

Economy Committee – 21 January 2016

Transcript of Item 8 – Extending Childcare Provision – An Ambition too Far? – Session Two

Fiona Twycross AM (Chair): Thank you, Munira, and thank you for sitting through the first part of the meeting. Welcome to the Economy Committee. We really appreciate you coming to talk about this issue today. We have some set questions, but I just wondered whether you had any comments on any of the contributions that were made or whether you want to go straight into the set questions.

Munira Mirza (Deputy Mayor for Education and Culture): Only just to say that it was extremely valuable for me to listen to them. It reinforces all of the points that we have already covered in the work that we have done.

I reiterate the points that were raised about how funding is an issue, but there is going to be a funding review by the Government. It is ongoing and we have jointly lobbied with London Councils about making the case for why London is more expensive.

There are questions about infrastructure and we can talk about what we are doing and what local authorities are doing in this area. There are questions about how local authorities manage the provision and how they pass on costs and pass on the funding they receive to providers. Part of the intention of the Government is to create more transparency around that because it is not always clear. Some of the initiatives that we are starting to develop I am happy to talk about if people want me to.

Tony Arbour AM: I have a real patsy for you, Munira. What have been the challenges for the Greater London Authority in helping boroughs and providers to expand and improve childcare provision in London, for example, financial and logistical?

Munira Mirza (Deputy Mayor for Education and Culture): To start, I would make the point that the Mayor has no statutory responsibility in this area and so our interest in this area is entirely because of course it is a major issue for Londoners. Like the area of education and school places, we are not tasked and we are not given any funding directly by the Government, but we have offered support to the Government to help to deliver the initiative and the expansion of childcare, which we think is a very positive thing.

Obviously, there is a challenge around the funding. Historically, it has been fairly low in the country and in London, but the Government has announced this extra £1 billion funding per year to support the expansion. There is a review of the funding formula and we have made that case. We have also supported the initiative nationally to try to expand childcare provision and flexibility in the school sector and the initiative that was started actually the Liz Truss [Elizabeth Truss MP, former Parliamentary Undersecretary of State for Education and Childcare], which was to encourage more schools to offer 8.00 am-to-6.00pm, which many schools do not. It is interesting that one of the previous speakers pointed out that academies are being more opportunistic about seizing that initiative and trying to be more flexible than the maintained sector and it is worth understanding why that is.

Other barriers: it is a very complex system in London and there are lots of different providers, as has been mentioned. One of the things that we have been doing with the Government is to bring together meetings and roundtables with providers and with boroughs coming together and talking about how they make the

system work with the funding that is available. In fact, we commissioned the Family and Childcare Trust to look at the mixed-model approach and trying to use a number of different providers to provide the 30-hour offer. We looked at whether we should commission pilots and then, because the Government was quite interested in the idea, it decided to do that nationally and one of those pilots will be in London. The work that we initiated here to be more creative about how the provision might work we are pleased that Government has decided that they are going to take on. Things are moving in the right direction.

The point about the childcare market is it has expanded dramatically in the last ten years. It has grown by a third and that is partly because of a response to the Government saying, "We are now going to make this offer available". It is true that the market does respond. It is not always clear and you cannot always predict how it will respond and which providers will step forward, but by sending the signal out saying, "This is going to be law", it does concentrate everybody's minds and that is quite important. The role that we have played, really, is about trying to bring together, to facilitate, to convene everybody, to try to work with the boroughs, which are really central here, and to have a huge amount of influence over infrastructure and development planning and so on and to try to just champion the cause in the city.

Tony Arbour AM: Having a good system of childcare like this encourages parents to get back to work. What progress has the GLA made with the London Enterprise Partnership (LEP) and the European Social Fund (ESF) programme to get parents back to work, which is something that is being done here?

Munira Mirza (Deputy Mayor for Education and Culture): That is the other side of this, which is how you help people into work with more flexible working arrangements. The Mayor has made a commitment to try to increase the number of part-time jobs and to work with some of the major employers on offering more flexible employment hours. On the LEP and ESF funding, we are developing a £10 million programme called Routes to Work, which is about trying to again create more flexibility in the job market and how employers can support parents who are working and trying to raise a young family. There are things on the employment side that are equally critical where the Mayor can have an influence because we do have these connections with businesses as well as the provision and the demand for the take-up of childcare.

Tony Arbour AM: How are we doing with the Healthy Early Years Programme?

Munira Mirza (Deputy Mayor for Education and Culture): You will probably be aware that the Mayor has a Healthy Schools Programme, which the majority of London schools are now participating in. What we want to do is to create a similar model but for early years provision and early years providers. I think it was Jill [Rutter, Head of Policy and Research, Family and Childcare Trust] who made the point in the previous session that quality is extremely important in London, and in the drive to expand the volume of places, we must not forget that quality really matters. It is actually one of the reasons why parents are hesitant about sending their children into nursery. They want to be sure that the quality is good and that it is worthwhile. They are prepared to pay, but they want to know that what they are paying for is really going to improve their children's educational opportunities.

This programme is about working with providers on ensuring that they do teach Healthy Years provision and that they are making sure that the children in their care are school-ready so that they are able to move on to the next stage. That has potential great benefits for schools as well because they are receiving children who are more capable of learning and they are not spending so much time trying to get them to that stage. There are all sorts of reasons why Healthy Early Years is important.

We have already brought together quite a lot of providers to start designing that programme. Islington has its own version of it and a number of boroughs have a smaller version of it, but we think that by doing it pan-London it will just have a greater impact and we can get more schools and more providers involved.

Kit Malthouse AM MP: Munira, apparently you commissioned a report from the Family and Childcare Trust to look at options. To my shame, I have not read it. What were the main conclusions of the report?

Munira Mirza (Deputy Mayor for Education and Culture): The report was looking specifically at this idea of the mixed-model approach to provision. When you have a traditional provider that might give you 9.00am-to-3.00pm hours in a school, it is not sufficient for parents who want to work, particularly if they are commuting long hours. How do you use the Government's funding and support to bring in other providers that can work with that school? It is a very difficult thing to try to organise nationally and so it is something that has to be organised locally. It is obviously quite a complex thing and requires a bit of administration. We asked the Family and Childcare Trust whether it could design a pilot for us in London where we could work with a number of boroughs to demonstrate that it was possible to provide childcare using a mix of different providers for each family. It set out a number of examples where this could be done based on existing case studies and experience.

In some cases it is not just about mix of providers working together for an individual family situation. It is also that there may be a situation where there are a number of nurseries that were supported by a local authority unit and that local authority unit no longer exists or has reduced funding. The nurseries might come together and create their own unit and pay for a more centralised administration system.

They came up with these different ideas. We looked at whether we could implement the pilots. It is quite a difficult and costly thing. We do not have any funding or a huge amount of funding for that, but because we have been talking to the Government the whole way through, the Government decided that it wanted to do this pilot itself and is now doing it nationally. That is the --

Kit Malthouse AM MP: So the pilot is ongoing now, is it?

Munira Mirza (Deputy Mayor for Education and Culture): They will be. They have done a callout for boroughs to participate and a number will have applied. You heard that Islington and Tower Hamlets have applied.

Kit Malthouse AM MP: When does that kick off?

Munira Mirza (Deputy Mayor for Education and Culture): I am not sure, actually, when they are planning to initiate it, but it will be in the next year.

Kit Malthouse AM MP: What about the implications of even further devolution? Does it allow you to build a more coherent plan? This is all linked to getting into work, as was said earlier. When you put together the devolved power, some of the skills money that is coming, the Mayor's planning powers, the London Plan perhaps specifying more nursery space or childcare space, the section 106 and the infrastructure of that, could that not all come together into a more powerful plan?

Munira Mirza (Deputy Mayor for Education and Culture): There is a logic to that argument, which is that it is very difficult to design this at a national level. The funding formula will create more transparency and be fairer to a number of boroughs, but it will not solve the problem on the ground, which is that, frankly, you have to bring people together and you have to understand the particular situation and get the developer that

is also working in that area to recognise that they have to do this as section 106 as well. Doing it at the borough level is possibly too low down and so there is an argument for a regional approach.

If we were going to go down that road, it makes sense to look then at all education infrastructure because we are trying to persuade developers to open up schools because there is a shortage of school places as well. Whilst we are having that conversation, if we were thinking about early years provision as well, it would make sense. At the moment, we have no powers in that part of education. We will have some powers over the skills funding and further education capital that we already have and so at one end of the education spectrum we do have quite a lot of influence, but the rest of it we do not.

Kit Malthouse AM MP: How much analysis could you do? Say, for instance, you look at the postcode where our London residence is. I am told that N7 has the highest proportion of under-eights in Europe in that postcode. Are you able to say that when a developer comes - for instance, flogging off parts of the Whittington Hospital for development - the Mayor could specify as part of that that, given the preponderance of children, there should be nursery space?

Munira Mirza (Deputy Mayor for Education and Culture): There is an argument that you have a formula for the number of new houses and the number of people that you expect. To some extent there is, but it always ends up being traded in a negotiation between the borough and the developer. Obviously, at the moment the borough is the main decision-maker when it comes to planning developments. The Mayor only has any influence over a certain number of high-level strategic projects.

Kit Malthouse AM MP: Does it say anything in the London Plan? It does about schools.

Munira Mirza (Deputy Mayor for Education and Culture): It does. It does talk about schools and it does talk about early years, but it is something that we would want to strengthen for the next iteration. At the moment there is so much emphasis on housing.

The Mayor has statutory responsibilities now in housing. I would argue that you cannot just have statutory responsibility over one bit of infrastructure; you have to have some responsibility and oversight over all of it to some extent because, otherwise, the tension is that housing always wins out because that is the thing that you are being judged on.

Kit Malthouse AM MP: That is true.

Munira Mirza (Deputy Mayor for Education and Culture): If there was an expectation that the Mayor should have some responsibility or should be able to provide school places, then that would be part of it.

Kit Malthouse AM MP: OK. There have been huge amounts gone, quite rightly, into finding space for free schools and there has been a general effort between the Mayor and the Government, often in the face of local authority opposition, to get premises for free schools.

Given that nurseries are effectively free nurseries - or whatever you want to call them - and are responding to market demand or requirement from parents, do you think that the two could come together to do the same thing? The trouble for the local authorities, as we heard, and one of the problems with nurseries, particularly in current practice, is that people do not like to have them nearby. Why you would object to the sound of children playing or having a neighbour that only starts at 9.00am and closes at 3.00pm I have no idea, but people do routinely complain about having a nursery nearby. Is it for the Mayor or for the Government to ram this in?

Munira Mirza (Deputy Mayor for Education and Culture): We have certainly made the case that more planning powers and more authority in some of these decisions would be helpful because there is a strategic need and it is not always enforced at a local level. Some of the sites that we have identified for free schools, university technical colleges (UTCs) or new schools will have nursery provision, we anticipate, and so that is being considered.

As well as increasing capacity and finding sites for nurseries, though, it is also about using the existing capacity in the school sector, which is probably to some extent underutilised and could be grown. You have already, in some nurseries, children who have 15 hours and expanding it to 30 hours does not always require a huge amount of capital and infrastructure and so it is a slightly different thing. However, with the school places issue, the numbers are increasing and you simply need to buy more size and you need to build more spaces. With nurseries, it is a bit more complicated because some are already in the system and there are buildings that could be used. It is important to recognise that you cannot just look at one bit of the system and ignore the other bit.

Kit Malthouse AM MP: That is true, but this is going to be a growing problem given the population growth and also changing demographics. I think I am right in saying that the population is getting younger and is therefore likely to have more children and obviously we are getting higher and higher employment rates, and so we have a bit of a squeeze on.

Munira Mirza (Deputy Mayor for Education and Culture): Yes, I agree. We have to look at all the different avenues for increasing capacity, but there are other ways of doing it, as well as finding new sites for new providers, trying to encourage potential existing providers to expand.

Kit Malthouse AM MP: OK, thank you.

Stephen Knight AM (Deputy Chair): Yes, very briefly, my question is about how the Mayor can intervene and do more to assist in the sphere of childcare and really look at the example of apprenticeships, where again the Mayor does not have statutory responsibilities but has indeed intervened in a number of different ways, financial support, increased promotion and marketing and so on.

Is there something that the Mayor can learn from that model - or a Mayor could learn from that model - to apply to how he or she could intervene in future in the childcare market?

Munira Mirza (Deputy Mayor for Education and Culture): The things that I talked about are precisely those areas where the Mayor is using whatever power he does have. It is partly about convening and influencing and bringing together those different players. I would say that from the people we have spoken to, the feedback we have received is that they are very grateful to have a London forum to discuss these matters in and to think about it strategically. The connections that we have with businesses, advocating to business the importance of family-friendly policies and using our connection with ESF funding to use funding to try to encourage that change of culture in businesses is quite key. That meets the Mayor's wider aim to grow the London economy.

The other area that we are doing quite a lot of work in is skills and training and apprenticeships, where we know that childcare, health and social care are growth areas for the future jobs market. We want more young people to go into these areas, but to be properly qualified and to consider these qualifications at an age and then go out and find work. This goes back to the point about workforce development. We are thinking quite

carefully about how childcare runs through lots of these different policy areas and, obviously, if the Committee can come up with other ideas, we would be interested.

Fiona Twycross AM (Chair): It was a really useful aspect to have you here at the meeting. We did not want to just have people coming in without hearing the GLA perspective as well about your work, Deputy Mayor. Is there anything else that you would like to add before the meeting ends?

Munira Mirza (Deputy Mayor for Education and Culture): There is probably a tonne of things that I could say.

Fiona Twycross AM (Chair): One of the points about the boroughs was that we had two boroughs in today that were particularly engaged but, from the point of view of the overall perspective of provision in London, it just felt like there were some boroughs that did not have that same engagement or commitment. You do a lot of work with London Councils --

Stephen Knight AM (Deputy Chair): They were not typical, were they? They both had very high proportions in state nurseries when we know that across London the average is the minority.

Fiona Twycross AM (Chair): In your experience, were they atypical or are we just taking that --

Munira Mirza (Deputy Mayor for Education and Culture): I would say that I cannot think of any boroughs that are not engaged in this issue. Because they do not have high state-maintained nursery provision, it does not necessarily --

Stephen Knight AM (Deputy Chair): No, I am not saying 'not engaged'; I am just saying that their issues will be different because of the makeup of childcare within the borough.

Munira Mirza (Deputy Mayor for Education and Culture): They obviously vary, but certainly in the meetings that we have had and when we have events to encourage boroughs, there has been quite a lot of interest. It is harder to get schools involved and we have done quite a lot of advocacy with the Government to try to promote the idea to schools that this could be an opportunity as well. For educational reasons, we want more schools to start offering early years because we know it is good for the outcomes of those children. There are schools now that are starting to do that more. A lot of boroughs are quite switched on to this issue.

Stephen Knight AM (Deputy Chair): Across London, we have seen a huge issue about reception class places and primary school places and there has been massive expansion, but in my experience very few primary schools that have their places expanded take the opportunity to expand their nursery at the same time. That is presumably because the funding has not been available to do that and it is non-statutory. However, it demonstrates that we have not seen much investment in expanding nursery capacity as the city has grown and as the number of three and four-year-olds has grown.

Munira Mirza (Deputy Mayor for Education and Culture): I am not sure that that is quite true. The Government has increased the amount of funding available for childcare. It is doing this review of funding. It has recognised that it is not always fair and that it does not always pay what is required.

The issue for schools is that a lot of schools do not think that they do nursery but that they look after children after a certain age and they do a certain type of education. There is no compulsion for them to offer anything earlier. Those that do often see it as an argument in their favour because they know that it brings them very good outcomes later on for the children. It is about a cultural change and the Government has tried very hard

to engage with those schools. There is some change in London and we will continue to make the case that you have to keep funding it adequately and so on.

Stephen Knight AM (Deputy Chair): Can I give you one final example? My own child's primary school accepts 120 children a year into reception and has 52 places in the nursery. That is not atypical in my borough of the ratio of places and so we are seeing that most primary schools do not have anything like the number of places available that you might imagine there is a need to provide.

Kit Malthouse AM MP: Can you imagine running a nursery with 152 kids in it?

Stephen Knight AM (Deputy Chair): Can you imagine running a reception class with 120 kids?

Kit Malthouse AM MP: That is the point. There is a point where, at a certain age --

Stephen Knight AM (Deputy Chair): Schools do that.

Kit Malthouse AM MP: -- a certain size is appropriate and once you get above a certain size --

Fiona Twycross AM (Chair): We are not talking about having 150 kids in one room though, no.

Kit Malthouse AM MP: No, we are not talking about that, exactly.

Fiona Twycross AM (Chair): There is ways and means of managing it. We are veering off bit now.

Munira Mirza (Deputy Mayor for Education and Culture): Yes. There will be private providers though that are providing up until that point and then a school will take on more. That is why it is a mixed market.

Fiona Twycross AM (Chair): Yes. That was really helpful. Thank you very much for your contribution and for coming to the first part of the meeting as well.

Munira Mirza (Deputy Mayor for Education and Culture): Thank you.