

|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>10.             | <b>Classification:</b><br>Open | <b>Date:</b><br>21 July 2015                           | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Response to Southwark and Lambeth Childcare Commission |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All wards  |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Victoria Mills, Children and Schools        |                                 |

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

The Southwark and Lambeth Childcare Commission's report was received and noted by the Cabinet at its meeting in March 2015. It was agreed that a further report would be brought back to cabinet responding to the Commission's recommendations.

This report sets out a series of practical responses to the Commission's recommendations which will help parents and childcare providers. It does so in the context of the Council's broader childcare responsibilities, including potential additional duties signalled by the new Government.

The Council has previously committed to supporting the development of new community nursery provision as one of its 'Fairer Future' promises and the report sets out progress with this.

A further report and action plan will be brought to the cabinet in autumn 2015. This will include an update on the council's response not only to the Childcare Commission but also the implications of the Government's plans to expand free childcare for 3 and 4 year olds and to increase the average childcare funding rates paid to providers.

## **RECOMMENDATIONS**

1. In response to the recommendations of the Southwark and Lambeth Childcare Commission (set out in Appendix A), cabinet agrees the proposed actions set out at paragraph 18, Table One of this report.
2. That a further report be brought back to cabinet in Autumn 2015 outlining a clear strategy and detailed programme of activities for implementing this response, and for securing a sufficient supply of good quality early education and childcare places across Southwark (as set out at paragraph 27 of this report)
3. An award of a one-off grant of £110,000 to 1<sup>st</sup> Place Children and Parents Centre be agreed, to support the start up of a new nursery in line with the Council's commitment to open new community nursery provision.
4. That further proposals for new community nursery provision be invited from potential providers, with a budget of £200,000 established for this purpose.

## **BACKGROUND INFORMATION**

5. 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 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.
6. The Commission's report was received and noted by the cabinet at its meeting in March 2015. It was agreed that a further report would be brought back to Cabinet in May 2015 responding to the Commission's recommendations. The report has been set back to the July meeting to enable consideration of new childcare announcements from the new UK Government.
7. This report considers the Commission's recommendations and sets out proposed actions in the context of the council's existing commitments and statutory duties as well as emerging national early years policy developments.

## **KEY ISSUES FOR CONSIDERATION**

### **Policy implications**

8. 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'.
9. The council has general duties under the Childcare Act 2006 to:
  - a. improve the well-being of young children and reduce inequalities between them;
  - b. take steps to identify parents and those expecting a baby in their area who are unlikely to take advantage of early childhood services and encourage them to use them.
10. In respect of childcare specifically, the Council's duties under 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, 2014), include:
  - a. Securing early education places offering 570 hours a year over no fewer than 38 weeks of the year for every three and four year old child, and for the 40% most disadvantaged two year old children;
  - b. Securing sufficient childcare, so far as is reasonably practicable, for working parents, or parents who are studying or training for employment, for children aged 0-14 (or up to 18 for disabled children);

- c. 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 provision conducted at least three times a year;
  - d. Providing information, advice and assistance to parents and prospective parents on the provision of childcare in their area; and
  - e. Securing information, advice and training for early years childcare providers in their area on meeting the requirements of the Early Years Foundation Stage; meeting the needs of children with special educational needs and disabilities, vulnerable and disadvantaged children; and effective safeguarding and child protection.
11. Southwark also has a statutory duty to ensure that there are sufficient children's centres, as far as reasonably practicable, to meet local need of parents, prospective parents and young children. This is also set out in the Childcare Act 2006 and further explained in 'Sure Start Children's Centres Statutory Guidance' (Department for Education, 2013).
  12. A new duty has been placed on Local Authorities since April 2015 to distribute Early Years Pupil Premium funding to early years settings in order to improve the education they provide for disadvantaged three and four-year-olds.
  13. The government has published a new Childcare Bill which, if passed, will increase the free hours of childcare available for working parents of 3 and 4 year olds from 15 to 30 hours a week. This requirement is expected to be introduced from September 2017. The Bill would also require local authorities to publish information about the provision of childcare (see sections 19-25 below).

**Childcare Commission recommendations for National Government, the Mayor of London and Local Employers**

14. Southwark Council notes the recommendations for National Government, the Mayor of London and Local Employers in the Childcare Commission report, and the recognition that the affordability, quality and supply of childcare cannot be a matter for Local Authorities alone. but is substantially dependent on national policy and funding. The Council is continuing to lobby the Department for Education and the Mayor of London through London Councils and other channels in support of investment in childcare

**Childcare Commission recommendations for Southwark and Lambeth Councils**

15. The Childcare Commission report includes a number of specific recommendations for Southwark and Lambeth Councils (see Appendix A). These cover the following key areas:
  - Childcare
  - Children's Centres
  - Integrated Commissioning;
  - Supporting parents to do the best for their children
  - Business support.
16. Lambeth Council is developing its own response to the report, but officers in both Councils are working closely together on early years initiatives.

17. Southwark's response to the Childcare Commission is set in the context of an extremely challenging fiscal position as a result of reductions in central government funding. This places a significant constraint on the Council's ability to invest in new initiatives. Nevertheless, the Council is committed to making the most effective use of the resources it has available to support childcare development.
18. Following consideration of the Childcare Commission report, it is proposed that the Council's response to its recommendations be as follows:

**Table One: Response to Childcare Commission Recommendations**

| Summary of Commission Recommendations  | Proposed Response  |
|--|--|
| <b>Childcare</b>   |  |
| Commission recommendations focus on improving information about childcare; supporting childminding; and encouraging new provision such as co-operative childcare schemes and childcare clubs/babysitting circles               | <ol style="list-style-type: none"> <li>1. Southwark will develop a childcare portal as part of the Council's online presence. This should include improved information for both parents and providers, online eligibility checking for the two year old offer and Early Years Pupil Premium, and access to advice and training materials</li> <li>2. Southwark will launch a marketing campaign to promote childminding as an option for parents.</li> <li>3. Southwark will ensure that there is a Childminding network linked to each of the four Children's Centres/Early Help localities.</li> <li>4. Southwark will develop and implement a strategy for encouraging new childcare provision in areas where there is a need for new places. This will include consideration of co-operative childcare schemes and childcare clubs as well as more traditional providers.</li> </ol> |
| <b>Children's Centres</b>  |  |
| Develop the role of Children's Centres further, including acting as a base for registering births; developing parent-led provision at weekends; linking up with employment support; and increasing the provision of childcare. | <ol style="list-style-type: none"> <li>5. Southwark does not believe that basing the birth registration service within Children's Centres would make a significant impact. Instead we will encourage new parents to access Children's Centres through improving links with maternity and health visiting services. This will include delivering antenatal clinics in Children's Centres.</li> <li>6. Southwark will ensure that each of the four Children's Centre localities has at least one weekend activity taking place.</li> <li>7. Southwark will ensure that parents using Children's</li> </ol>   |

| <b>Summary of Commission Recommendations</b>   | <b>Proposed Response</b>  |
|--|---|
|  | <p>Centres have improved access to employment support through Job Centre Plus and other agencies.</p> <p>8. Southwark will prioritise the provision of additional free two year old places in Children’s Centres.</p>   |
| <b>Integrated Commissioning</b>  |   |
| <p>Lambeth and Southwark should continue to develop integrated commissioning with a strong ethos of early intervention; and should liaise with schools to pool and invest a proportion of schools’ pupil premium funding from the Dedicated Schools Grant in pre-school interventions to support school readiness.</p> | <p>9. Southwark Children’s Commissioning Board, which brings together the Council, Southwark Clinical Commissioning Group and other key health partners, has recently (June 2015) agreed Joint Strategic Commissioning Intentions on ‘Early intervention in the early years’ along the lines proposed by the Childcare Commission.</p> <p>10. Southwark will issue guidance to schools and early years settings on using the new Early Years Pupil Premium to support school readiness.</p> |
| <b>Supporting parents to do the best for their children</b>  |   |
| <p>Use evidence-based parenting support and family learning programmes, as well as parent-led programmes such as Parent Champions and Community Mothers.</p>   | <p>11. Southwark only utilises evidence-based parenting support and family learning programmes, including Incredible Years and the Family Nurse Partnership.</p> <p>12. The Council is currently consulting with staff on integrating adult learning provision into Children’s and Adults Services. As part of this process, Southwark will explore aligning this provision with support to parents and families.</p>   |
| <b>Business Support</b>  |   |
| <p>Investigate the feasibility of providing business rates discounts for employers that invest in childcare support for employees, and help put employers in touch with providers interested in running workplace nurseries. The Commission</p>  | <p>13. Southwark already provides Discretionary Rate Relief for not-for-profit providers of education and welfare services. The Council will explore the feasibility of amending its NNDR Discretionary Rate Relief Policy to encourage childcare provision, within the framework of the Local Government Finance Act 1988 and related statutory guidance which requires that any local discount scheme must</p>  |

| Summary of Commission Recommendations   | Proposed Response   |
|---|---|
| <p>also recommends that the Council should expand their requirement for businesses winning council contracts to pay the living wage, to other forms of family friendly working.</p> | <p>be in the interests of the wider council taxpayer.</p> <p>14. Southwark has launched a Childcare loan scheme for its employees in response to the Commission. This is aimed at helping parents with childcare costs when returning to work after parental leave.</p> <p>15. Southwark will launch an initiative with other local employers on supporting the childcare needs of their staff, including both direct support with childcare and family friendly working.</p> |

### The Childcare Bill and Childcare Sufficiency

19. Since the Childcare Commission report was published, the new UK Government has signalled further developments in relation to early education and childcare.
20. All children are currently entitled to 15 hours of free early education and childcare from the start of the term after they turn three years old. The Childcare Bill, which received its second reading in the House of Lords on 16 June 2015, provides for an increased entitlement to 30 hours a week of free childcare (for 38 weeks of the year) to be made available to eligible working parents of three- and four-year-old children in England. The Bill would also require local authorities to publish information about the provision of childcare, and other services or facilities which may be of benefit to parents or prospective parents, or children or young persons, in their local authority area.
21. The government has stated that the increased entitlement would be implemented for all working parents from September 2017, with trials being introduced for some families in September 2016.
22. There are a number of significant details of the scheme which are yet to be finalised, such as the number of hours that parents would need to work to be eligible, and whether there would be an upper income threshold beyond which parents would not be entitled to this support.
23. Nationally, a key concern raised by the early years sector relates to the level of funding for the scheme. The National Day Nurseries Association, for instance, has argued that the level of funding for the current 15 hours offer is barely sufficient to cover providers' costs, and that many nurseries could not afford to offer 30 free hours at such rates. Some settings could choose not to participate in the expanded scheme, reducing the supply of places. The Department for Education is currently undertaking a review of the costs of providing childcare in England, with Ministers indicating that an increase in funding levels may be required.
24. The proposed increase in free hours, following on from the extension of the free early education entitlement to 40% of two year olds (from September 2014), is likely to increase the challenge faced by London authorities in ensuring a sufficient supply of childcare places. London Councils has identified a lack of

capacity with the London childcare system with many providers already operating at maximum occupancy.

25. In Southwark, the number of children receiving free places has significantly increased in recent years, as a result of the expansion of the two year old scheme, rising population and increased take up (see table one below).

**Table One: children in free provision in Southwark, 2012-15**

|              | Two year olds in free provision | Three and four year olds in free nursery provision |
|--------------|---------------------------------|--|
| January 2012 | 64                              | 4,508  |
| January 2014 | 620                             | 4,706  |
| April 2015   | 1,052                           | 5,539  |

26. As a result of this increase, there is an emerging challenge to childcare sufficiency in parts of Southwark. An increase in the number of free hours, though welcome to parents, is likely to require a further expansion of provision but it is unclear what resources, if any, the Government will provide to support this.
27. It is proposed that officers work with early years settings, employers and other partners to develop a strategy and action plan for securing sufficient supply of good quality early education and childcare across Southwark, as well as for implementing the action identified in response to the Childcare Commission (as set out in Table One above).

### **Proposal for new community nursery provision**

28. In the context of a potential future shortage of places, Council support for new community nursery provision, as set out in the Council Plan, can make a significant contribution to increasing the supply of childcare in the borough.
29. 1<sup>st</sup> Place Children and Parents Centre has put forward a proposal to open a new community nursery at St Pauls Church, Lorrimore Square SE17. The plan would be to open a nursery that would include 50 full time places for children aged 6 months to rising five years. Within this number will be 32 funded free part time places during the school term for children aged 2 to 4.
30. 1<sup>st</sup> Place Children and Parents Centre was established by parents and partners involved with the Sure Start Aylesbury Plus programme in 2003, with the support of Southwark Council. It operates a successful nursery and Children's Centre from its base in a building leased from Southwark Council in Chumleigh Street, Burgess Park. 1<sup>st</sup> Place opened a second nursery at Cambridge House, SE5, in 2011.
31. 1<sup>st</sup> Place is a voluntary organization and registered charity, overseen by a Board of Trustees, with membership including senior officers from national and international charities, business, statutory and voluntary sector services, as well as parents who use 1<sup>st</sup> Place services. It has 'a vision of a strong community where every parent and child is given the chance to realise their potential and enjoy a good quality of life. It's our mission to provide equal opportunities to every child and parent in the local community through high-quality, early learning experiences, family support and training'.
32. 1<sup>st</sup> Place has a track record of delivering high quality provision. Both of its

nurseries have been judged as 'Outstanding' by Ofsted, as has its Children's Centre provision.

33. 1<sup>st</sup> Place's business plan for the proposed new nursery demonstrates that it can be self-sustaining from fee income within 12 months of opening, with no expectation of ongoing revenue funding from the Council. It is proposed to provide 1<sup>st</sup> Place with a one-off start up grant of £110,000 for the following purposes:
  - a. To equip and refurbish the premises to make them suitable for childcare provision
  - b. To help cover operational costs in the interim period between staff being employed and the occupancy levels reaching the level where fee income covers costs.
34. In addition to the new nursery planned by 1<sup>st</sup> Place, Bessemer Grange Primary School is planning to open new community nursery provision for two year old children later this year.
35. In view of the issues with childcare sufficiency and capacity identified above, it is proposed that the Council will invite further proposals for new community nursery provision from potential providers, with a budget of £200,000 established for this purpose.

### **Community impact statement**

36. 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.
37. "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**

38. The actions set out in paragraph 18, Table One, assume the use of current staff and budgets within Children's and Adult service, rather than the allocation of additional resources.
39. The proposed start up funding for the new nursery at 1<sup>st</sup> Place and for additional community nursery provision would come from the Dedicated Schools Grant

budget set aside with the agreement of Schools Forum for the development of the two year old offer in Southwark.

### Consultation

40. The Commission took 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.

### SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

#### Director of Legal Services

41. The council's functions in relation to improving the well-being of young children and reducing inequalities between them, and the provision of childcare and children's centres, are set out in the body of the report.
41. 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 Corporate Services (FCS15/011)

42. The strategic director of finance and corporate services notes the proposed actions in response to the Southwark and Lambeth Childcare Commission recommendations. Further that these proposals will be funded through a combination of existing staff and budgets, and the DSG reserve set aside for two year old funding.

### BACKGROUND DOCUMENTS

| Background Papers   | Held At   | Contact                          |
|---|---|----------------------------------|
| Lambeth and Southwark Childcare Commission Report   | Children's & Adults Services<br>160 Tooley Street<br>London SE1 2QH | Neil Gordon-Orr<br>020 7525 5234 |
| <a href="http://www.southwark.gov.uk/downloads/file/11693/childcare_commission_report">http://www.southwark.gov.uk/downloads/file/11693/childcare_commission_report</a> |   |                                  |

### APPENDICES

| No.        | Title   |
|------------|---|
| Appendix 1 | Childcare Commission Recommendations for Southwark and Lambeth Councils |

## AUDIT TRAIL

|   |   |                          |
|---|---|--------------------------|
| <b>Cabinet Member</b>   | Councillor Victoria Mills, Children and Schools                             |                          |
| <b>Lead Officer</b>   | David Quirke-Thornton, Strategic Director of Children's and Adults Services |                          |
| <b>Report Author</b>  | Neil Gordon-Orr, Early Help Central Strategic Manager                       |                          |
| <b>Version</b>  | Final   |                          |
| <b>Dated</b>  | 8 July 2015   |                          |
| <b>Key Decision?</b>  | Yes   |                          |
| <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>                    | 9 July 2015   |                          |

## APPENDIX 1

### Childcare Commission Recommendations for Southwark and Lambeth Councils

#### Childcare

1. Lambeth and Southwark should improve access to information about local childcare by facilitating the creation of an online childcare portal.
2. Increase the awareness of existing provision as well as the supply and quality of childminders, by:
  - a. Establishing and extending childminder networks, run out of Children's Centres, focused on improving the quality of childminding.
  - b. Expanding and strengthening flexible childminder networks to broker parental access to childminders.
  - c. Working with local further education providers to increase the supply of childminders.
  - d. Providing more business support for childminders.
3. Lambeth and Southwark should support more before-and after-school provision and holiday provision for school-age children through supporting parents to set up cooperative childcare schemes.
4. Both boroughs should set up childcare clubs for parents, which could operate on a 'timebank' principle. These could, for example, help parents coordinate drop-offs and pick-ups from school with other local parents, and facilitate the set up of 'babysitter circles' whereby parents look after each other's children in a reciprocal scheme.

#### Children's Centres

5. Both boroughs should work together to share and develop best practice on Children's Centres.
6. More Children's Centres to allow parents to register their child's birth.
7. Both boroughs should explore how to expand the availability of Children's Centres at weekends, such as through parent-led provision.
8. Both boroughs should look at how to increase the role that Children's Centres play in the provision of childcare.
9. Expand and share best practice on the linking up of family services and employment support.

#### Integrated Commissioning

10. Lambeth and Southwark should continue to develop partnership working and integrated commissioning with a strong ethos of early intervention and robust methods for sharing data and best practice.

11. Lambeth and Southwark should liaise with schools to pool and invest a proportion of schools' pupil premium funding from the Dedicated Schools Grant in pre-school interventions to support school readiness and transitions to school as part of an 'invest to save' approach within this strategy.

### **Supporting parents to do the best for their children**

12. Both boroughs should continue to review the use of evidence-based parenting support programmes such as Family Nurse Partnership, Incredible Years and Triple P, and ensuring that the Children's Centre network is used to increase access to these programmes, moving funding away from programmes that are not evidence-based. This is already happening as part of Lambeth's LEAP programme.
13. Both boroughs should also commit to supporting the provision of evidence-based family learning programmes through Children's Centres, targeted at parents with low levels of prior educational qualification.
14. Both boroughs should commit to expanding support for parent-led programmes such as Parent Champions and Community Mothers.

### **Business Support**

15. Both councils should investigate the feasibility of providing business rates discounts for employers that invest in high quality, affordable childcare support for employees.
16. Both councils should run a brokering service putting in touch employers and charities and social enterprises interested in running workplace nurseries.
17. Both councils should expand their requirement for businesses winning council contracts to pay the living wage, to other forms of family friendly working, for example, by asking employers to sign up to Timewise or demonstrate good practices with respect to promoting the right to request flexible working and granting requests.