

Item No. 8.	Classification: Open	Date: 1 November 2016	Meeting: Cabinet
Report title:		Childcare Commission Response	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Victoria Mills, Children and Schools	

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

The early years and childcare agenda continues to be a priority for Southwark council. We have taken positive action in response to the Southwark and Lambeth Childcare Commission as well as rising to new challenges that have emerged since the Commission reported. This report summarises the progress we have made, and sets out how the council is continuing to facilitate the creation of new childcare places.

RECOMMENDATIONS

1. To note progress in developing the early years and childcare agenda in Southwark since the Southwark and Lambeth Childcare Commission reported in April 2015.
2. To approve grants for the creation of additional childcare places, as set out in paragraph 17.

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 Southwark and Lambeth. The aim of the Commission was to examine the challenges and opportunities in this area, and to 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. Cabinet responded to the Commission in July 2015, and set out work for the council to undertake in response to the recommendations within the report.
5. Since the report was first published, there have been national changes to childcare legislation and guidance from government for local authorities. A new government has been elected which has made commitments and changes to childcare provision which were not in place at the time of report publication.
6. This report sets out progress in delivering on the early years and childcare agenda in Southwark in the context of the Commission's report and subsequent developments including the new Childcare Act 2016. It also assesses what further work could be done to improve childcare provision in Southwark.

KEY ISSUES FOR CONSIDERATION

Policy implications

7. Childcare is a priority for Southwark council. The 'Fairer Future' promises, as agreed in the council plan by the cabinet in February 2015, include as 'Promise 5 – Nurseries and Childcare' a commitment that 'We will help parents to balance work and family life including investment in our children's centres to deliver more quality affordable childcare and open two new community nurseries'.
8. Local authority duties in relation to childcare are set out in the Childcare Act 2006 (as further defined by Local Authority Duty to Secure Early Years Provision Free of Charge Regulations 2014) and explained in 'Early education and childcare: statutory guidance for local authorities' (Department for Education, 2015). These include:
 - Securing free early education places for all three and four year old children, and for the 40% most disadvantaged two year old children (all for 15 hours per week, 38 weeks per year)
 - Securing sufficient childcare, so far as is reasonably practicable, for working parents, or parents who are studying or training for employment
 - Using a locally-determined, transparent formula - the early years single funding formula (EYSFF) - to set the funding rates for all types of provider based on a count of children attending
 - Providing information, advice and assistance to parents and prospective parents on the provision of childcare in their area
 - Securing information, advice and training for early years childcare providers in their area;
 - Distributing Early Years Pupil Premium funding to early years settings in order to improve the education they provide for disadvantaged three and four-year-olds
 - Ensuring that there are sufficient children's centres, as far as reasonably practicable, to meet local need of parents, prospective parents and young children.
9. A new Childcare Act 2016 received royal assent in March 2016 and includes an additional duty to provide 30 hours of free childcare for working parents, to be implemented from September 2017. It also includes a requirement for local authorities to publish information about the provision of childcare. A Department for Education consultation on the implementation of these new duties closed in June 2016, with further statutory guidance expected shortly.
10. The government published a consultation paper, 'An Early Years National Funding Formula' in August 2016, signaling a change in the way 3 and 4 year old nursery places will be funded in future. Funding for providers will continue to be channeled via local authorities, but a number of inner London authorities including Southwark are expected to have the amount of funding reduced under the proposed new formula for allocating budgets.
11. As well as a range of statutory duties and government guidance, the Childcare Commission aimed to go further to explore the roles local, regional, national government and others in addressing the challenges faced by many local families. The Commission was tasked with finding ways to ensure all families

have access to good quality, affordable, flexible childcare. This often goes beyond our statutory obligation.

Actions following the Childcare Commission

12. The report considered by cabinet in July 2015 proposed a number of actions in response to the recommendations of the Southwark and Lambeth Childcare Commission. Progress with these actions is set out below. More broadly, consideration of the Commission's report has helped focus work across the council in key areas including:

- Ensuring sufficiency of childcare provision
- Childcare and employment
- Information for parents
- Children's centres
- Influencing the London and national agenda.

Ensuring the sufficiency of childcare provision

13. In response to the Childcare Commission, the cabinet agreed that Southwark would develop and implement a strategy for encouraging new childcare provision in areas where there is a need for new places.
14. Southwark is now implementing a strategic approach to ensuring the sufficiency of childcare provision, as set out in Appendix A. This includes:
- assessing population trends
 - assessing current levels of take up of early education and childcare at borough
 - supporting the quality improvement of early years and childcare settings
 - supporting the development of new childcare places.
15. Successes have included:
- increasing take up of free places by two year old children to the highest level in inner London
 - providing free places to a record number of 2,3 and 4 year olds, benefiting 8,300 children
 - an increase in the proportion of early years and childcare settings judged as 'Good' or 'Outstanding' by Ofsted.
16. Since the Commission was established, the council has allocated grants for ten projects to expand childcare provision in the borough. This has included the opening of two new voluntary sector nurseries; 1st Place Place at Lorrimore Square and Camberwell After School Club Nursery, and the opening of new two year old provision in four primary schools. This exceeds the council plan commitment to open two new community nurseries.

17. Proposals have been received for three further projects to expand places. It is recommended that the council approves making grants to support these as follows:

Setting	Project	Cost (£)
Smart Start Nursery	Refurbishment of new property to create 28 places – Chaucer Ward	40,000
St Mary's Pre-School	Equipment and resources for new 20 place nursery – Surrey Docks Ward	5,500
Lilies Nursery (Smart Start Nursery Ltd)	Refurbishment of new property to create 21 places – South Bermondsey Ward	40,000
Total		110,000

18. The Childcare Commission recommended exploring the feasibility of amending its NNDR discretionary rate relief policy to encourage quality childcare provision. An audit has been undertaken by the council's finance and governance department and this has determined that more than two thirds of childcare settings are already receiving rate relief as charities or as small businesses, or have otherwise been taken out of rating. On this basis it is not proposed to make any changes to policy at this stage.
19. The Early Years Pupil Premium was introduced in 2015 to provide additional resources to support the education of disadvantaged children. This is provided to settings via the council, based on checking the eligibility of children to this support. In line with the recommendations of the Commission, Southwark has given briefing to both PVI settings and schools on making the best use of the Early Years Pupil Premium. Information on EYPP has been included in the governors bulletin circulated to all schools.

Childcare and employment

20. The Childcare Commission recognised that finding suitable childcare is a key barrier to parents moving into and retaining employment, and that the role of employers in helping parents balance work and parenting commitments is critical. In its response to the Commission, Southwark agreed to work with other local employers on supporting the childcare needs of their staff, including both direct support with childcare and family friendly working
21. Southwark recognises that people work best when they have a satisfactory balance between their paid work and the remainder of their lives; as individuals and families, carers and members of the community. The council's new workforce strategy will continue to support our strong track record in supporting flexible working arrangements, building on our existing approach, which provides a range of flexible opportunities to staff from their first day. This recognises that we do what we can to find ways for them to benefit from a positive work life balance while continuing to deliver excellent services. As part of our review of

how we recruit the best people to Southwark, we will be more proactive in explaining the non-salary benefits, such as flexible working and childcare vouchers.

22. Since the Commission reported, the council has launched a childcare loan scheme for its employees. This is aimed at helping parents with childcare costs when returning to work after parental leave. In addition, the council has extended its child care voucher scheme until March 2017, pending the launch of a new national tax free childcare scheme. The voucher scheme helps parents with their childcare costs by enabling them to exchange part of their salary for tax exempt childcare vouchers
23. The Commission's findings were shared with the Southwark Business Forum, which brings together businesses based in the borough with the aim of improving economic wellbeing across Southwark. Further work and discussion is planned with the Forum on encouraging family friendly working across Southwark. The forum will discuss childcare best practice at future meetings.
24. The council provides support via its Southwark Works programme to residents with particular barriers to work, including physical and mental health issues, learning disabilities and caring responsibilities. As part of the Southwark Works offer, specialist Family Employment Advisers (FEAs) will offer clients with childcare responsibilities intensive and one to one, hands-on support to help remove barriers to work and improve overall employability. Clients will receive an initial employability and skills assessment and develop a personal action plan, with their own adviser, which will set out and measure progress against short, medium and long term goals, plus a soft skills assessment which will provide an on-going measure of the client's well being, confidence, motivation and more specific individual issues. The project intends to help over 300 residents on their journey to work by securing work placements and identifying childcare support. Once a resident secures employment FEAs help then to sustain their position and progress at work.

Information for parents

25. The cabinet response to the Childcare Commission in July 2015 included a commitment to develop a childcare portal as part of the council's online presence, to improve information to parents and providers. It also proposed better promotion of childminding as an option for parents.
26. Since then, a new online training booking and payment system has been developed for childcare providers. Information on childcare providers in Southwark is available on the families information service pages on the council website, and is updated regularly based on the latest available information from Ofsted.
27. The childcare portal will be developed fully a part of the refresh of Southwark's website, in line with the commitment in the council's digital strategy to improve information and 'empowering customers to easily find what they need on the website'. Finalisation of details is subject to new statutory guidance expected shortly from Department for Education on childcare information requirements for LAs, in line with the Childcare Act 2016.
28. Southwark continues to promote childminding on its website and also supports quality improvement amongst childminders through a comprehensive pre-

registration programme for new childminders with ongoing support and training. As with other areas, this will be further enhanced through the 'childcare portal' as part of the refreshed website.

29. A gap has been identified in information on wrap around childcare in schools, arising from changes in the way this provision is treated by Ofsted. Schools no longer have to separately register their breakfast, after school, and holiday provision with Ofsted, which means there is no longer a central list of such services. Southwark is now undertaking its own audit of the provision of out of school childcare in local schools, and this information will be made available to parents via the council's website.

Children's centres

30. The council's Childcare Commission response agreed a number of actions in relation to children's centres:
 - ensuring that there is a childminding network linked to each of the four children's centres/early help localities
 - improving links between children's centres and maternity and health visiting services
 - ensuring that centres have improved access to employment support through Job Centre Plus and other agencies
 - better aligning adult learning services with support to parents and families through children's centres.
 - ensure that each of the four children's centre localities has at least one weekend activity taking place
 - prioritising the provision of additional free two year old places in children's centres.
31. A report on children's centres was considered by the cabinet in June 2016, confirming the implementation of a new locality model for children's centres. Service level agreements have been put in place with five lead agencies across Southwark to deliver the children's centre programme, and these include requirements to develop childminding networks, to work in partnership with health, employment, education and other services and to develop weekend services in response to local need.
32. The new children's centre model includes a locality board to enable stronger partnerships with health, employment and other services, who are represented on boards at a senior level.
33. A range of health provision is now being delivered from children's centres by health visitors, midwives and other health partners including antenatal clinics, sleep clinics and two year old reviews. Children's centres are also working with health partners towards Southwark achieving 'Baby Friendly Initiative' accreditation, a UNICEF programme to support breastfeeding and parent-infant relationships.
34. Facilitating access to employment support is part of the core offer for children's centres, with a range of training, advice and employment agencies delivering services from children's centres. Volunteering alongside accredited training courses to support users to become job ready is also available, and centres aim to further develop this in order to gain Investors in volunteers status. Southwark

provides adult and community learning at its Thomas Calton centre, with good quality childcare provision that enables parents to access a range of courses in order to develop their skills into employment.

35. Free two year old places are now being delivered at the following Children's Centre sites: Kintore Way, Dulwich Wood, Nell Gwynn, Ann Bernadt, Grove, Rye Oak, Rotherhithe, South Bermondsey, Bishops House, 1st Place, Coin Street and Bessemer Grange.

Influencing the London and national agenda

36. The Childcare Commission report recognised that addressing this issue requires concerted action at national and city-wide level, as well as from local authorities. To this end, it included recommendations for the government and Mayor of London, as well as for Southwark and Lambeth. Southwark has taken this further by continuing to lobby in relation to childcare at all levels.
37. The new Mayor of London was elected in May 2016 with a manifesto commitment to 'Make childcare more affordable and accessible with a strategy that delivers for business and workers'. The Mayor appointed a deputy with responsibility for education and childcare in August 2016, and the cabinet member for children and schools has written to her offering to work together on areas such as:
- Continuing to lobby national government on levels of funding to promote affordability; childcare costs in London are significantly higher than in the rest of the UK, but the Department for Education is currently consulting on proposals for early years funding that threaten to reduce the level of funding to Southwark and a number of other London boroughs
 - Support for developing the childcare workforce, including further promotion of London Living Wage; many nurseries in the capital struggle to recruit and retain high quality staff in what has historically been a relatively low wage sector
 - Using planning powers to facilitate childcare provision; with numbers of young children projected to rise across London, planning will be essential to ensure that there is a sufficient supply of early education and childcare places.
 - Promoting family friendly working, including encouraging employers to develop best practice and considering needs of part time and flexible staff in other areas, such as setting TfL fares.
38. In his role as London Councils' executive member for children, skills and employment, the Leader has played a key role in advocating for London childcare in government consultations.
39. The council has engaged with the childcare sector locally on the developing childcare policy agenda. A meeting for providers was held in May 2016 to discuss the government's proposals to expand the free childcare offer for working parents to 30 hours per week. This informed the council's response to the Department for Education's consultation on this initiative, in which Southwark reiterated providers' views that the key to its success was that it be adequately resourced.

Community impact statement

40. The Public Sector Equality Duty, at section 149 of the Equality Act, requires public bodies to consider all individuals when carrying out their day to day work; in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard when carrying out their activities to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between people with protected characteristics and those with none. The council's approach to equality ("the approach") commits the council to ensuring that equality is an integral part of our day to day business.
41. Protected characteristics are the grounds upon which discrimination is unlawful; the characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, gender and sexual orientation. Equality analysis indicates that the Commission's recommendations and the council's proposed response are unlikely to impact on the characteristics of gender reassignment, marriage and civil partnership, race, religion or belief or sexual orientation. The expansion of childcare provision would be likely to contribute to advancing equality of opportunity for working mothers, and to expand educational opportunities for disadvantaged younger children (aged under five).

Resource implications

42. As set out in paragraphs 8 and 9 above, new statutory duties relating to childcare continue to be placed upon local authorities. At the same time the resources available for Southwark council to meet these duties have been reducing over a number of years. The ring-fenced and relatively generous Sure Start, Early Years and Childcare Grants were replaced in 2011 by a reduced Early Intervention Grant, which in turn was abolished in 2013. Funding for free nursery places is included in the Early Years Block of the Dedicated Schools Grant but, as explained in paragraph 10, government proposals to change the way these funds are allocated threaten to reduce the amount of funding to Southwark. Against a backdrop of an extremely challenging financial position for the council as a whole, it is evident that there is limited scope for major new childcare initiatives.
43. The 7 July 2016 report to Schools Forum detailed the earmarking of £2.1m of DSG reserves to support future programmes including increasing capacity and support. Grants to support the development of new childcare places, including the recommended grants in paragraph 17, are resourced from Dedicated Schools Grant reserves earmarked for the development of two year old provision. Grant agreements will be in place with the providers to ensure expenditure is in line with the purpose of the grant.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

44. The council's functions in relation to the provision of childcare are described in the body of the report.
45. The cabinet is reminded that the public sector equality duty under section 149 Equality Act 2010 requires that, when exercising any of its functions, the council

must give due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between people with protected characteristics and those with none.

Strategic Director of Finance and Governance (CAS16/014)

46. This report notes progress in developing the early years and childcare agenda in Southwark. It also seeks approval to the grants for the creation of additional childcare places, as set out in paragraph 17, the funding for which is confirmed in paragraph 43.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Lambeth and Southwark Childcare Commission Report	Children's and Adults Services Early Help Service Tooley Street London	Neil Gordon-Orr Tel: 020 7525 5234
Link: http://www.southwark.gov.uk/downloads/file/11693/childcare_commission_report		
Cabinet report, 21 July 2015: 'Response to Southwark and Lambeth Childcare Commission' (Item 10)	Website (see link below)	Paula Thornton 020 7525 4395
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5138&Ver=4		

APPENDICES

No.	Title
Appendix 1	Strategic approach to ensuring sufficiency of childcare provision

AUDIT TRAIL

Cabinet Member	Councillor Victoria Mills, Cabinet Member for Children and Schools		
Lead Officer	David Quirke-Thornton, Strategic Director of Children's and Adults' Services		
Report Author	Neil Gordon-Orr, Early Help Central Strategic Manager		
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CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments sought	Comments included	
Director of Law and Democracy	Yes	Yes	
Strategic Director of Finance and Governance	Yes	Yes	
Cabinet Member	Yes	Yes	
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