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| <b>Item No.</b><br>8.              | <b>Classification:</b><br>Open | <b>Date:</b><br>17 March 2015   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Southwark and Lambeth Childcare Commission:<br>Report and Recommendations |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All   |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Victoria Mills, Children and Schools                           |                                 |

## **FOREWORD – COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR CHILDREN AND SCHOOLS**

I warmly welcome the report of the Lambeth and Southwark Childcare Commission, chaired by Dame Tessa Jowell MP. Like our neighbours in Lambeth, we are firmly committed to giving every child the best start in life and helping parents find affordable, accessible and quality childcare. This report acknowledges the challenges faced by local families but sets out a range of options that could be used to tackle these by the Mayor of London, central government, local authorities and employers. There is no one solution to deal with the many problems parents in London face trying to get back to work while managing the burdens and prohibitive costs of childcare. The council no doubt has a role to play in stepping up to deliver the options set out in the report but we also need to work with parents, businesses and the Mayor in open partnership to create a city that embraces parenthood and creates a world of opportunity for all our children.

The report recommends that both councils look into the idea of a childcare matchmaking service, which would pair qualified childminders with parents who are looking for childcare on a flexible basis. It also recommends that the councils consider incentivising local employers to set up workplace nurseries, possibly by discounting business rates or brokering deals with childcare providers. One further suggestion is for Transport for London to consider offering new parents discounted transport fares to help make going back to work affordable, or for the Mayor of London to look into the feasibility of providing an interest-free loan scheme so that parents can pay any upfront childcare costs. The report also challenges the government to change their funding of early years development, pooling the education, early years and childcare budgets to take a 0-18 approach recognising that early intervention can save money in the long-term.

I look forward to discussing these recommendations and many others with colleagues across Southwark and Lambeth in the coming weeks. I am determined that together we can make childcare work better for families, better for children and better for our communities.

## **RECOMMENDATIONS**

That cabinet:

1. Receive the report and note the recommendations of the Southwark and Lambeth Childcare Commission.

2. Notes that a further report will be brought back to cabinet in May 2015 responding to the Commission's report.

## **BACKGROUND INFORMATION**

3. The Southwark and Lambeth Childcare Commission was established in June 2014 to review existing policy and practice in childcare provision, with particular reference to the experience of parents, children and childcare providers in the central London boroughs of Southwark and Lambeth. The aim of the Commission was to examine the challenges and opportunities in this area, and make recommendations for changes to policy and practice at a national, regional and local level in order to secure childcare provision that is accessible and affordable to all parents, supports them to be economically active, and delivers quality education and development for children in the early years.
4. The Commission was chaired by the Rt Hon Dame Tessa Jowell MP. Dame Tessa has represented the London constituency of Dulwich and West Norwood, which comprises parts of Lambeth and Southwark, as a Member of Parliament since 1992. Prior to this, she had been a child care officer in Brixton and then a family therapist and psychiatric social worker at the Maudsley Hospital. While a Member of Parliament, Tessa served on the opposition front bench until 1997 when she was appointed to the government, becoming the first ever Minister for Public Health and implementing the widely acclaimed Sure Start Programme to support childhood and early infancy. After the 2001 election Tessa joined the Cabinet as the Secretary of State for Culture, Media and Sport. In this role she is credited with bringing the whole government behind the decision to bid for the London 2012 Olympic and Paralympic Games. Subsequent to stepping down as the Shadow Olympics Minister in 2012, Tessa was appointed to lead a global campaign to ensure an integrated approach to the early childhood years in the post Millennium Development Goals framework. Tessa was appointed a Dame in 2012 for political and charitable services.
5. Five leading experts in the fields of childcare provision, early years education, child development and psychology, government and economics were appointed to serve alongside Dame Tessa.
6. The commissioners were:
  - a. Naomi Eisenstadt – Senior Research Fellow at the University of Oxford. A retired civil servant who ran the Sure Start Unit for its first seven years. Extensive experience both working directly with children and families and at the most senior levels in Government. Last post before retirement was Director of the Social Exclusion Task Force in the Cabinet Office.
  - b. Tony Travers – Professor in the Department of Government at London School of Economics, journalist, and director of the Greater London Group at the London School of Economics and Political Science. Advisor to the House of Commons Education Select Committee and House of Commons Communities and Local Government Select Committee.
  - c. Vidhya Alakeson – Deputy Chief Executive of Resolution Foundation during the Commission and now Chief Executive of the Power to Change. Has a special interest in life chances and social mobility, policy for children and families, health and social care and wider public service reform.

- d. Kathy Sylva – Professor of Educational Psychology at Oxford University. She was Specialist Advisor to the House of Commons Select Committee on Education and Employment during their Inquiry into Early Education (2001). She serves on government advisory committees concerned with national assessment, evaluation of programmes such as Sure Start, and curriculum for children 0-7 years (2003, 2005-6, 2008). Dominant themes throughout her research are the impact of education not only on ‘subject knowledge’ but on children’s problem-solving, social skills and disposition to learn.
- e. Anand Shukla – Chief Executive at the Family and Childcare Trust during the Commission and now Chief Executive of the education charity Brightside. Advises government in Westminster, Edinburgh and Cardiff on childcare policy and has been credited with ensuring the high profile of childcare as an issue with governments and local authorities throughout the UK.

- 7. The Commission met four times between June and November 2014 and has taken evidence from local parents, childcare providers and industry experts in order to produce its final report and recommendations and to meet its aims.
- 8. The Commission has undertaken data gathering, policy review and analysis activities. As the first of its kind to be established by local authorities, the Commission has paid particular reference to the local experience of parents, children and childcare providers within Southwark and Lambeth, whilst also examining national and regional trends and practices.
- 9. The Commission’s recommendations are wide ranging and include suggestions for service delivery with Lambeth and calls for partnership working across the Council and with external businesses and providers to ensure the provision of quality childcare which supports parents into work.

## **KEY ISSUES FOR CONSIDERATION**

### **Executive Summary of the Southwark and Lambeth Childcare Commission**

- 10. The Southwark and Lambeth Childcare Commission was set up to look at how childcare and early years services can better fit around the childcare needs of parents working in London’s dynamic, 24-hour economy, whilst at the same time supporting parents to give their children the best possible start in life.
- 11. We want to see a childcare system that supports parents to move into and remain in employment. It is still too difficult for parents in Lambeth and Southwark to find good-quality, affordable and flexible childcare and this is a significant barrier to getting and holding down a job.
- 12. Too many parents – and in particular mothers – find the cost of childcare prohibitive in seeking employment. Less than 60% of mothers in London are in employment, compared to nearly 70% in the UK as a whole, and upwards of 80% in countries like Sweden and Iceland.<sup>1</sup> For parents of pre-school children, the figure is even lower: only 1 in 2 London mothers with a child below school age is in a job. A large part of this gap can be explained by differences in the cost and availability of childcare and nursery places.

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<sup>1</sup> OECD Family Database <http://www.oecd.org/els/family/database.htm>

13. We also want to see childcare and early years services that reduce the inequality of life chances of children living in both boroughs. This is a big challenge given that so much of where a child ends up in life is still determined by where they are born and who their parents are. By the time children start school, there are already significant gaps in the school-readiness of children from different family backgrounds.
14. All children living in Southwark and Lambeth should grow up able to develop their talents and abilities to their full potential, without the constraints of poverty and disadvantage holding them back. To achieve this, we need childcare and early years services that – as well as supporting parents back to work – are also relentlessly focused on narrowing the gap in life chances.
15. As high-performing councils who have already enjoyed significant success in other related areas – for example in overseeing an increase in the quality of schools in both boroughs – Southwark and Lambeth are committed to providing national leadership on how councils in England should be responding to this challenge. We believe if Lambeth and Southwark councils, central government, local employers, the Mayor’s office and parents themselves come together to implement some of the suggestions in this report we will see a real step change: both in terms of the ease with which parents can find the flexible, affordable and high-quality childcare solutions that they need; and of better life outcomes for the children of Lambeth and Southwark, many of whom start life in conditions of high poverty and disadvantage.

## Key themes

16. Firstly, councils up and down the country are facing a tougher fiscal context than ever, with areas with significant levels of deprivation such as Southwark and Lambeth experiencing some of the deepest cuts. Lambeth estimates that between 2010 and 2016, it will have experienced an overall 50% cut in core funding, and that between 2010 and 2018 the council will have had to make budget cuts of up to £200m, in order to balance its books<sup>2</sup>. In Southwark, the council estimates that it has faced a £90m reduction in funding since 2010<sup>3</sup>. One analysis indicates that, per-person, the borough has experienced a cut of £249 between 2010-11 and 2014-15. In Lambeth this figure was roughly similar at £239.<sup>4</sup>
17. The challenging fiscal context facing councils and central government means that any extra investment in childcare and early years services will need to be reallocated from other sources. But it is clear that extra investment in early years services can reap much bigger returns for central government, local government, and most importantly, children themselves, later on. A pound spent supporting families early on, when their children are young, is much more efficient and effective than trying to deal later with the consequences of issues that have gone untackled.

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<sup>2</sup> <http://www.lambeth.gov.uk/elections-and-council/about-lambeth/lambeths-%C2%A390-million-savings-challenge>

<sup>3</sup> [http://www.southwark.gov.uk/news/article/1787/shared\\_legal\\_services\\_go\\_from\\_strength\\_to\\_strength](http://www.southwark.gov.uk/news/article/1787/shared_legal_services_go_from_strength_to_strength)

<sup>4</sup> <http://www.theguardian.com/society/patrick-butler-cuts-blog/2013/jan/11/council-cuts-north-loses-out-to-the-south-newcastle>

18. We therefore make a strong case here that the children's services and education budget should be looked at as a whole, and that some spending should be reallocated from services for school-age children to the early years, with the government taking a 0-18 approach to funding.
19. We will also need to see much more integrated partnership working than we have done in the past between different commissioners and services, building on existing joint commissioning initiatives such as the Lambeth Early Years Action Partnership (LEAP).
20. The recommendations we have made here in relation to childcare and early years services also therefore need to be seen in the context of a bigger agenda for more place-based budgeting, with local councils at the helm. And there will need to be some difficult decisions made, for example around decommissioning some services, or strategically prioritising services within some Children's Centres over others to create a 'hub and spoke' model.
21. However, improving the affordability and availability of childcare cannot be a job for central government or Lambeth and Southwark councils alone. Both central government and local councils have an important role to play. But so do local employers and businesses, who can help expand access to childcare through adopting parent-friendly policies.
22. The Mayor of London can also play a key role in expanding access to affordable loans, creating a coalition of London employers committed to improving childcare for their employees and making things easier for parents by keeping transport costs – such a big part of the costs of flexible working in London – manageable.
23. And of course we can also facilitate parents themselves playing a much bigger role through helping them set up childcare cooperatives, in which they contribute time in exchange for lower-cost childcare; facilitating parent-led after-school and holiday provision; and creating the networks that allow parents to pool time to support each other, for example with school drop-offs and pick-ups.
24. The third theme is about the importance of community institutions like Children's Centres which act as one-stop-shops for busy parents for all their support needs, with co-located services spanning child health, childcare, parenting support and employment services, delivered in partnership with families. Southwark and Lambeth both have great examples of Children's Centres that act as real community hubs: we need to ensure parents right across both boroughs have access to the best examples of these, and that best practice is harnessed and shared.

### **Policy implications**

25. The key policy areas that could be impacted by the Commission's recommendation's include:
  - a. Southwark's role as a commissioner and provider of childcare
  - b. Consideration of the importance of schools in the delivery of childcare, especially in relation to funding streams and provision for older children
  - c. Southwark's role in engaging and supporting local businesses and employers to adopt family friendly policies and practices to help their employees better manage their working life and childcare responsibilities.
  - d. The suitability of existing types of childcare provision for helping parents into employment and progression into work.

## Community impact statement

26. The Commission has taken evidence and information from local residents, parents, children, childcare providers and organisations with an interest in childcare. The evidence has been essential in informing and supporting the work of the Commission and its final report.
27. The work of the Commission and the recommendations it has produced will be of potentially significant importance in the councils' future approach to childcare provision. Any changes to policy or practice that flow from the Commission's recommendations will be subject to equality analysis.

## Resource implications

28. The 15 hours provision for childcare is funded through the Dedicated Schools Grant (DSG) for targeted two year olds and the universal offer for three and four year olds. In addition, the DSG also contributes to the council's overall Early Help provision for 0-5 year olds. The cost of the childcare commission report has been shared with Lambeth at £35,000 per council, funded from the DSG. The future recommendations from this report will need to be included into future budget setting processes for the council.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Director of Legal Services

29. The director of legal services notes the content of this report and advises that there are no specific legal implications arising from the report recommendations at this stage.

### Strategic Director of Finance and Corporate Services

30. The strategic director of finance and corporate services notes the recommendations to receive the Southwark and Lambeth Childcare Commission report and plan to consider the implementation of the recommendations and report back to cabinet. Any financial implications arising from future proposals will need to be incorporated into the council's budget setting and decision making processes as these arise and, in addition, consideration given to the specific DSG governance arrangements where relevant.

## BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
|-------------------|---------|---------|
| None              |         |         |

## APPENDICES

| No.        | Title   |
|------------|---|
| Appendix 1 | Southwark and Lambeth Childcare Commission Report & Recommendations |

## AUDIT TRAIL

|   |   |                          |
|---|---|--------------------------|
| <b>Cabinet Member</b>   | Councillor Victoria Mills, Children and Schools |                          |
| <b>Lead Officer</b>   | Graeme Gordon, Director of Corporate Strategy   |                          |
| <b>Report Author</b>  | Helen Iles, Senior Strategy Officer             |                          |
| <b>Version</b>  | Final   |                          |
| <b>Dated</b>  | 5 March 2015                                    |                          |
| <b>Key Decision?</b>  | No  |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |   |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>                          | <b>Comments Included</b> |
| Director of Legal Services  | Yes   | Yes                      |
| Strategic Director of Finance and Corporate Services                    | Yes   | Yes                      |
| <b>Cabinet Member</b>   | Yes   | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 5 March 2015                                    |                          |