

# CHAPTER ONE

## NATIONAL, LONDON AND LOCAL CONTEXT

### 1.1. Summary

This chapter sets out the context for the childcare sufficiency assessment. Supporting parents into work, specifically with affordable childcare and subsidies to enable them to access it, has been a central theme of the Government's strategy to reduce the number of children living in poverty. This chapter summarises earlier programmes focused on expanding the quantity of childcare and developing the tax credit system for parents, and the broader policy context for children contained in the Every Child Matters programme and the raft of legislation and regulation that implements these principles in practical change. It also summarises the London context and interventions. This is the context for the current legislation which places the responsibility on local authorities to assess need and manage the local childcare market to ensure sufficient childcare for parents to work or train. This report examines the assessment of local need and demand and local supply to provide the basis for the Islington market management strategy

### 1.2. National Policy Context

Since 1997, there has been a major government drive to develop and support childcare for working or studying parents, as a central strand of the strategy to reduce child poverty. The most recent legislation is the Childcare Act 2006, which places a new duty on local authorities to 'ensure a sufficiency of childcare' for all those who need and want it to train or work, with an emphasis on affordability and meeting the needs of parents who have children with disabilities. The first stage of meeting this new duty is the requirement to undertake a detailed childcare sufficiency assessment. In Islington we are publishing this as the Childcare for Islington report. This section of the chapter gives a brief outline of relevant developments since 1997.

#### 1.2.1. National Childcare Strategy 1998

The aim of this strategy was to increase the number of good quality, accessible and affordable childcare places. This was both to give children aged under 14 (or under 16 with special educational needs/disabilities) a better start in life, but also to enable parents to work or study, as a key strand in the government's policy to tackle child poverty.

Local authorities had a series of targets around the development of free nursery education for three and four years olds, establishing the Children's Information Service (CIS) and creation of childcare places.

### 1.2.2. Children Act 2004

This requires integrated working between different departments within local authorities, health trusts and other public, private and voluntary sector organisations to secure the five *Every Child Matters* outcomes:

- Be Healthy
- Stay Safe
- Enjoy and Achieve
- Make a positive contribution
- Achieve economic well-being.

There are change programmes arising from this legislation for in all areas of services to children and young people and their families that form the basis of our local plans for change. The Islington Children and Young People Plan describes how the outcomes are to be reached locally. Consultation of and participation by local parents, children and young people are key to the development and reviewing of this three-yearly plan.

### 1.2.3. Ten Year Childcare Strategy 2004

In the context of *Every Child Matters*, the government published the Ten Year Childcare Strategy in December 2004. The key elements of this are:

- **Choice and flexibility** – helping parents achieve better work-life balance, for example by extending paid maternity leave (to nine months in April 2007).
- **Ensuring availability** – by 2010 Sure Start children's centre in every community (in Islington by 2008); school-based childcare for all 5-11 year olds; increasing time and flexibility of funded early years education; sufficient childcare; secondary schools to be offering extended services all year round.
- **Building quality** – clearer and more accessible progression routes for childcare workers; requirement that all daycare settings be led by graduate early years professionals; reforms to regulation and inspections.
- **Affordability** – changes in tax credits to help with childcare costs; pilot schemes in London to subsidise childcare – Childcare Affordability Programme (CAP).

### 1.2.4. Childcare Act 2006

Published in 2007, this legislation gives local authorities the following duties:

- Partnership with NHS and Jobcentre Plus working together to improve outcomes for all under fives and reduce inequalities
- From April 2008 to secure sufficient childcare, as far as is reasonably practicable, to help parents to take up or remain in work or undertake education or training
- Extension of free early years education entitlement, from 12.5 hours a week to 15 hours a week for 38 weeks a year, available flexibly (across three days or more) by April 2010.
- To carry out a detailed assessment of childcare by April 2008, to enable them to deliver their new duty to secure sufficient childcare

- Extended duty to provide information to parents about services for their children up to the age of 20 and to be more proactive in terms of reaching all families (such as brokerage)
- Early Years Foundation Stage to be introduced by September 2008.

The Act also gave local authorities the following powers:

- to assist childcare providers (including funding) and to provide childcare themselves, if it cannot be appropriately provided by others
- to place conditions on any financial agreements they make with childcare providers
- to charge for childcare, subject to restrictions.

### 1.3. National support to parents with costs of childcare;

#### 1.3.1. The main strands of support include:

- the childcare element of Working Tax Credit, which provides up to 80% of £175 per week for one child, £300 for two or more, for lower-income families. While this has helped many families to access work, there have been problems with eligibility and implementation giving rise to some reluctance among parents to claim.
- Child Tax Credit, paid to families with incomes up to certain limits, whether or not working or studying.
- the Childcare Voucher scheme which provides employees with up to £55 per week as a voucher, free from income tax and national insurance (salary sacrifice), towards the costs of registered childcare if their employer is part of the scheme.
- the free early years education allowance (nursery education). This is currently 12.5 hours a week for 38 weeks a year for eligible three and four year olds (starting from the term after a child's third birthday). This reduces the amount of care and education time for under fives which must be paid for by parents.
- funding support to students, including:
  - Care to Learn which assists parents aged 16-19 with childcare costs up to £5,000 a year to enable them to return to learning.
  - A Childcare Grant for students in higher education
  - Learner Support Funds to meet special circumstances for people studying at sixth forms and colleges.

#### 1.3.2. Changes to free early years education

The government is committed to extending the free entitlement for 3 and 4 year olds from 12.5 to 15 hours per week and to offer parents more flexibility in how the entitlement is offered e.g over 3 days rather than 5 part-time sessions per week. The government also aims to improve the levels of take up, particularly for low income and black and ethnic minority families. These aims can only be achieved if the maintained, private, and voluntary and independent sectors all play their part. To enable this to happen, and to create a more level playing field, the government is asking all local authorities to work towards establishing a single unified funding policy from 2010. A number of local authorities are currently engaged as pathfinders.

In Islington, this work is being taken forward by a working group of the Schools Forum, with representatives from the private and voluntary sector. Any proposed changes will be the subject of consultation.

## 1.4. The London Context

There are some marked differences in London in comparison with other areas relating to the high number of children living in poverty – one in two children in Inner London (2003/04 - 2005/06) compared to about three in ten nationally (after housing costs). Also there are relatively high proportions of single parents not working, along with the high costs of providing and accessing childcare. The report of the London Child Poverty Commission published in 2008 sets out a broad strategy for statutory agencies and employers to make a significant difference for these children and families. This includes:

- information, support and training to parents to help them on the journey to employment, including accessing tax credits
- a focus on low pay issues, including exploring the case for a London minimum wage
- improved access to and investment in social housing
- supporting skills development, including accrediting qualifications from abroad and work-focused training in English as a second language
- ensuring national and local strategies contribute to tackling child poverty

### 1.4.1. London Childcare Strategy

This strategy, published by the Office of the Mayor of London in 2003, aims:

- To increase the availability of high quality childcare
- Make this childcare more affordable for parents
- Encourage employers to adopt more family-friendly policies
- Make the case for Government to reform the tax and benefit systems to recognise additional costs of childcare in London.

### 1.4.2. London Childcare Affordability Programme (CAP)

As part of the Ten Year Childcare Strategy and the London strategy, the government has joined with the London Development Agency to develop the London Childcare Affordability Programme or CAP. This pilot is testing the subsidy of childcare providers for the under fives at the point of delivery. It began in November 2005, and was originally due to end in March 2008, but has been extended to December 2008. The pilot is being carefully evaluated and may be extended beyond London.

In phase 1 all boroughs have bid on behalf of their nurseries for subsidy to make full daycare places affordable (deemed by the government to be £175 per week) or to allow nurseries to offer places on a more flexible basis to fit parents' needs. Parents have to be on lower incomes to be eligible. Though the take-up of these places was initially disappointing in some boroughs, recent publicity campaigns and greater understanding of the programme has seen much improved take-up in the summer and autumn of September 2007. Information on Islington's CAP places can be found in Chapter 4 (supply of childcare).

In phase 2 boroughs were invited in two rounds to submit innovative bids to provide childcare for the same families with lower incomes, but this time focusing on particular needs, such as emergency childcare, transition to work or for children with disabilities. Islington has submitted a bid for a transition to work project.

## 1.5. The Islington Context

### 1.5.1. Islington's Priorities

Under-pinning all work of the local authority are the following three priorities:

- Greener, cleaner, safer Islington
- Listening Islington
- Strengthening communities.

The Sustainable Community Strategy is the overarching plan for the Islington Strategic Partnership. This has a major focus on employment and enterprise. Alongside this is a commitment to reduce poverty, in particular child poverty. These priorities provide a strategic framework for developing programmes to support parents into employment, offering career advice, training and re-skilling and support for job search as well as childcare

### 1.5.2. Islington Children and Young People Plan 2006-09

This plan, published after wide stakeholder consultation, is the local plan to deliver the Every Child Matters agenda and includes in its priorities:

*'Continuing to provide accessible, good quality and affordable childcare that is available to families in Islington which is supported by the development of a childcare market management strategy and meets the new duties of the (then) Childcare Bill 2005.'* This is so that

- there are less children living in households where no one is working
- a range of childcare and other facilities are available to parents and carers.

A key recommendation from the Joint Area Review of Islington Children's Services in autumn 2006 was to reduce and make more focused the priorities in the plan for the second year. The plan was reviewed in spring 2007, again with broad consultation, and these are the current five priorities:

- Prevention is better than cure – giving young children the best possible start in life
- Every child is going to school every day
- Outstanding learning in every Islington school
- Young people with access to all the support and help they need
- Islington's children in care enjoy the lives we want for our own families.

While the Annual Performance Assessment in autumn 2007 gave an overall rating of good or Grade 3 for Islington Children's Services, *Achieving economic wellbeing* was rated at adequate (Grade 2). APA recommendations included:

- Take any necessary actions to ensure the availability of sufficient, appropriate and affordable childcare when the sufficiency assessment is complete.

The Council is already making significant investments both in capital to deliver the programme of 16 children's centres for the borough and from revenue budgets to subsidise the costs of childcare for under fives in council and community settings and for after school and holiday childcare for primary school aged children. Additionally, there is a large range of positive activities available across the borough for all school-age children in play and youth projects and extended services in schools.

Following the publication of this report, a strategy will be developed to promote provision to fill the gaps in the local childcare market.

### **1.5.3. Local structures**

- The Children's Trust arrangements are represented by the Islington Children's Board, the high-level body making decisions on strategy and policy relating to services for children and young people.
- Islington has three age-related multi-agency strategy boards which report to the Children's Board: Early Years; 5-13 and 14-19.
- A childcare strategy sub-group is an advisory body that reports to the EY and 5-13 Boards and looks in detail at all issues relating to childcare. Membership includes managers from Cambridge Education and LBI children's services, JobCentre Plus, the Regeneration service, local parents, and the voluntary sector. Its two sub-groups, the CFI Task Group and the SEN/Inclusion group, have been involved in the detail of the assessment process.
- The development of six Area Children's Networks is under way. They are designed to promote local partnership working and participation in planning and decision making. Detailed roles are still developing, and the networks are likely to play a role in setting commissioning priorities in the future