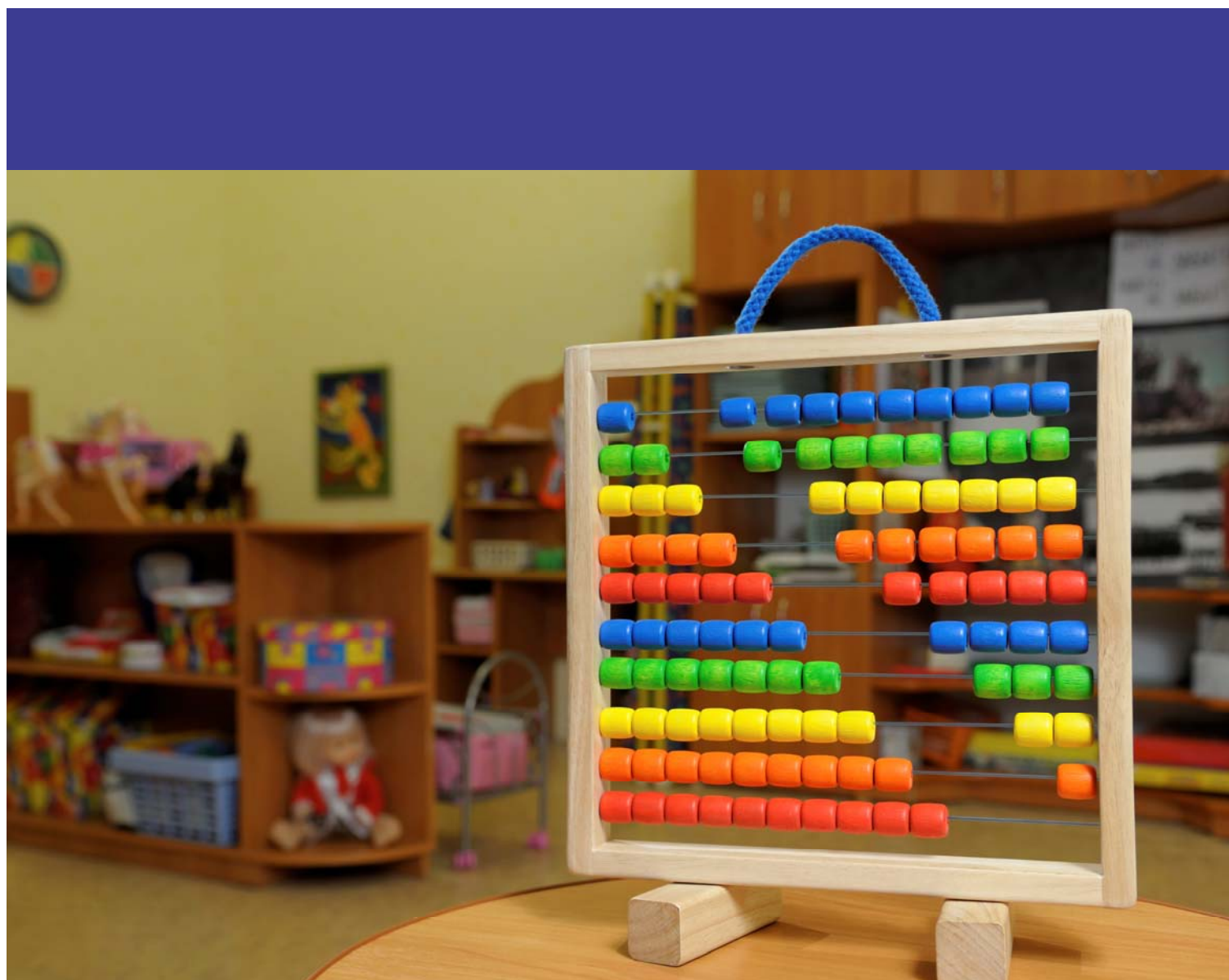


Tackling childcare affordability in London

February 2012



Copyright

**Greater London Authority
February 2012**

Published by
Greater London Authority
City Hall
The Queen's Walk
More London
London SE1 2AA
www.london.gov.uk

enquiries 020 7983 4100
minicom 020 7983 4458

ISBN 978-1-84781-494-4

This publication is printed on recycled paper

Health and Public Services Committee Members

Victoria Borwick	Conservative, Chair
Navin Shah	Labour, Deputy Chair
Richard Barnes	Conservative
Andrew Boff	Conservative
Nicky Gavron	Labour
Richard Barnbrook	Independent

Health and Public Services Committee terms of reference

To examine and report from time to time on:

- the strategies, policies and actions of the Mayor and the Functional Bodies
- matters of importance to Greater London as they relate to the promotion of health in London and the provision of services to the public (other than those falling within the remit of other committees of the Assembly) and the performance of utilities in London.

To consider health matters on request from another standing committee and report its opinion to that standing committee

To take into account in its deliberations the cross cutting themes of: the achievement of sustainable development in the United Kingdom; and the promotion of opportunity

To respond on behalf of the Assembly to consultations and similar processes when within its terms of reference

Chair's foreword

There is a large body of research that shows how good quality childcare has a positive effect on children's social and emotional development whatever their background. Analysis of the Millennium Cohort Study¹ shows big differences in cognitive development between children from rich and poor backgrounds at the age of three, and this gap widens by age five. There were similarly large gaps in young children's social and emotional well-being at these ages. Children from poorer backgrounds also faced much less advantageous 'early childhood caring environments' than children from better-off families. This impacts on health inequalities, and a range of other social issues as the child matures.

Quality childcare provision also benefits the London economy. As parents return to work after the birth of their children they resume careers, create growth and pay taxes. To this end we have looked at Londoners' access to childcare and early educational settings - for some parents this may be the first time they have entrusted the care of their child to someone outside of their family, and thus it is very important that early childcare is of good quality and meets all the safeguarding requirements.

London parents face a number of hurdles to accessing childcare. Many families simply can't afford to use childcare because it costs more than their wages. Many parents struggle with the complexities and inflexibilities of different schemes that aim to help them to access childcare.

We understand that a great deal is happening to make it easier for parents to access and afford childcare. However, we think that all levels of government can do more so that London families are all able to reap the benefits of good quality childcare and education. Our report sets out a number of practical recommendations which are designed to tackle London's "affordability gap" for the benefit of young Londoners and their parents.

I would like to thank all those who have contributed to this report, but especially the hundreds of London parents and providers who shared their valuable insights and experiences.

Victoria Borwick
Chair of the Health and Public Services Committee

Contents

Executive Summary	8
The benefits of affordable childcare	10
Why is childcare affordability more of an issue for Londoners?	12
Making childcare more affordable	16
Conclusions	28
Appendix 1 How we conducted the review	29
Appendix 2 Key facts and terms	32
Appendix 3 Recommendations	37
Appendix 4 Orders and translations	38
Endnotes	39

Executive Summary

The exceptionally high cost of childcare in the capital is a major barrier to employment

The exceptionally high cost of childcare in the capital is a major barrier to employment. Childcare costs up to a third more in London than the rest of the country², but Londoners do not get extra financial support to help cover these higher costs. People in London tend to work longer hours and have longer commutes than people elsewhere.³ This means that they tend to need more hours of childcare, often outside standard hours, which increases their childcare costs further. In addition, Londoners tend to have less access to relatives who can help reduce the cost of childcare.⁴ All of these interrelated factors lead to a situation where many parents on low to middle incomes find that working is simply unaffordable. As a consequence, London has the lowest level of maternal employment in the country. Just over half of London mothers with dependent children work compared to almost two thirds across the UK.⁵

Affordable, high quality childcare can bring benefits to children, their parents, and the Exchequer. Good quality early education boosts children's development; and this is especially the case for children from deprived backgrounds.⁶ Access to affordable childcare can enable parents to work, increasing their family's income, and helping to reduce child poverty. Increasing parental employment also leads to decreased welfare dependency, and higher tax revenues for the Exchequer.⁷

This report sets out the Committee's findings about the barriers Londoners face in affording childcare; reviews the government's role in improving access to childcare, and puts forward proposals as to what more can be done to support families across all income levels. Tackling childcare affordability is an urgent priority, as childcare costs and other household bills continue to rise and more and more families struggle to make ends meet.

There is scope for all levels of government to do more to make childcare more affordable

The Committee found that 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.

The focus of this report

This report focuses on childcare and early years education for children aged 0 to 5, until they start reception class at school. The Committee chose to focus on this age group, since childcare for this group is the most expensive, and perhaps the most important for enabling parents to stay in or get back into work.

The childcare market for this age group is diverse and fragmented, with a wide range of private, public and third sector providers. In this report, childcare has been defined as formal care or early education provided by a childminder, Children's Centre nursery, private or voluntary sector run nursery, pre-school, nursery class in a primary or infant school, nursery school, nanny or au pair. We have not included informal arrangements with relatives and friends, or crèches. Further information about different types of childcare can be found in Appendix 2.

The benefits of affordable childcare

Affordable childcare can bring benefits to children, their parents, and the Exchequer. It can enable parents to work which can lead to reduced welfare dependency and increased tax revenue.⁸ Good quality early education can also bring benefits to children, boosting their development and giving them a head start on the skills they need at school, and this is especially the case for children from deprived backgrounds. However, the high costs of childcare in the capital mean that Londoners find it more difficult to access childcare, and the benefits it can bring.

Affordable childcare increases female employment

Access to affordable childcare is associated with high rates of maternal employment. In countries with good provision of high quality, affordable childcare – such as Sweden and Denmark – maternal employment rates are more than 75 per cent, compared to an average maternal employment rate across OECD countries of 61.4 per cent.⁹ Affordable childcare can also enable parents to increase their employment prospects through studying or training.

Poor access to affordable childcare is a barrier to employment.¹⁰ As Table 1 shows, only around half of London mothers are employed, compared to around two thirds of mothers nationally. Interestingly the employment rates for women with no dependent children are the same in London as in the rest of the UK. These findings suggest that London mothers face particular challenges in making employment a viable option. These challenges include the high cost of childcare in the capital, and are explored further in section three. It is important to note that not all women with young children want to work. A national survey of women with children aged 12 to 18 months who were not working found that a significant minority – more than one in five – had made a positive decision not to work.¹¹

Table 1 Employment rates for women in London and the UK 2008/09¹²

Employment rate	London	UK
Women with dependent children	53%	65%
Women with no dependent children	78%	78%

Affordable childcare benefits children

Increasing a family's income through employment can help to reduce child poverty. Child poverty is a particular concern in the capital since four in ten children live in poverty once housing costs are taken into account.¹³ This level of child poverty is higher than any other region. Children living in poverty are more likely to be in poor health, struggle at school and live in poverty as adults.¹⁴

A significant body of research shows that high quality early years' education (for children aged three to four) through childcare settings can have a positive impact on children's development. Good quality early education has been shown to help social, cognitive and language skills, particularly for children from deprived backgrounds. It can also give non-English speakers the chance to learn English before they start school.¹⁵ Parents appreciate the learning and development opportunities their children have at childcare settings, with parents in one area of the capital citing this as their primary reason for using childcare.¹⁶

Therefore, ensuring that children from deprived backgrounds have access to good quality affordable early education should be a key part of early intervention programmes. These programmes aim to tackle the negative impact of deprivation on educational attainment and life chances, to make it more likely that these children will do well inside and outside school, and less likely that they will get involved in criminal behaviour. However, children from the most deprived backgrounds are the least likely to access childcare and early education¹⁷, and are therefore least likely to benefit from it. This is a particular issue for London, where levels of deprivation are higher than elsewhere.¹⁸

Good quality early education has been shown to help social, cognitive and language development, particularly for children from deprived backgrounds

Why is childcare affordability more of an issue for Londoners?

The particular problems Londoners face in affording childcare result from a number of interrelated factors. Childcare costs more in London than elsewhere in the UK, but Londoners lack the extra financial support necessary to close the affordability gap. The high costs of living and working in London make childcare even less affordable. Londoners tend to have less access to help from relatives to reduce childcare costs. In addition to all these London specific factors, reductions in local authority budgets are starting to have an impact on the availability of affordable childcare.

Higher costs of childcare – but no higher levels of financial support

In London, childcare costs can be “eye-wateringly high”¹⁹ with prices up to a third more than the national average.²⁰ The costs of childcare in London, compared with the national average are shown in Table 2 below:

Table 2 – average weekly costs of childcare (based on 25 hours of care)

	Nursery (under 2)	Nursery (2 and over)	Childminder (under 2)	Childminder (2 and over)
London average	£119	£113	£119	£116
Britain average	£96	£94	£90	£88
How much higher are London average costs	24% higher	20% higher	33% higher	32% higher

Source: Daycare Trust Childcare Costs Survey 2011 quoted in Daycare Trust’s written submission

A full-time place in a London nursery can cost up to £22,100 a year in the most affluent areas

A full-time place in a London nursery can cost up to £22,100 a year in the most affluent areas²¹, which means that even middle-income parents can find childcare prohibitively expensive. The problem is particularly acute for families with two or more young children:

“I feel priced out of work. I earn £40k, pro rata, working 3 days per week. I bring home £1,500 [a month]. In my area the cost of... nursery for 2 children would be £1,800.” London parent from our survey

The high cost of childcare in the capital has a direct impact on parents' decisions about working. Of the London parents we surveyed, 63 per cent said the cost of childcare had affected their decision about whether or not to work, and 73 per cent stated it affected how many hours they work.²² One of London's Work Programme Providers who help people find employment explained how childcare costs can affect decisions about the type of job parents take. They gave the example of a lone parent who was better off moving into a part-time role at a supermarket as opposed to a full-time administrative role with much higher pay because of the significantly higher childcare costs involved with the full-time administrative role.²³ The following quotes from parents we surveyed show how childcare costs impact on employment options:

"They (childcare providers) are all really expensive - I actually have to pay to go to work at the moment just to keep my career going."

"I am unable to work - not through choice - but because my local salary would not cover the cost of childcare for two children"

"My 6 year old went to full time nursery... [which cost] me over £1,000 per month. With my second son, I decided to give up my job and struggle on my husband's salary, putting my career on hold because of the extortionate rates you have to pay."

Childcare costs are rising. In 2010, the average cost of a nursery place rose by 5.1 per cent nationally.²⁴ At the same time, many other household costs – such as utilities, fuel and food – are also rising. The squeeze on family finances means that 72 per cent of the London providers we surveyed think that parents are finding it more difficult to pay for childcare than they were a few years ago.²⁵

In 2010, the average cost of a nursery place rose by 5.1 per cent nationally

Despite the higher costs of care, Londoners are not entitled to higher levels of financial support than parents elsewhere. The maximum amount families can claim towards their childcare costs through government schemes such as tax credits are set nationally and not based on the local childcare market costs. This means that Londoners who are eligible for tax credits can claim a lower proportion of their costs than those who live in areas where childcare costs are lower. More information about tax credits and other forms of financial support can be found in Appendix 2.

Higher costs for childcare providers

The main reason behind London's higher childcare fees is providers' higher costs.

The majority of providers' costs come from staff and accommodation, which are both considerably higher in London than elsewhere. For example, ground floor nursery rents are £100 to £250 per square metre in London, compared to £40 to £60 for Stockport in Greater Manchester. Staff costs are 20-30 per cent higher in London.²⁶ Staff and accommodation costs are also both difficult to reduce, because of the need to meet regulations in terms of staff ratios and qualifications, and in terms of the safety and suitability of premises. A desire to deliver high quality provision also reduces opportunities to reduce staff and accommodation costs.

The high costs of delivering a childcare service in the capital mean that most London providers do not make a profit. In fact, a survey of providers in 2010 showed that just 26 per cent of London providers make a profit – the second lowest rate in the country.²⁷

The costs of living and working in London add to the affordability challenge

Londoners' longer commutes and longer working hours add to their childcare costs

Londoners' longer commutes and longer working hours add to their childcare costs. Londoners have longer commutes than workers in other parts of the country. More than half of Londoners (56 per cent) have to commute for more than 30 minutes to get to work, compared to one in five in the rest of the country.²⁸ Londoners also tend to have longer working hours than others, with 23.4 per cent of Londoners working 45 hours a week or more, compared to 18.7 per cent in the rest of the UK. Longer hours and long commutes can add to Londoners' childcare bills, as many providers charge by the hour. In addition, childcare outside the standard hours of 8am to 6pm tends to be more expensive, and harder to find.²⁹

Other aspects of London's labour market make it harder for parents to make work pay. The London labour market is characterised by relatively low pay in comparison to the cost of living. There is a lower proportion of part-time jobs than in other regions. There is also a comparatively high gender pay gap, with women being paid significantly less than men in similar roles.³⁰ All of these characteristics make it more difficult for London parents, especially mothers, to find jobs that are affordable and

fit in with their family's needs, once high childcare costs are taken into account.

Other factors exacerbate the higher price of childcare for families in the capital. Higher travel, living and housing costs mean that Londoners with childcare costs have to find jobs with considerably higher pay than those in other areas for work to be a viable option.³¹ Recent research found that 40 per cent of a London family's income goes on childcare and travel, compared to 26 per cent for families outside the South East.³²

A lack of informal childcare to help reduce costs

Londoners are less likely than people in any other region to have access to informal childcare to reduce their childcare costs. Only one in five London families uses grandparents and others to help with childcare, compared to one in three across England.³³ The main reason for this lack of informal childcare is that Londoners tend to live far away from their extended families. More than half of the children born in London in 2009 have mothers who were born outside the UK.³⁴ The lack of informal care can be a particularly acute issue for London's higher-than-average number of lone parents³⁵, who do not have a partner to share childcare responsibilities with.

Londoners are less likely than people in any other region to have access to informal childcare to reduce their childcare costs

Cuts to affordable childcare

Local authority budget cuts are reducing the amount of affordable childcare that is available. Boroughs are having to make difficult funding decisions in all of their service areas, including childcare and early education. In some areas, this is leading to reductions in the number of hours of free early education available, or to consultation on the closure of Children's Centres that include affordable nurseries.³⁶

Local authorities are also reducing the amount of support available to childcare providers. A number of London boroughs used to provide free training for childcare staff, and offer childcare premises at a reduced rate. However, the Committee had heard from a number of providers in different areas that this kind of support for childcare providers is being withdrawn or reduced.³⁷ Increasing providers' training and accommodation costs is likely to lead to increased fees for parents.

These local authority budget cuts could have a disproportionate effect in London, where affordable childcare is harder to find, and costs for childcare are already higher.

Making childcare more affordable

The high costs of London's childcare mean that many parents, particularly mothers, are unable to work and contribute to the capital's economy. This situation is likely to get worse, as childcare costs and travel costs continue to rise.

London's economic output is central to the UK's economy. Although London has just 13 per cent of the UK population, in 2010 it produced 21.5 per cent of the UK's Gross Value Added (£274 billion). London also raises considerably more in tax than it spends – in 2009/10 London's net contribution to the Exchequer was calculated as approximately £1.4 billion.³⁸ Consequently, strong economic growth in London benefits the whole country. Therefore, tackling barriers to employment that disproportionately affect Londoners should be a priority for all levels of government.

Central, regional and local government all need to play a role in helping to tackle the barriers to affordable childcare

Central, regional and local government all need to play a role in helping to tackle the barriers to affordable childcare. 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 has no statutory role in improving access to childcare, but could play a useful role in investigating how to improve access to early education in childcare settings, and promoting the use of childcare vouchers as a way of reducing 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 vital.

The role of central government

The Government funds a range of financial support to help families pay for childcare. There are three main types of support, which all make a positive difference in enabling parents to afford childcare.

- Free Early Education Entitlement is a government-funded scheme that enables all three- and four-year-olds to access 570 hours of free early education a year (which equates to 15 hours a week for 38 weeks a year ie school term times). Families can access the free entitlement through a range of Ofsted-approved providers, including Children's Centre nurseries, nursery classes at primary schools, private day nurseries, pre-schools and childminders. The free entitlement for three and four year olds is currently funded

through the non-ringfenced Dedicated Schools Grant paid to local authorities from central government³⁹.

- The free entitlement scheme is being extended to disadvantaged two-year-olds. By 2014/15, local authorities will be expected to offer the free entitlement to the 40 per cent most disadvantaged two year olds in their area. The extension of the free entitlement for two year olds is currently being funded through the Early Intervention Grant paid to local authorities by central government.⁴⁰
- The childcare element of Working Tax Credits is available to parents on low to middle incomes who work at least 16 hours a week. It pays up to 70 per cent of the costs of childcare, up to a maximum level of £175 per week for one child and £300 per week for two or more children.
- Childcare vouchers are available to all working parents whose employers offer them. They enable working parents at all income levels to reduce their childcare costs by purchasing childcare vouchers from their salary before tax and National Insurance. The voucher scheme can reduce childcare costs by up to £2,390 a year if both parents are able to claim the maximum amount.⁴¹ This scheme is particularly important for middle-income families who are not eligible for other kinds of financial support, but who still struggle to pay for childcare.

The Government's "Get Britain Working" agenda aims to redesign employment support services and the welfare system in order to ensure that work always pays.⁴² The cost of childcare can be a major barrier to employment for many parents, and especially those in the capital. Increasing access to affordable childcare needs to be at the heart of the "Get Britain Working" agenda if it is to achieve its aim of making work pay. Universal Credit is a new benefit that is at the heart of this agenda. It will replace existing out-of-work benefits, tax credits (including the childcare element) and housing support. For more information about the types of financial support, see Appendix 2.

The rest of this section describes how Universal Credit and the free entitlement to early education scheme need to be designed to help ensure childcare affordability is not a barrier to employment for Londoners. It explains that the funding for both these types of support need to be reweighted to ensure Londoners are not disadvantaged because of their higher childcare costs.

Increasing access to affordable childcare needs to be at the heart of the "Get Britain Working" agenda if it is to achieve its aim of making work pay

Universal Credit: benefitting Londoners?

Universal Credit will be designed to reduce worklessness and ensure that work always pays. So, for example, the childcare element of Universal Credit will be available to parents who are working less than 16 hours a week. In contrast, under the current system of tax credits, parents can only claim the childcare element if they work more than 16 hours a week. The proposed change offers a potential route back into work for many parents. Furthermore, because Universal Credit will replace a range of benefits with one single benefit, it should be easier to understand and administer than the current system.⁴³

Under Universal Credit, a London couple with two children would be £2,000 per year worse off than a couple living elsewhere if both move into work, because of higher childcare costs

However, there are concerns that Universal Credit will disadvantage Londoners. Research for London Councils found that, under Universal Credit, Londoners will be worse off than people in the rest of the country if they move into work.⁴⁴ This inequity is linked to higher costs for childcare, transport and housing, and relatively low pay in the capital. It is also linked to the fact that under the current proposals for Universal Credit the maximum amount that a family will be able to claim towards childcare is set nationally, rather than varying based on local childcare costs. As a result of these factors, the analysis for London Councils found that under Universal Credit, a London couple with two children would be £2,000 per year worse off than a couple living elsewhere if both move into work, because of higher childcare costs.⁴⁵

The amount of financial support people can claim towards their childcare bills should depend on local childcare costs, to ensure those in more expensive areas are not disadvantaged. London Councils and a number of boroughs⁴⁶ all told the Committee that in order to ensure equity for Londoners there would be value in varying the maximum amount people can claim based on the local childcare market. This change would be in line with the current design of the housing element of Universal Credit which takes local housing market costs into account. The Committee supports this view, and therefore calls on the Minister for Welfare Reform to ensure that the childcare element of Universal Credit is designed in a way that does not disadvantage Londoners who face significantly higher childcare costs

Recommendation 1

The Minister for Welfare Reform should develop the childcare element of Universal Credit so that the maximum amount families can claim varies according to local childcare costs.

Making the free entitlement work better

In London, the free entitlement to early education scheme is not as successful as it might be in making childcare more affordable. Uptake of the scheme in London is the lowest in the country: just 76 per cent of children receive their free entitlement hours, compared to 86 per cent nationally.⁴⁷ There are a number of reasons why this could be the case, including Londoners' need for more flexible childcare solutions than the free entitlement provides, a lack of awareness about the provision among some groups and the high costs of childcare outside the free hours.

The way the free entitlement is delivered in certain childcare settings does not suit most working parents. Most nursery classes attached to primary or infant schools provide the free entitlement through set three-hour sessions on Mondays to Fridays during term times only. Most of these settings do not allow parents to top up their free hours by buying extra hours of care. This model of five three hour sessions a week does not fit in with most people's working hours. For example, a nurse who works two 12 hour shifts a week would need childcare to cover these two 12 hour working days, as well as her travel time. A mother who works for three days a week, eight hours a day with an hour's commute would need childcare for 10 hours a day on three days a week. A nursery class attached to a school that provides five three hour sessions a week would not be a viable childcare option for either of these working parents.

Many private and voluntary sector providers offer a more flexible way of delivering the free entitlement that better suit working parents. They tend to be more flexible about enabling parents to combine their free entitlement hours with paid-for hours, and about enabling parents to take their free entitlement hours over fewer days than nursery classes attached to schools do. However, parents often have to pay high prices outside the free entitlement hours, making this solution unaffordable for many.

The Committee welcomes the Government's proposals to deliver free entitlement more flexibly, as outlined in the consultation document: *Proposed Changes to the Entitlement to Free Early Education and Childcare Sufficiency*.⁴⁸ This document include proposals for the free entitlement to be taken over a minimum of two days rather than three, with a maximum of 10 hours care being delivered on any one day. These proposals could offer a better solution for working parents, and therefore **the Chair of the Committee will write to the Department for Education to support its proposals for greater**

flexibility in delivery of the free entitlement. The Committee will ask the Department to try to ensure that nursery classes attached to primary and infant schools in particular consider more flexible ways of delivering the free entitlement to better suit working parents.

Overall, London providers receive an average of four per cent more to deliver the free entitlement than the England average, even though their staffing and accommodation costs are significantly higher. As a result, 80 per cent of London nurseries surveyed found that the free entitlement funding did not cover their costs, compared to 60 per cent nationally.⁴⁹ Many providers feel that the discrepancy between the funding they receive and the costs they face mean that the free entitlement is unsustainable. Providers are therefore considering stopping delivering the free entitlement, or increasing parents' fees outside the free hours.⁵⁰ Both of these responses will reduce the availability of affordable childcare.

"For several years now, many [providers] are not getting paid at a rate that covers their costs. In order to meet their overheads, many have little alternative but to recover these losses through increases to fees in hours outside [the free entitlement]" [Written submission: NDNA]

London childcare providers need to receive higher funding levels for delivering the free entitlement to ensure that it is a sustainable programme

London childcare providers need to receive higher funding levels for delivering the free entitlement to ensure that it is a sustainable programme. Several boroughs and providers have highlighted the need for free entitlement grant funding from central government to better reflect London providers' higher costs.⁵¹ Other boroughs that submitted views have stated that London providers need higher subsidy levels to offset their higher costs.⁵² Childcare for children aged two and above costs on average 20-32 per cent more in London.⁵³ There is no evidence that London childcare providers get higher profits than providers in other areas.⁵⁴ Therefore, it is possible to conclude that London childcare providers' costs are likely to be around 20-32 per cent higher than providers across the rest of the country. It therefore seems likely that London providers would need somewhere in the region of 20 to 32 per cent higher funding for delivering the free entitlement than the national average. However, it should be noted that these are average costs for the whole of London, and there is variation in costs within the capital.

The Committee therefore calls on the Department to explore the possibility of reweighting the level of early education free entitlement grant funding in the Dedicated Schools Grant to take more account of

the local childcare market costs, so that Londoners are not paying an unfair premium.

Recommendation 2

The Department for Education should explore the possibility of reweighting the level of grant funding given to local authorities for the free entitlement to early education so that this funding takes more account of the local costs of provision.

The role of the Mayor

The Mayor has previously supported projects to improve access to affordable childcare, despite not having a statutory role in this area. Because of the importance of affordable childcare to London's economy and to tackling child poverty, the previous Mayor supported a range of projects to improve access to childcare, including the Childcare Affordability Programme. The Childcare Affordability Programme (CAP) enabled thousands of parents to find and stay in work through subsidising childcare places and providing employment support. The current Mayor continued funding for CAP until 2011. Under the current Mayor, the London Development Agency (LDA) commissioned research into the London childcare market⁵⁵ to assess whether there were any market failures that could justify Government intervention. The report from this research concluded that there were no real market failures, but that there were some inequalities in access or 'equity failures' that meant some Londoners have poor access to high quality, affordable childcare. However, the Mayor is no longer funding or supporting any projects to increase access to affordable childcare.

The Mayor could, however, take on more of a strategic role in improving access to affordable childcare. Access to affordable, high quality childcare fits in with a number of Mayoral priorities, such as the Economic Development Strategy's commitment "to ensure that all children in London get a good start in life"; the Mayor's pledge to work with partners to help tackle child poverty; and the Mayor's pledge to promote gender equality.⁵⁶ The Committee has therefore concluded that tackling barriers to affordable childcare should become part of the Mayor's programme of work. The Mayor's role could usefully include research into improving access to early education, as well as work to encourage employers to set up childcare voucher schemes. These proposals are explored further in the rest of this section.

The Mayor could take on more of a strategic role in improving access to affordable childcare

Including early education in the Mayor's Inquiry into Education

The Mayor recently launched an Inquiry into Education.⁵⁷ One of the inquiry's aims is to assess what can be done to improve educational attainment among certain minority ethnic groups and children from disadvantaged backgrounds.

London children are the least likely to access early education and benefit from the positive impacts it can have on social, emotional and physical development. Children from disadvantaged backgrounds and those from Black African, Bangladeshi, Pakistani and Indian ethnic groups are also less likely to access early education than those from other backgrounds.⁵⁸ The reasons behind the lower take-up of free education include a lack of awareness about the free entitlement and the benefits of early education; and issues with affordability.⁵⁹ However, more research is needed into what could be done to increase uptake.

*There are fewer
high quality
childcare and early
education
providers in more
deprived areas*

The recent LDA funded research into the childcare market found evidence that there are fewer high quality childcare and early education providers in more deprived areas.⁶⁰ This 'equity failure' means that children in more deprived areas are less likely to receive a high quality early education than those in more affluent areas.

The Mayor's education inquiry should therefore look into what can be done to increase uptake of early education among Londoners. In particular it should research the reasons for lower uptake among certain minority ethnic groups and disadvantaged groups, and whether more could be done to tackle the higher proportion of low quality providers in more deprived areas.

Recommendation 3

The Mayor should include improving access to early years' education within his education inquiry, including a focus on tackling London's low uptake of the free entitlement to early education for three and four year olds.

Boosting the availability of childcare vouchers

Increasing the availability of childcare vouchers would greatly benefit London parents. The childcare voucher scheme helps parents at all income levels to reduce their childcare costs by enabling them to pay up to £243 per month towards their childcare costs before tax and National Insurance are taken off. Importantly, as well as helping employees, voucher schemes actually reduce employers' costs by reducing the amount of National Insurance they have to pay for their employees by hundreds of pounds per employee per year.⁶¹ In addition, a number of agencies administer childcare voucher schemes on behalf of employers. However, employers do not have to offer a childcare voucher scheme and only a minority do so.⁶²

Increasing the availability of childcare vouchers would greatly benefit London parents

Given the Mayor's role in advocating for London's business community, he could usefully take on responsibility for publicising the benefits of childcare vouchers to employers and encouraging employers to set up a childcare voucher scheme. This work could initially be focused on medium and large employers (those with 50+ employees). He could undertake this work in conjunction with employer consortia such as London First.

Recommendation 4

The Mayor should run an information campaign to encourage London employers to offer childcare voucher schemes. The Mayor should undertake this work by November 2012.

The role of local authorities

Local authorities play a crucial role in enabling parents to access childcare, but their resources are under increasing pressure. Local authorities have a statutory duty to assess whether the local childcare market meets parents' needs, and to take action when this is not the case. They also have to provide information and advice (usually through a Family Information Service) to help families to find the right childcare, and to access financial support to help pay for it.⁶³

Local authorities' budgets are under increasing pressure and this is affecting childcare services. Recent budget cuts have led to almost three quarters (72 per cent) of London Family Information Services experiencing staffing cuts.⁶⁴

The Committee has heard about a number of borough-led projects that could make a real difference to childcare affordability

Good practice in helping parents afford childcare

Despite resource pressures, the Committee has heard about a number of borough-led projects that could make a real difference to childcare affordability. These range from schemes to reduce upfront costs, to programmes that aim to ensure parents are well informed about the financial support available to them.

In Hillingdon, the local authority has worked with Daycare Trust and a local credit union to provide low interest loans to help parents to pay upfront childcare costs. Many childcare providers ask for up to a month's fees in advance, on top of a large deposit, which can be very difficult for parents to afford – especially if they have been out of the labour market for some time. The scheme allows parents to pay back the loan over a term of up to a year at an interest rate of one to two per cent.⁶⁵

The London Borough of Enfield has set up a “Barriers to Take Up” Steering Group to help ensure families are well informed about financial support. This group's work includes an income maximisation campaign to explain to parents what support is available, and how different benefits interact.⁶⁶ Improving information and advice about financial support was a key concern for parents who responded to our survey. In fact only around a third (36 per cent) of the parents we surveyed felt well-informed about financial support in relation to childcare.⁶⁷

The London Borough of Bromley Family Information Service (FIS) is working in partnership with other frontline services such as Health Visitors, Job Centre Plus, community groups and Citizens Advice Bureau to distribute information about childcare and relevant financial support. This approach of engaging a range of frontline staff in distributing information about financial support should be an effective way of ensuring parents know about the help they can get despite cuts to Family Information Service resourcing.⁶⁸

More could be done to promote good practice in tackling the barriers to affordable childcare across the capital. London Councils could play a useful role in promoting good practice across all London boroughs, perhaps through a good practice sharing seminar or series of events. The London Forum of the National Association of Family Information Services (NAFIS) could be well-placed to support this work.

Recommendation 5

London Councils should promote good practice in improving access to affordable childcare across London. It should draw up a plan for this work by June 2012.

Preventing the loss of affordable childcare at Children's Centres

Local authority budget cuts are potentially leading to reductions in the amount of affordable childcare parents can access, because Children's Centre nurseries are under threat. Until April 2011, local authorities had a statutory duty to provide daycare at Children's Centres in the most deprived areas for five days a week. This duty meant that there was a good network of affordable nurseries attached to Children's Centres across the capital. However, a combination of local authority budget cuts, the removal of a ringfenced budget for Children's Centres and the government's decision to drop the statutory duty to provide full daycare at Children's Centres in deprived areas⁶⁹ mean that the future of Children's Centre nurseries is uncertain. A national survey showed there had been a 20 per cent drop in the number of Children's Centres with full daycare between 2009 and 2010, and it is likely that this trend will continue.⁷⁰ Some London boroughs have already decided to close Children's Centres that include nurseries, or have been consulting on closures.⁷¹ Figures 1 and 2 overleaf show the current distribution of Children's Centres with nurseries across the capital. The Committee will revisit these maps over the next year or so to assess changes to the number of Children's Centre nurseries in the capital.

The Committee has heard that local authority budget cuts are leading to reductions in the amount of affordable childcare London parents can access

Figure 1 – Map showing Children’s Centres with nurseries in London⁷²

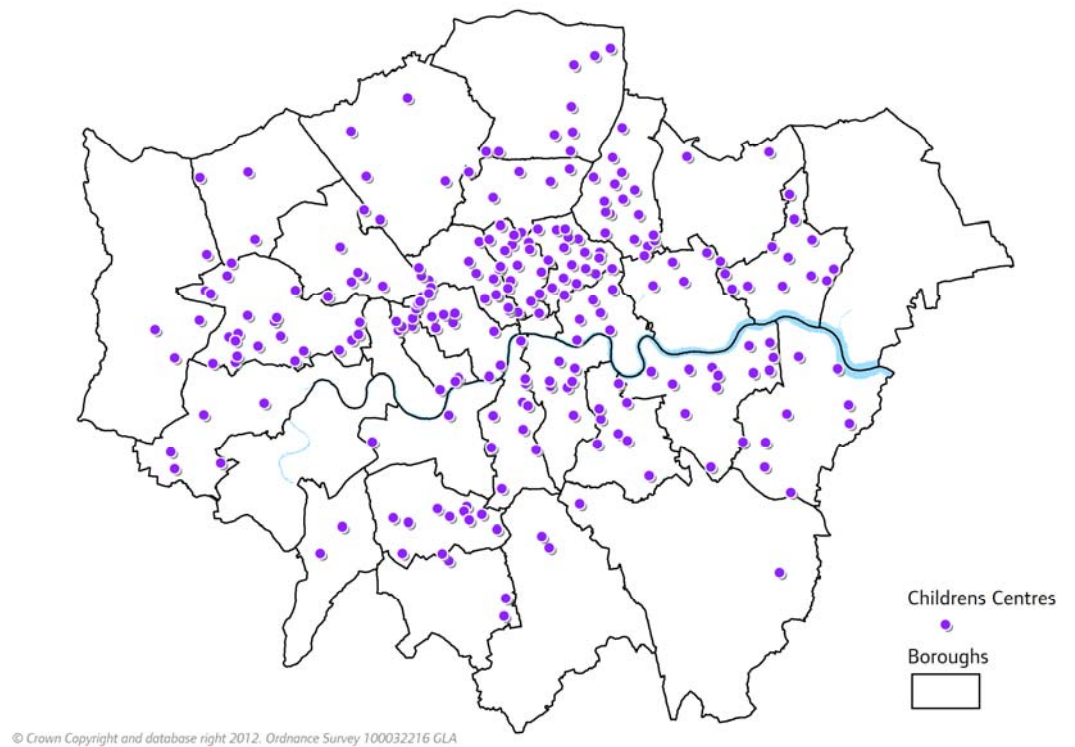
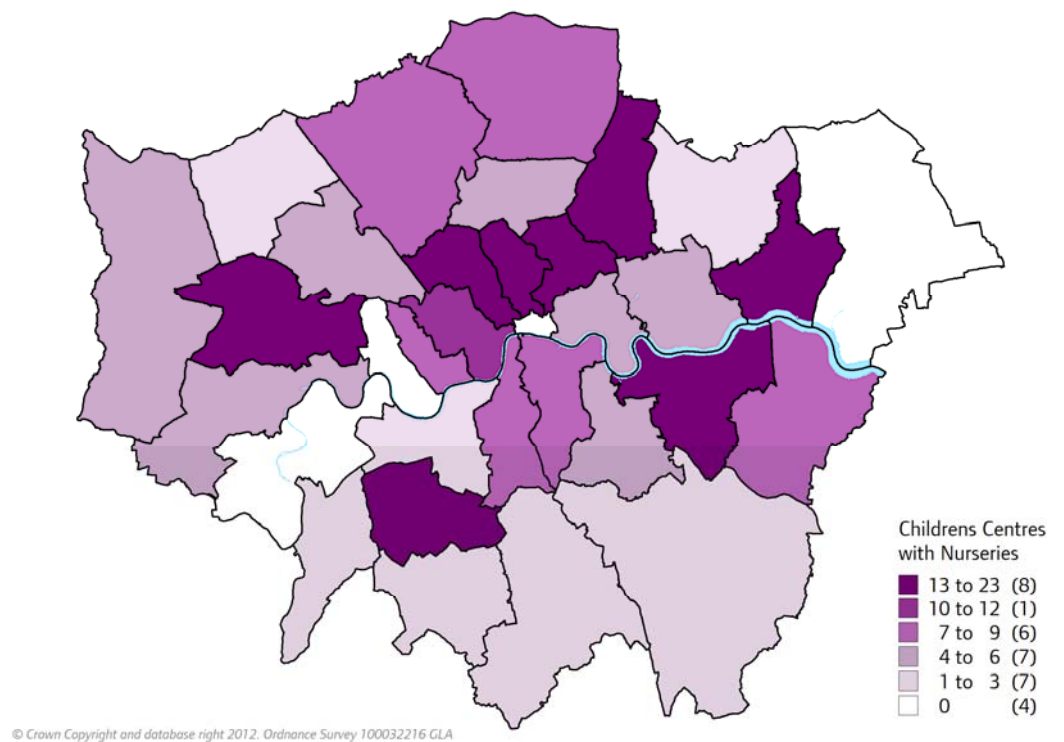


Figure 2 – Map showing number of Children’s Centres with nurseries per London borough⁷³



Urgent action is needed to minimise the potential impact of Children's Centre nursery closures. The Committee has heard that social enterprises in London have demonstrated their ability to run affordable nurseries without local authority subsidies, and other organisations may also be able to successfully take on this role. Social enterprises manage to deliver more affordable childcare through a range of techniques including varying parents' fees depending on their ability to pay, cross subsidising parents' fees with money raised through training and consultancy work; and by their ability to put surpluses back into the business.⁷⁴

The Committee has therefore concluded that it would be valuable for London Councils to set up a register of organisations which may be willing to run Children's Centre nurseries if local authorities can no longer afford to do this. Boroughs could then use this list to gather bids from organisations which could potentially take over the running of Children's Centre nurseries. In order to ensure the quality of these nurseries, only providers which have settings with highly graded Ofsted ratings should be allowed to go onto the register. Furthermore, boroughs should work with organisations that take over Children's Centre nurseries to ensure that parents who need the provision most are able to access it.

Recommendation 6

London Councils should develop a register of organisations willing to consider managing and running nurseries linked to Children's Centres, and maintaining them as affordable childcare options, and make this register available to all London boroughs. They should set this register up by June 2012.

Conclusions

Good quality childcare can help children's development, can make it possible for parents to work, and can improve families' living standards. However, in London, the combination of higher childcare costs, longer working hours and commutes, a lack of extra financial support and a lack of informal care mean that employment is simply not a workable option for many Londoners. This is a particularly pressing issue for the capital's mothers who struggle to find childcare that is affordable enough to make work possible. The Committee is therefore calling on local authorities, the Mayor and the government to help tackle the barriers to affordable childcare to prevent Londoners from being locked out of employment. In order to achieve this, the Committee has concluded that:

- The Government should re-weight the funding for the free entitlement and Universal Credit to take more account of the local costs of childcare;
- The Government should increase the flexibility of the free entitlement, so that it better suits the needs of working parents
- the Mayor should include improving access to early education in his Inquiry into Education;
- the Mayor should encourage employers to set up childcare voucher schemes so that they are available to more Londoners;
- London Councils should work to share and promote good practice in improving access to affordable childcare across London;
- London Councils should set up a register of organisations that could take over the running of nurseries at Children's Centres to prevent the loss of affordable childcare.

Appendix 1 How we conducted the review

The Committee gathered a wide range of views and information to inform its review into childcare. It sought the views of parents, childcare providers, London boroughs, relevant charities, academics, and think tanks, using the methods outlined below. In addition, the Committee reviewed existing relevant research into the childcare market, and the impacts of childcare on children's development.

Formal Committee meetings

The Committee held two formal meetings for this review.

The first meeting was held in July 2011 in order to help scope the Committee's review. The following guests were invited to this meeting

- Kate Groucutt, Policy Director, Daycare Trust;
- Caroline Davey, Director of Policy, Advice and Communications, Gingerbread;
- Gail Clayton, Head of Children's Centre, Coram's Fields Community Nursery;
- Eva Lloyd, Reader in Childcare, University of East London; and
- Jenny Deeks, London Representative, Children Centre Leaders Reference Group and Head of Coin Street Family & Children's Centre.

The second meeting was held in November 2011. It focused on what can be done to tackle the barriers Londoners face in accessing childcare. The following guests attended this meeting:

- Anand Shukla, Chief Executive, Daycare Trust
- Vidhya Alakeson, Research and Strategy Director, Resolution Foundation
- Neil Fenton, Director of Finance and Social Enterprise, London Early Years Foundation
- Jovian Smalley, Informed Families Development Manager, London Borough of Enfield
- Aaron Hersey, Senior Officer, Family Information Service, London Borough of Hounslow

Written submissions

We received 24 written submissions from a range of organisations, listed below

- 4Children
- Daycare Trust
- Ealing Early Years Childcare and Play
- Ingenus UK - Work Programme Provider
- Gingerbread
- London Borough of Barking and Dagenham
- London Borough of Bromley
- London Borough of Croydon
- London Borough of Enfield
- Royal Borough of Greenwich
- London Borough of Hackney
- London Borough of Havering
- Royal Borough of Kingston upon Thames
- London Borough of Lambeth
- London Borough of Lewisham
- London Borough of Merton
- London Borough of Redbridge
- London Borough of Richmond upon Thames
- London Councils
- Middlesex University
- National Childminding Association
- National Day Nurseries Association
- Pre-school Learning Alliance
- Save the Children

Parent engagement

We used an online and paper based survey to gather London parents' views on childcare in the capital and the challenges they face. We supplemented this survey through face to face interviews with parents attending drop-in sessions at two Children's Centres to ensure we gathered the views of parents who do not work as well as those who do. These interviews used the same questions as the survey to enable the results to be analysed together. In total, we gathered the views of 241 parents from all areas of the capital.

Provider engagement

We engaged with London childcare providers through an online survey, eliciting more than 308 responses. This survey was followed by a workshop to discuss issues arising from the survey in greater depth. The workshop involved childminders, pre-school managers, managers from private and community nurseries and representatives of provider associations including the Pre-School Alliance, National Childminding Association and the National Day Nurseries Association as well as Daycare Trust, a national childcare charity.

Site visit

The Chair and Deputy Chair of the Committee visited Coram's Fields Community Nursery to speak to staff, managers and parents about their experiences of childcare.

Appendix 2 Key facts and terms

a. Types of childcare and early education

Childcare is a wide-ranging term that can encompass all care that is not provided by parents or guardians. In this review, childcare has been defined as formal care for children aged 0 to 5 provided by a childminder, Children's Centre nursery, private or voluntary sector run nursery, pre-school, nursery class in a primary school, nursery school, nanny or au pair. We have not included informal care delivered by relatives, crèches or playgroups that parents attend. We have not included playcentres that provide wrap-around care for children attending school, since this review only covers childcare for children up to the age of five, or until they start school.

Early education is defined as formal education for children before they start reception class at primary school, using the Government's Early Years Foundation Stage Framework which outlines the key areas of learning and development. This framework is delivered in all Ofsted regulated childcare settings, including nurseries, nursery classes in school settings and childminders. Au pairs and nurseries do not have to deliver the curriculum.

The following lists describe the different types of childcare and early education covered by this review, including regulations around staff ratios and qualifications.

Nurseries:

Nurseries are group childcare settings run by local authorities, private companies, social enterprises or other third sector organisations. They tend to be open on Mondays to Fridays for around 10 hours a day and provide care for babies and children up to the age of five.

Ofsted sets staff ratios at nurseries. It states that there must be: 1 member of staff for every 3 children under the age of 2; 1 member of staff for every 4 children aged two and one member of staff for every eight children aged 3 to 5. It also sets standards for staff qualifications at nurseries, where all managers and supervisors need to be level 3 qualified (as defined by the Children's Workforce Development Council - CWDC) and half of all other staff need to be at least CWDC level 2 qualified.

The types of nursery are listed below

Children's Centre Nursery – Children's Centres were originally set up under the previous government through the Sure Start Scheme, and provide a hub of services and activities for families with children under the age of 5. Until April 2011, Children's Centres in the most deprived areas also had to include a full-time nursery that offers affordable childcare. Some nurseries at Children's Centres are community nurseries run by third sector organisations (see below).

Community nursery – a nursery provided by a social enterprise or other third sector organisation. Community nurseries are often attached to Children's Centres.

Day nursery – These are nurseries that are usually provided by a private company.

Pre-school

Run by private or third sector companies, these usually provide short (2-4 hour) childcare and early education sessions for 2 to 5 year olds. They often only operate in school term times.

Ofsted sets staff ratios at pre-schools. It states that there must be: 1 member of staff for every 4 children aged 2 and 1 member of staff for every 8 children aged 3-5. It also sets standards for staff qualifications at pre-schools. All managers and supervisors need to be level 3 CWDC qualified and half of all other staff need to be at least level 2 CWDC qualified.

Nursery classes and schools

Many primary and infant schools include attached nursery classes that provide early education for children aged 3 to 4, in the year before they start reception class. In addition, a number of nursery schools provide early education for children until they start reception class at primary school. Nursery schools and classes are run by both the state school and independent sectors.

Ofsted sets staff ratios for nursery schools and nursery classes at primary and infant schools. They must have a minimum ratio of one member of staff to 13 children for children aged three and above. In a class of 26 children, one member of staff must be a qualified teacher, and the other must be at least level 3 CWDC qualified.

Childminder

A childminder is an individual providing care to children in their own home. Some childminders work in groups to offer care to a bigger group of children. Childminders must be first aid qualified and attend local authority approved training within six months of registering. Each childminder can look after up to six children under eight years old including no more than one under the age of one, and three under the age of five. Childminders may offer more flexible hours than non-domestic settings such as nurseries, with some offering care in the evening and at weekends.

Nannies and au pairs

Nannies and au pairs provide childcare in a domestic setting (the child's own home); and therefore they do not need to submit to Ofsted regulations. However, Ofsted does operate a Voluntary Childcare Register that nannies and au pairs can choose to join. To join this register, nannies and au pairs will need to meet certain requirements, like holding an appropriate first aid qualification. They must also have training in common skills, like communication with children, young people and families, and they must have public liability insurance.

Nannies and au pairs do not have to hold specific childcare qualifications. However, professional nannies do have a range of qualifications including diplomas and certificates from the Councils for Awards in Children's Care and Education (CACHE)

b. Types of financial support

Free entitlement to early education

The government provides funding for all three and four year olds to receive 570 hours of free early education a year, from the school term after they turn three until they start reception class. This free entitlement is usually delivered as 15 hours of free early education a week, over the 38 weeks of school term times. Local authorities pay Ofsted registered local providers including nursery classes attached to primary or infant schools, private nurseries, childminders and pre-schools to deliver the free entitlement. However, nannies and au pairs cannot provide the free entitlement.

Childcare vouchers

These are offered by some employers and enable parents to pay at least some of their childcare costs from their salary before tax and National Insurance are taken off. Basic rate tax payers can claim up to £55 a week of their salary in childcare vouchers. Vouchers can be used to pay for any Ofsted-registered childcare provider. Higher rate tax payers who joined a childcare voucher scheme after April 2011 can claim £28 a week in vouchers. Additional rate tax payers who joined the scheme after April 2011 can claim £22 a week in vouchers.

Tax credits

The childcare element of working tax credit allows parents on low to middle incomes to claim for up to 70 per cent of their childcare costs up to a maximum of £175 for one child and £300 for two or more children. Therefore, the maximum amount that eligible parents can claim is £122.50 (70 per cent of £175) a week for one child or £210 (70 per cent of £300) for two or more children.

Until April 2011, parents could claim up to 80 per cent of their childcare costs using the same maximum caps. This meant they could claim up to £140 a week for one child, and £240 a week for two or more children.

Currently, parents who work for 16 hours or more are eligible for working tax credits. Under changes for couple parents from April 2012, couples who jointly work at least 24 hours a week (with one working at least 16 hours a week) will be eligible for working tax credits.

From April 2012, eligibility for child tax credits will also change. Child tax credits are not specifically related to childcare costs, but they are a form of financial support claimed by families on low to middle incomes who have one or more children. The current income limit for eligibility for child tax credits is £41,300. However, from April 2012 families with one child will need to have an income of less than £26,000 to be eligible and families with more than one child will need to have an income of under £32,200 to be eligible.

Universal Credit

Universal Credit is the Government's proposal for a new, simplified, single benefit for working age adults that will incorporate a housing element, income support element and a childcare element. The childcare element is likely to operate in a similar way to the childcare element of working tax credits – ie giving working parents on low to middle incomes a proportion of their childcare costs up to a maximum weekly amount. Universal Credit is part of the Government's Get Britain Working agenda, and therefore is being designed to ensure that those in work will be better off than those who are not.

Appendix 3 Recommendations

Recommendation 1

The Minister for Welfare Reform should develop the childcare element of Universal Credit so that the maximum amount families can claim varies according to local childcare costs.

Recommendation 2

The Department for Education should explore the possibility of reweighting the level of grant funding given to local authorities for the free entitlement to early education so that this funding takes more account of the local costs of provision.

Recommendation 3

The Mayor should include improving access to early years' education within his education inquiry, including a focus on tackling London's low uptake of the free entitlement to early education for three and four year olds.

Recommendation 4

The Mayor should run an information campaign to encourage London employers to offer childcare voucher schemes. The Mayor should undertake this work by November 2012.

Recommendation 5

London Councils should promote good practice in improving access to affordable childcare across London. It should draw up a plan for this work by June 2012.

Recommendation 6

London Councils should develop a register of organisations willing to consider managing and running nurseries linked to Children's Centres, and maintaining them as affordable childcare options, and make this register available to all London boroughs. They should set this register up by June 2012.

Appendix 4 Orders and translations

How to order

For further information on this report or to order a copy, please contact Susannah Drury, Scrutiny Manager, on 020 7983 4484 or email: susannah.drury@london.gov.uk

See it for free on our website

You can also view a copy of the report on the GLA website: <http://www.london.gov.uk/who-runs-london/the-london-assembly/publications>

Large print, braille or translations

If you, or someone you know, needs a copy of this report in large print or braille, or a copy of the summary and main findings in another language, then please call us on: 020 7983 4100 or email: assembly.translations@london.gov.uk.

Chinese

如您需要这份文件的简介的翻译本，
请电话联系或按上面所提供的邮寄地址或
Email 与我们联系。

Vietnamese

Nếu ông (bà) muốn nội dung văn bản này được dịch sang tiếng Việt, xin vui lòng liên hệ với chúng tôi bằng điện thoại, thư hoặc thư điện tử theo địa chỉ ở trên.

Greek

Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.

Turkish

Bu belgenin kendi dilinize çevrilmiş bir özetini okumak isterseniz, lütfen yukarıdaki telefon numarasını arayın, veya posta ya da e-posta adresi aracılığıyla bizimle temasa geçin.

Punjabi

ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਸੰਖੇਪ ਅਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਲੈਣਾ ਚਾਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਉਪਰ ਦਿੱਤੇ ਡਾਕ ਜਾਂ ਈਮੇਲ ਪਤੇ 'ਤੇ ਸਾਨੂੰ ਸੰਪਰਕ ਕਰੋ।

Hindi

यदि आपको इस दस्तावेज़ का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

Bengali

আপনি যদি এই দলিলের একটি সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফোন করবেন অথবা উল্লিখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

Urdu

اگر آپ کو اس دستاویز کا خلاصہ اپنی زبان میں درکار ہو تو، براہ کرم نمبر پر فون کریں یا مذکورہ بالا ڈاک کے پتے یا ای میل پتے پر ہم سے رابطہ کریں۔

Arabic

الوصول على ملخص لهذا المستند بلغة،
فرجاء الاتصال برقم الهاتف أو الاتصال على
العنوان البريدي أو عنوان البريد الإلكتروني أعلاه.

Gujarati

જો તમારે આ દસ્તાવેજનો સાર તમારી ભાષામાં જોઈતો હોય તો ઉપર આપેલ નંબર પર ફોન કરો અથવા ઉપર આપેલ ટપાલ અથવા ઇ-મેઈલ સરનામા પર અમારો સંપર્ક કરો.

Endnotes

1 <http://www.cls.ioe.ac.uk/Default.aspx>

2 The London Childcare Market, 2011, Tym and Partners, Laing and Buisson and University of East London for the London Development Agency; Written submission: Daycare Trust

3 Working hours data from Annual Population Survey 2010, Office for National Statistics analysed by GLA Economics; Commuting times data from Commuting to work- 2011; June 2011; Office for National Statistics http://www.ons.gov.uk/ons/dcp171776_227904.pdf

4 Informal Childcare, Choice or Chance; 2011, Daycare Trust

5 Women in London's Economy, 2010 Update, GLA Economics data from Annual Population Survey 2008/09; 53% of London mothers with dependent children work, compared to 65% across the UK.

6 The Effective Provision of Pre-School Education Project available at www.education.gov.uk; A literature review of the impact of early years provision on young children, with the emphasis given to children from disadvantaged backgrounds, 2004, Birkbeck Institute for the Study of Children, Families and Social Issues for the National Audit Office. Written submission: 4Children

7 Written submissions: 4 Children, Daycare Trust, Parents at the Centre, 2011, IPPR

8 Making the case for Universal Childcare, 2011, IPPR Written submissions: 4 Children, Daycare Trust,

9 Making the case for universal childcare, 2011, IPPR; The OECD includes 34 countries committed to democracy and a market economy including the US, Australia, Japan, Canada and most European countries. Figures for OECD countries are from 2008. The Missing Million, the potential for female employment to raise living standards in low to middle income Britain, 2011, Resolution Foundation;

10 Response to the UK Government's Tackling Child Poverty and Improving Life Chances: Response by the Joseph Rowntree Foundation, 2011, <http://www.jrf.org.uk/sites/files/jrf/tackling-child-poverty-response.pdf>

11 Maternity rights and mothers' employment decisions, 2008, Department for Work and Pensions

12 Women in London's economy – Update 2010, GLA Economics

13 Making Work Pay – the Childcare Trap: London Briefing; 2011, Save the Children and Daycare Trust;

14 <http://www.endchildpoverty.org.uk/london/child-poverty-in-london-the-facts-4/>;
<http://www.londonpovertyprofile.org.uk/indicators/groups/children/>

15 The Effective Provision of Pre-School Education Project available at www.education.gov.uk; A literature review of the impact of early years provision on young children, with the emphasis given to children from disadvantaged backgrounds, 2004, Birkbeck Institute for the Study of Children, Families and Social Issues for the National Audit Office. Childcare and the recession, 2009, Daycare Trust Written submission from 4Children; Delivering the free entitlement to education for three and four year olds, 2012, National Audit Office

16 Parents at the Centre, 2011, IPPR, Childcare Sufficiency Assessment, 2011, Royal Borough of Kensington and Chelsea

17 Parents at the Centre, 2011, IPPR

18 <http://www.londonpovertyprofile.org.uk/indicators/groups/children/>

19 Transcript of Health and Public Services Committee 13.7.11, page 8

20 The London Childcare Market, 2011, Tym and Partners et al for the London Development Agency; Written submission: Daycare Trust

21 Daycare Trust 2010 Childcare Costs Survey, www.daycaretrust.org.uk

22 Survey of London parents, 2011, London Assembly

23 Written submission, Ingenus UK

24 Daycare Trust 2010 Childcare Costs Survey, <http://www.daycaretrust.org.uk/pages/summary-of-the-childcare-costs-survey-2010.html>

25 Survey of London early years childcare providers, 2011, London Assembly

26 The London Childcare Market, 2011, Tym and Partners et al for the London Development Agency

27 Childcare and early years provider survey 2010, TNS-BMRB and NCB Research Centre for DfE

28 Working hours data from Annual Population Survey 2010, Office for National Statistics analysed by GLA Economics. Commuting times data from Commuting to work- 2011; June 2011; Office for National Statistics http://www.ons.gov.uk/ons/dcp171776_227904.pdf

29 Data from Annual Population Survey January to December 2010, published by National Statistics, analysed by GLA Economics; Open all hours? Flexible childcare in the 24/7 era; 2011, Daycare Trust

30 Towards universal early years provision: analysis of take-up by disadvantaged families from recent annual childcare surveys, 2010, UeL and National Centre for Social Research for DfE <http://dera.ioe.ac.uk/11574/1/DFE-RR066-WEB.pdf>; Women in London's Economy, 2010 Update, GLA Economics; Women in London's Economy, 2008, GLA; Employment Opportunity for all: Tackling worklessness in London, 2007, HM Treasury; Childcare in London – update on issues and LDA/GLA activity, 2010, GLA; <http://www.london.gov.uk/promoting-gender-equality>

31 Towards universal early years provision: analysis of take-up by disadvantaged families from recent annual childcare surveys, 2010, UeL and National Centre for Social Research for DfE <http://dera.ioe.ac.uk/11574/1/DFE-RR066-WEB.pdf>; Women in London's Economy, 2010 Update, GLA Economics; Women in London's Economy, 2008, GLA; Employment Opportunity for all: Tackling worklessness in London, 2007, HM Treasury

32 Campaign for Better Transport press release 28 October 2011

33 Informal Childcare, Choice or chance; 2011, Daycare Trust

34 Births by Birthplace of Mother, 2010, GLA Intelligence Update

35 Towards universal early years provision: analysis of take-up by disadvantaged families from recent annual childcare surveys, 2010, UeL and National Centre for Social Research for DfE ; <http://dera.ioe.ac.uk/11574/1/DFE-RR066-WEB.pdf>

36 London Borough of Camden has recently consulted on reducing the number of 25 hour free nursery places at state schools: <http://www.camden.gov.uk/ccm/navigation/education/childcare/children-s-centres/> London Borough of Brent has recently consulted on closing the nurseries at two of its Children's Centres: see [http://www.bmgresearch.co.uk/brent/UploadedFiles/Briefing%20Note%20\(3\).pdf](http://www.bmgresearch.co.uk/brent/UploadedFiles/Briefing%20Note%20(3).pdf) [http://www.brent.gov.uk/education.nsf/Files/LBBA-261/\\$FILE/Willesden%20Locality%20Newsletter.pdf](http://www.brent.gov.uk/education.nsf/Files/LBBA-261/$FILE/Willesden%20Locality%20Newsletter.pdf)

37 Survey of London childcare providers, 2011, London Assembly; Written submission 4 Children; Childcare providers workshop, 2011, London Assembly

38 London's Competitive lace in the UK and Global Economies, 2011, Oxford Economics Ltd for the City of London Corporation

39 <http://www.education.gov.uk/childrenandyoungpeople/earlylearningandchildcare/delivery/Free%20Entitlement%20to%20Early%20Education>

40 <http://www.education.gov.uk/childrenandyoungpeople/earlylearningandchildcare/delivery/Free%20Entitlement%20to%20Early%20Education/a0070230/eig1>

41 <http://www.childcarevouchers.co.uk/Parents/HelpAndSupport/Pages/FAQs.aspx>

42 <http://www.dwp.gov.uk/policy/welfare-reform/get-britain-working/>

43 Written submissions: Ingenus UK (Work Programme Provider) and Daycare Trust

44 Making work pay in London under Universal Credit – a report for London Councils, 2011, Centre for Economic and Social Inclusion

45 Making work pay in London under Universal Credit – a report for London Councils, 2011, Centre for Economic and Social Inclusion. It should be noted that these calculations were made before the Government announced an extra £300m for the childcare element of Universal Credit to cover the new costs of providing childcare support for parents working 16 hours or less. The impact of this money on Londoners is unclear, although since there are no current plans to weight the funding according to local costs, it is likely that Londoners will still benefit less than those in other areas.

46 Written submissions from: London Councils, London Borough of Bromley; London Borough of Hounslow; London Borough of Enfield; London Borough of Richmond upon Thames; Daycare Trust's written submission also stated the need for higher maximum allowances for London parents but believes this should only happen if extra funding from outside the existing budget could be found;

47 Towards universal early years provision: analysis of take-up by disadvantaged families from recent annual childcare surveys, 2010, UeL and National Centre for Social Research for DfE ; <http://dera.ioe.ac.uk/11574/1/DFE-RR066-WEB.pdf> These figures do not include children whose parents are not sure whether they receive the free hours entitlement or not

48 Supporting Families in the Foundation Years: Proposed Changes to the Entitlement to Free Early Education and Childcare Sufficiency, November 2011, available at www.education.gov.uk

49 The London Childcare Market, 2011, Tym and Partners et al for the London Development Agency

50 Written submissions: National Day Nurseries Association, LB Hounslow; Note of childcare providers workshop November 2011

51 Written submissions: National Day Nurseries Association; LB Enfield, LB Hounslow, LB Richmond and LB Merton; Providers' survey

52 Written submissions: LB Kingston, LB Lewisham, LB Lambeth

53 Data from Daycare Trust's Childcare Costs Survey 2011, quoted in Daycare Trust written submission

54 Childcare and early years provider survey 2010, TNS-BMRB and NCB Research Centre for DfE

55 The London Childcare Market, 2011, Tym and Partners et al for the London Development Agency

56 Childcare in London, update on issues and LDA/ GLA activity, 2010, GLA; <http://www.london.gov.uk/promoting-gender-equality>

57 http://www.london.gov.uk/media/press_releases_mayoral/boris-johnson-launches-inquiry-london-schools

58 Towards universal early years provision: 2010, National Centre for Social Research et al for DfE ; <http://dera.ioe.ac.uk/11574/1/DFE-RR066-WEB.pdf>; Delivering the free entitlement to education for 3 and 4 year olds, 2012, National Audit Office

59 Towards universal early years provision: 2010, National Centre for Social Research et al for DfE ; <http://dera.ioe.ac.uk/11574/1/DFE-RR066-WEB.pdf>

60 The London Childcare Market, 2011, Tym and Partners et al for LDA

61 Transcript of HPS Committee 2 November

62 The childcare and early years survey 2009, Department for Education found that just 6 per cent of parents had help from their employers with paying for childcare, the majority of which was childcare vouchers; Written submission: 4 Children

63 The Childcare Act 2006, <http://www.education.gov.uk/childrenandyoungpeople/earlylearningandchildcare/delivery/a0071032/childcare-act-2006>

64 Written submission, Daycare Trust

65 Written submission, Daycare Trust; <http://www.hillingdon.gov.uk/index.jsp?articleid=21793>

66 Written submission, London Borough of Enfield

67 Survey of London parents on childcare, 2011, London Assembly

68 Transcript of Health and Public Services Committee, 2 November 2011; Written submissions from London Borough of Hounslow, London Borough of Bromley, London Borough of Enfield, Daycare Trust

69 <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmeduc/768/76804.htm>

70 Childcare and early years providers survey 2010, TNS-BMRB and NCB Research for the Department for Education, <http://www.education.gov.uk/rsgateway/DB/STR/d001024/osr17-2011.pdf> ; Written submission: 4Children

71 London Boroughs including Brent, Bromley and Camden have either been consulting on closing Children's Centres that include nurseries, or have decided to close centres with nurseries: see <http://www.thisislondon.co.uk/standard/article-24035485-brent-closes-two-out-of-three-council-nurseries.do> ; [http://www.brent.gov.uk/education.nsf/Files/LBBA-261/\\$FILE/Willesden%20Locality%20Newsletter.pdf](http://www.brent.gov.uk/education.nsf/Files/LBBA-261/$FILE/Willesden%20Locality%20Newsletter.pdf); <http://www.camden.gov.uk/ccm/navigation/education/childcare/children-s-centres/>

http://www.bromley.gov.uk/downloads/file/1110/consultation_update_on_the_future_of_bromley_children_and_family_centres

72 Map Data collated from London Boroughs' Family Information Services in January- February 2012

73 Map Data collated from London Boroughs' Family Information Services in January -February 2012

74 Transcript of Health and Public Services Committee 2 November 2011; Written submission: 4 Children, Written information following 2 November 2011 meeting from LEYF.

Greater London Authority

City Hall
The Queen's Walk
More London
London SE1 2AA

www.london.gov.uk

Enquiries 020 7983 4100
Minicom 020 7983 4458