare before COVID-19 have parents that intend to return their child to early years settings
- 4.4 The GLA commissioned research into early years sector-specific business support needs shows that over 60 per cent of nurseries and childminders fear bankruptcy in the next six to 12 months; this increases to 70 per cent for those nurseries and childminders located in deprived areas.
- 4.5 There are no conflicts of interest to declare for any of the officers involved in the drafting or clearance of this decision form.

⁵ <https://www.theguardian.com/education/2020/jun/01/early-years-childcare-sector-at-risk-collapse-england>

⁶ <https://www.ipsos.com/ipsos-mori/en-uk/parents-0-4-year-olds-and-childcare-1st-june-2020>

5 Financial comments

- 5.1 Approval is sought for expenditure of £150,000 in 2021-22 to provide sector specific business support for the London early years sector and an evaluation of its impact.
- 5.2 The expenditure will be funded from the 2020/21 'Recovery Fund' [approved by MD2666] and allocated to the Education & Youth Unit Budget.
- 5.3 The future years budget is indicative and subject to the GLA budget setting process.

6 Legal comments

- 6.1 Sections 1– 2 of this report indicate that the decisions requested of the director concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London; and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people;
 - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
 - consult with appropriate bodies.
- 6.2 In making the decisions requested, the director must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the director should have particular regard to section 3 (above) of this report.
- 6.3 Section 1 above indicates that the contribution of £150,000 amounts to the provision of grant funding and not payment for services. Officers must ensure that the funding is distributed fairly, transparently, in accordance with the GLA's equalities and in manner which affords value for money in accordance with the Contracts and Funding Code.
- 6.4 Officers must ensure that an appropriate funding agreement is put in place between and executed by the GLA and the recipient before any commitment to fund is made.

7 Planned delivery approach and next steps

Activity	Timeline
Scope and develop early years sector-specific business support offer and One Stop Shop service	Feb 21
Application process	Feb – March 2021
Grant Award	April 2021
Delivery Start Date	April 2021
Delivery End Date	March 2022
Evaluation and dissemination of findings	Feb – March 2022

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Magda Balicka has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Jazz Bhogal has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

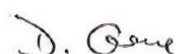
Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 15 February 2021.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature



Date

17 February 2021