



Scrutiny Committee
16 June 2015

**Report from the Strategic Director,
Children and Young People**

Access to affordable childcare

1.0 Summary

This report aims to look at the challenge of providing access to affordable, quality childcare. This is not only a Brent issue, but also a national issue and one that is receiving much attention following the Queen's Speech. Childcare initiatives have over recent years focussed on child development and the associated benefits to children in narrowing the gap in attainment between the most disadvantaged children and children from better-off families. Increasingly the focus has also turned to the financial benefits of using childcare, particularly in enabling parents to return to work, thereby offering a way out poverty. In order for all of the above objectives to be met, childcare must not only be high quality, but flexible and affordable enough for parents at all levels of society to be able to access and use according to the demands of their employment.

Similarly different factors determine the affordability of childcare for parents and for providers. Parental access to information about the support to which they may be entitled, the costs of the childcare, and parental circumstances (preferences, including cultural preferences, income levels and type of provision) all play a key part for parents. For providers factors such as their overheads, for example premises and staffing, determine their pricing structure and inform their business model. The private, voluntary and independent (PVI) sector has stated that the allocation of funding by the Government for the free entitlement is insufficient and does not cover the cost of delivery of high quality places.

Ensuring that high quality childcare is affordable for all parents requires the Government nationally and the Council at a local level to consider a range of factors in order to address this challenge. This is a particular issue for the Council which has a statutory responsibility to ensure sufficiency of childcare in the borough, but is not given funding to help develop or shape the market in any way.

2.0 National context

Parents currently have access to help with childcare through 15 hours of free early education for 38 weeks of the year for all three and four year-olds. The government has now made a commitment to extending this free entitlement to 30 hours a week. A timeline has yet to be confirmed but indications have been given already that this will be expedited and implemented as soon as possible. 40% most disadvantaged two year-olds can also access 15 hours of free early education; through the childcare element of Working Tax Credits, soon to be replaced by Universal Credit; and through employer-supported childcare vouchers, soon to be replaced by the tax-free

childcare scheme. The childcare is accessed both through the maintained sector, in nursery classes in schools and in nursery schools and through childcare providers in the private, voluntary and independent (PVI) sector, including childminders.

Research suggests that staff qualification levels have a significant impact on the quality of childcare offered. Schools have traditionally had higher levels of qualification compared with the private and voluntary sector. In the PVI sector there is now an increase in the numbers of staff qualified to Level 3 and above, but this has significant cost implications for providers and so remains variable. This in turn means that overall numbers of childcare places available do not necessarily indicate sufficiency of high quality places.

Clearly adequate funding is a factor in enabling quality, so are adequate training and support in order to ensure that the quality of provision is raised in weaker settings, whether these are schools or in the PVI sector, and quality is maintained where settings are already Ofsted Good or Outstanding. This is in the context of reduced funding and therefore targeting of resources at areas of highest need such as weaker settings and pooling of existent funding streams through partnerships to maximise value and return, particularly between schools and the PVI sector, will be the way to achieve the best results under constrained circumstances.

3.0 Brent context

3.1 Numbers of children

Brent has a high and increasing birth rate relative to the London and national averages, suggesting Brent will experience high population growth. Wembley is the locality with the largest projected population increase based on actual numbers. According to 2011 census data the London Borough of Brent has seen large increases in the child population between 2001 and 2011. The 0-4 age group experienced a 38% increase, the 5-9s experienced a 16% increase, the 10-14s a 9% increase and the 15-19s a 12% increase¹. The table below sets out the 0 – 4 population in Brent as of January 2014 (Brent NHS data):

Table 1 – numbers of children aged 0 - 4 in Brent:

Locality	Under 1	Age 1	Age 2	Age 3	Age 4	Grand Total
Harlesden	802	905	850	809	849	4215
Kilburn	853	890	831	726	585	3885
Kingsbury	801	759	704	639	441	3344
Wembley	1483	1463	1395	1166	855	6362
Willesden	869	839	794	818	582	3902
rand Total	4808	4856	4574	4158	3312	21708

3.2 Childcare provision

The borough currently has 119 PVI providers, 197 childminders, 4 nursery schools and nursery classes in 53 primary schools through which families can access childcare, either 15 hours a week that are free or a combination of free hours and fee paying hours. Tables 2 and 3 set out the numbers and Ofsted gradings of PVI providers and childminders respectively:

Table 2 – PVI providers

Locality	Ofsted Outstanding	Ofsted Good	Requires Improvement / Satisfactory	Inadequate	Settings with no Ofsted result*	Total Number of PVIs
Wembley	7	19	6	0	3	35
Kingsbury	1	19	2	1	4	27
Harlesden	2	19	2	0	2	25
Willesden	1	7	3	0	0	11
Kilburn	5	13	1	1	1	21
Total	16	77	14	2	10	119

Table 3 - Childminders

Locality	Ofsted Outstanding	Ofsted Good	Requires Improvement / Satisfactory	Inadequate	Met**	Not Met***	Settings with no Ofsted result*	Total Number
Wembley	2	26	7	1	3	3	9	51
Kingsbury	2	12	6	0	2	1	3	26
Harlesden	1	23	6	0	7	3	6	46
Willesden	4	18	5	1	4	3	10	45
Kilburn	1	15	3	2	0	1	7	29
Total	10	94	27	4	16	11	35	197

Table 4 - Nursery classes in maintained schools

Locality	Ofsted Outstanding	Ofsted Good	Requires Improvement / Satisfactory	Inadequate	Settings with no Ofsted result*	Total Number
Wembley	5	10	0	0	0	15
Kingsbury	2	8	0	0	0	10
Harlesden	1	10	2	0	0	13
Willesden	4	5	0	1	1	11
Kilburn	0	6	4	1	1	12
Total	12	39	6	2	2	61

Table 5 – Nursery schools

Locality	Ofsted Outstanding	Ofsted Good	Requires Improvement / Satisfactory	Inadequate	Settings with no Ofsted result*	Total Number
Wembley	0	0	0	0	0	0
Kingsbury	0	0	0	0	0	0
Harlesden	0	2	0	0	0	2
Willesden	0	0	0	0	0	0
Kilburn	1	0	1	0	0	2
Total	1	2	1	0	0	4

*Settings with no Ofsted result – New providers/schools waiting for their first Ofsted inspection

**Met – No children on roll at time of inspection but conditions of registration met

***Not met – No children on roll at time of inspection and conditions of registration not met

In the last few years, we have seen a steady increase in the number of both childminders and PVI providers in the borough being graded Good or Outstanding by Ofsted. This is due to a combination of higher levels of qualifications in the sector, more targeted support at different levels of need from Brent Council's Early Years Quality Improvement Team and other support from the Central Early Years team in terms of business support, early years public health and training and workshops.

In Brent, 3 and 4 year olds are accessing their free entitlement almost equally across the maintained and PVI sectors. Two year olds are accessing their funded places primarily in the PVI sector at the moment, however some schools are now beginning to express an interest in delivering places and this picture may change.

Full-time funded nursery places (25 hours a week) are being offered in some maintained schools and nursery schools for children meeting eligibility criteria set out below:

Section	Criteria	Verification document
Step 1: Applicants must meet requirements in Sections A and B		
A	The parent's post code must be within Brent: i.e. HA0,HA3,HA8,HA9,NW2,NW6,NW9 and NW10	Recent evidence with parents name and address. For example: a. Utilities bill b. Bank statement c. Telecoms bill d. Council tax bill
B	One parent must be in receipt of one of the benefits listed below: 1. Income Support 2. Income based Job Seekers Allowance 3. An income related employment and support allowance 4. Support under part IV of the Immigration and Asylum Act 1999 5. Child Tax Credit (providing you are not entitled to working tax credit) and have an annual income that does not exceed £16,190 6. Guarantee element of State Pension Credit	1. Letter from Department of Work and Pensions (DWP). Letter must be dated within the last [four] weeks and clearly shows that the benefit is still being paid to parent/carer. 2. As for 1 3. As for 1 4. Letter the National Asylum Support Service (NASS) confirming the granting of asylum status 5. Most recent Tax Credit Award notice (Form TC602) issued to parent/carer by Her Majesty's Revenue and Customs 6. Pension Credit M1000 Award notice to confirm Guaranteed Element of State Pension Credit issued by The Pension Service.
Step 2: If there are still more eligible applicants than available places those applicants meeting Section C take preference		
C	One of the following criteria must be met: 1. Newly arrived or asylum seeker 2. Evidence from an appropriate professional to demonstrate that home circumstances could significantly affect a child's wellbeing	1. Home Office letter 2. Letter from professional
Step 3: Following Step 2, if there are still more eligible applicants than available places the following criteria will be applied:		
Sibling in the school		
Step 4: Following Step 3, if there are still more eligible applicants than available places the following criteria will be applied		
Distance from school		

This will be of great help to those low-income families who are able to access this, but as not all schools are offering 25 hours places, an element of postcode lottery and in-equity exists. Furthermore, there are no funded full time places in the PVI sector, and families can only access a maximum of 15 hours a week of funded early education in this sector.

Table 6 – Take up of the free entitlement for 2, 3 and 4 year olds (Nursery Education Grant (NEG) 2 and NEG 3 and 4)

Spring 2015	NEG 2 in PVI settings/ childminders	NEG 3 and 4 in PVI settings/ childminders	3 and 4 year olds in school nurseries
Harlesden	384	481	479
Kilburn	140	411	493
Kingsbury	208	570	532
Wembley	337	975	605
Willesden	99	178	521
Total take up	1168	2615	2630

3.3 Cost of childcare

Table 7 – Average hourly childcare costs in Brent

Average hourly fees

	Average rate for under 2s	Average rate for over 2s
PVIs	£5.45 (from 47 respondents)	£5.25 (from 58 respondents)
Childminder	Average hourly rate £6.02	

The average cost of childcare in the PVI sector is set out in the table above and the range for PVI settings is from £5 an hour to £15 an hour. The picture of affordability is variable. Whilst parents frequently cite the cost as the reason for not using childcare, a parental survey carried out for Brent's Childcare Sufficiency Assessment in 2014 to which we had 1400 responses, revealed that affordability as a barrier had reduced from 51% not finding it affordable in 2011 to 36% in 2014.

Notwithstanding this, affordability is likely to remain a key issue for many parents in Brent. Brent is one of 15% most deprived local authorities in the country and residents have lower incomes and experience significantly higher levels of deprivation and poverty than the national or London averages. Over a third of children live in poverty within Brent. This is also higher than both the London and national averages. For some parents therefore, even with help with childcare costs through the free entitlements and Tax Credits, childcare could still be unaffordable.

A further contributing factor to the take up of childcare in Brent has been cultural perceptions and traditions. There are communities who historically are more reluctant to use formal childcare as they prefer to use relatives or indeed feel that children are too young and would be better off at home. For these families, the high cost of childcare is an added reason to justify their children not being in formal childcare. We now have community champions who are promoting the benefits of childcare, but it is likely to take time for the message to be accepted and mindsets changed.

3.4 Provision for children with special educational needs or a disability (SEND) and Children in Need (CIN)

Table 8 – Children with SEND in Brent* (September 2014)

Locality	Under 1	Age 1	Age 2	Age 3	Age 4	Total
Harlesden	1	4	15	30	26	76
Kilburn	4	2	9	16	25	56
Kingsbury	1	2	9	14	32	58
Wembley	1	2	20	43	66	132
Willesden	1	6	11	30	32	80
Total	8	16	64	133	181	402

*Numbers are based on statutory notifications, received from community paediatricians, on pre-school children who are likely to have additional needs at school

Due to the level of the support they often require, affordable childcare can be a particular challenge for families who have children with SEND. Some families have reported that they are charged increased fees by PVI providers in order to offer an increased ratio or other support. This increased cost often places affordable childcare out of reach of these families and results in one or more of the parents having to stay at home in order to look after their child.

Brent has a multi agency panel that provides the funding equivalent to an additional 15 hours childcare to nurseries in order to meet the additional costs. This covers costs such as increased staffing, specific training so that staff can meet their needs or specialist resources that enable the child to access the learning opportunities within the nursery. As of April 2015 there are 96 children being supported through this funding, making childcare for children with SEND more affordable.

A potential additional cost for families with a child with SEND is the cost of transport to the 4 specialist settings within Brent which have highly trained staff and the specialist equipment that is needed by these children. In many cases, parents may have to meet the additional cost of transport where the children have high levels of equipment or have restricted mobility which means that they can't travel by public transport. In some circumstances the panel will provide Brent transport to the specialist nurseries if families meet the criteria

4.0. The role of the Local Authority

Under the Childcare Act 2006, local authorities have a statutory duty to secure sufficient childcare for the needs of working parents/carers in their area for children up to 1 September after they turn 14 years, or until they reach the age of 18 in the case of children with a disability. This has provided the overarching framework, including setting out the roles and responsibilities of local authorities in recent years. However, recent guidance has set a different direction, which will have a significant impact on the local authority role, as set out in Brent's Early Years Childcare Strategy 2013-2016:

- The emphasis of the local authority role will shift slightly away from its traditional role in promoting high quality provision; and instead the local authority should act as a champion for children and their families, particularly those at risk of poorer outcomes.
- The local authority will continue to need to ensure there is sufficient childcare available, including early education places for all 3 and 4 year olds; and relevant 2-year olds, which also should be flexible in order to enable parents to work or study.

- Ofsted must be the sole arbiter of quality of provision - the local authority will no longer have a quality assurance role. The local authority will be expected to target its support to providers who receive poorer Ofsted inspection judgements.

The above work is carried out by staff within Brent Council's Central Early Years team and the Early Years Quality Improvement team. Innovative approaches and partnerships with schools and other partners are needed in order to be able to achieve our objectives of meeting the childcare needs of families with young children in Brent within constrained resources. It is also important for partnerships within the council between teams such as Early years and family support, Social Care, Employment and Enterprise and Housing who are all working with many of the same families, in order to ensure that we maximise the support that we offer to our most vulnerable families.

In the past year, the Early Years and Family Support Service has developed and implemented two key initiatives to support access to flexible and affordable childcare in the borough. One, which subsequently went on to win the Innovation Award at the LGC Awards this year, was the creation of the country's first flexible childminding pool with Ofsted registered childminders offering short notice, out of hours, overnight and weekend care. This was in response to feedback from the Council's employment team, from Jobcentre Plus and from families that a lack of flexible childcare was preventing parents from returning to work or even attending interviews.

Early Years and Family Support Services officers have also worked with colleagues in the Housing Department to develop a local childcare subsidy funded from the DHP for families in receipt of Housing Benefit. This is in addition to any other help that they could access through national schemes and the objective was to support those who were taking up or returning to employment, or in work-based training programmes during the first six months.

5.0 Brent's Child Poverty Strategy – Childcare

The Brent Child Poverty Strategy 2011 - 2021 was produced in partnership with key stakeholders and informed by a Child Poverty Needs Assessment. The strategy set out a vision:

For no children or young people to be disadvantaged by poverty in 2021 by breaking the cycle of deprivation and mitigating poor children becoming poor adults. Over the next decade we will ensure that each child has the best possible start in life and not be disadvantaged by family circumstance or background.

The baseline needs assessment provided a sound evidence base for shaping and influencing the development of the strategy and its priorities. It highlighted key factors contributing to child poverty including parents on low income, financial capability and debt, troubled families, unemployment and barriers to employment. The availability and affordability of childcare was highlighted as one of the biggest barriers to employment.

The Child Poverty Strategy was developed as a long term document (2011-2021), recognising that the intergenerational factors influencing poverty are longstanding and vulnerable to the performance of the national economy. The strategy sets out six key priorities to reduce and mitigate the levels of poverty in Brent:

1. Reduce the poverty levels of children living in low income households;
2. Supporting troubled families;
3. Reduction in the not in education, employment or training (NEET) group;
4. Improve the financial capacity of parents;
5. Support looked after children and children on the edge of care; and

6. Improve the health and wellbeing of children with a focus on reducing obesity, tooth decay and poor mental health.

The Brent Child Poverty Strategy is currently being refreshed in response to the Government's Child Poverty Strategy published in 2014. This is also an opportunity to review progress against priorities and reflect changes within the borough.

Brent has received both formal and informal recognition for steps taken in tackling child poverty across the borough. For example, the Child Poverty Action Group have provided informal feedback on our 2011 strategy and formal recognition has been received from the Greater London Authority for Brent's flexible childcare policy.

6.0 Conclusions

Affordable, accessible and flexible childcare has a key part to play in supporting families and ensuring that each child has the best possible start in life. This is a diverse borough, a one size fits all solution will not work and neither can it be the responsibility of any one agency, a whole Council approach and effort will be required.. Innovative new approaches, underpinned by an understanding of the needs of both the childcare sector and diverse groups of parents, must be adopted alongside a thorough review of effectiveness and impact of existing systems, to see what is working and what must be changed.

For some people, particularly those on very low incomes, childcare will never be affordable and local and national efforts and resources should be targeted at these groups. Much work has happened already in the borough resulting in a steady increase, both in the quality of the childcare providers in the borough and in take-up of the free entitlements in the last five years. This effort needs to be continuous to maintain what has already been achieved and to plug gaps that have been and are being identified. The following actions are being pursued:

- Promotion of childcare and its benefits must be ongoing. The Early Years and Family Support Service works in partnership with other teams and external partners to promote childcare through outreach, marketing campaigns and the council webpages. This must now be accompanied by targeted promotion to groups historically less likely to use childcare, highlighting in particular the benefits of childcare to all parents and the importance of quality to ensure their child is supported to make progress
- Emphasising the importance of the home learning environment so that parents are aware of the key role that they can play in supporting their child's learning. The interactions that take place in the home environment have more influence on a child's future achievement than innate ability, material circumstances or the quality of early years or school provision. Quality improvement work within the borough has incorporated a focus on how practitioners engage and work with parents to improve outcomes for children. Settings will be encouraged to utilise their Early Years Pupil Premium funding to sustain and further develop parental involvement
- Raising awareness of entitlements and any help available with the costs of childcare. Ensure that information on these is accurate and up to date. As mentioned in this report, the cost of childcare remains a barrier to many and information on help with the costs of childcare is invaluable. This is already available online but we need to ensure that it continues to be available in different formats for those families who need this
- Accepting that families who need childcare may be accessing a range of council services, even if not the Early Years Service, and ensuring that within the Council, all frontline teams and external partners too have enough knowledge of services available in order to signpost effectively / deliver basic information
- Encouraging parents not to give up until they have explored all options for childcare and help with childcare costs in order to find a solution or a combination of these that works for them

- Continuing close working with Brent CVS and further developing the existing volunteer programme in children's centres and Brent's Parent Champions project, involving community members (volunteers and parents) as advocates for childcare, particularly in communities which traditionally have shown preferences for informal childcare through family and friends
- Continue to offer business support to providers to help them develop sustainable business models
- Continue to raise the quality of childcare providers in the borough, targeting the weakest in particular with intensive support.

7.0 Legal Implications

The free entitlement is a statutory duty to be delivered by local authorities in accordance with the DfE's statutory guidance. Childcare providers have to sign a provider agreement with the local authority in order to be able to offer funded places and one of the key criteria has always been that funded places must be offered free at the point of delivery.

Some providers have stated that the rates that they are being paid to offer funded places are too low, thereby making it unaffordable for them. In some cases, they have resorted to imposing additional charges on parents as a condition of being able to access a free place and this has led to breaches in their agreement with the local authority. This is a national issue and the government will now be reviewing their funding of this scheme in light of their plans to extend the entitlement to 30 hours a week.

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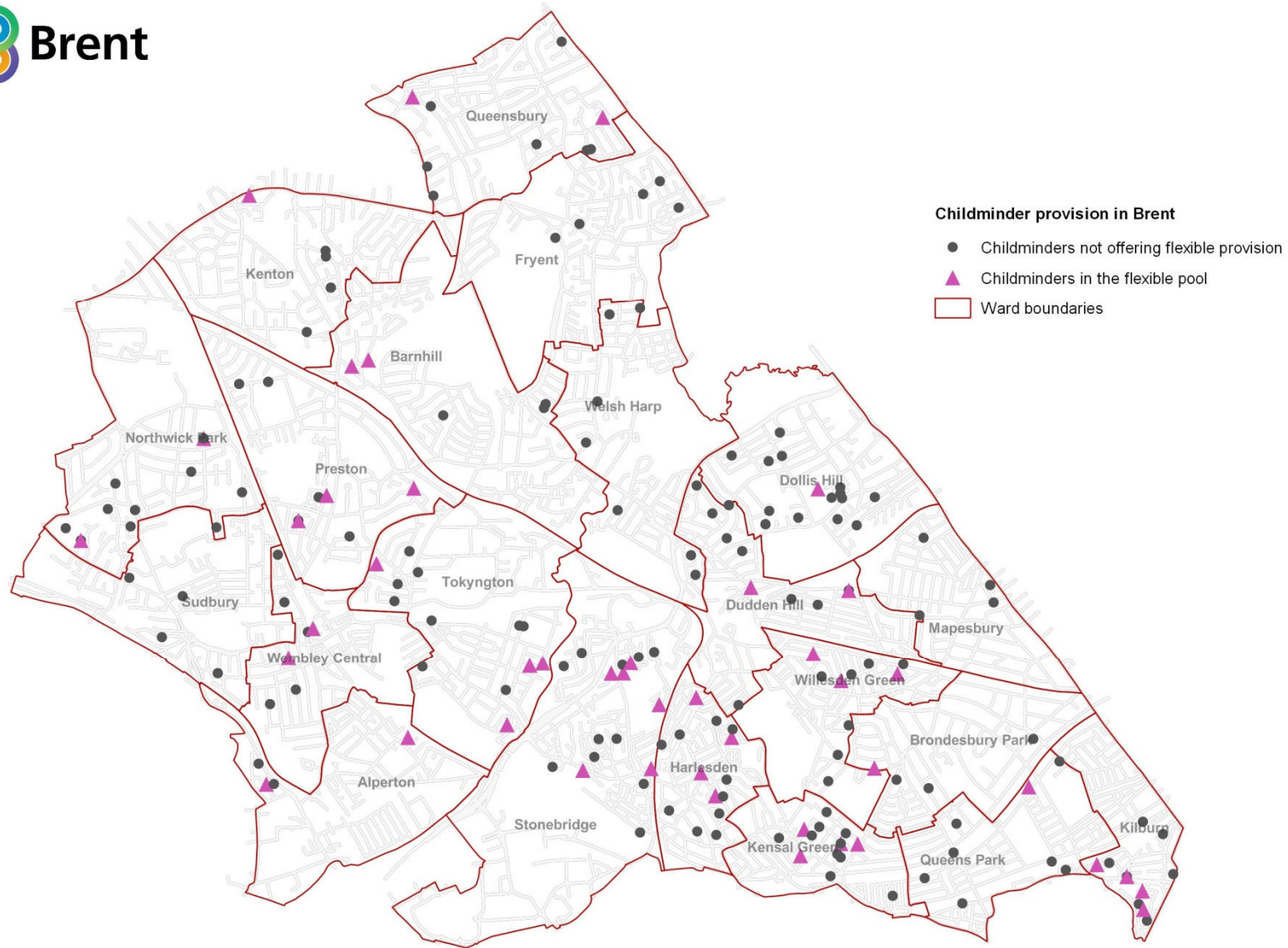
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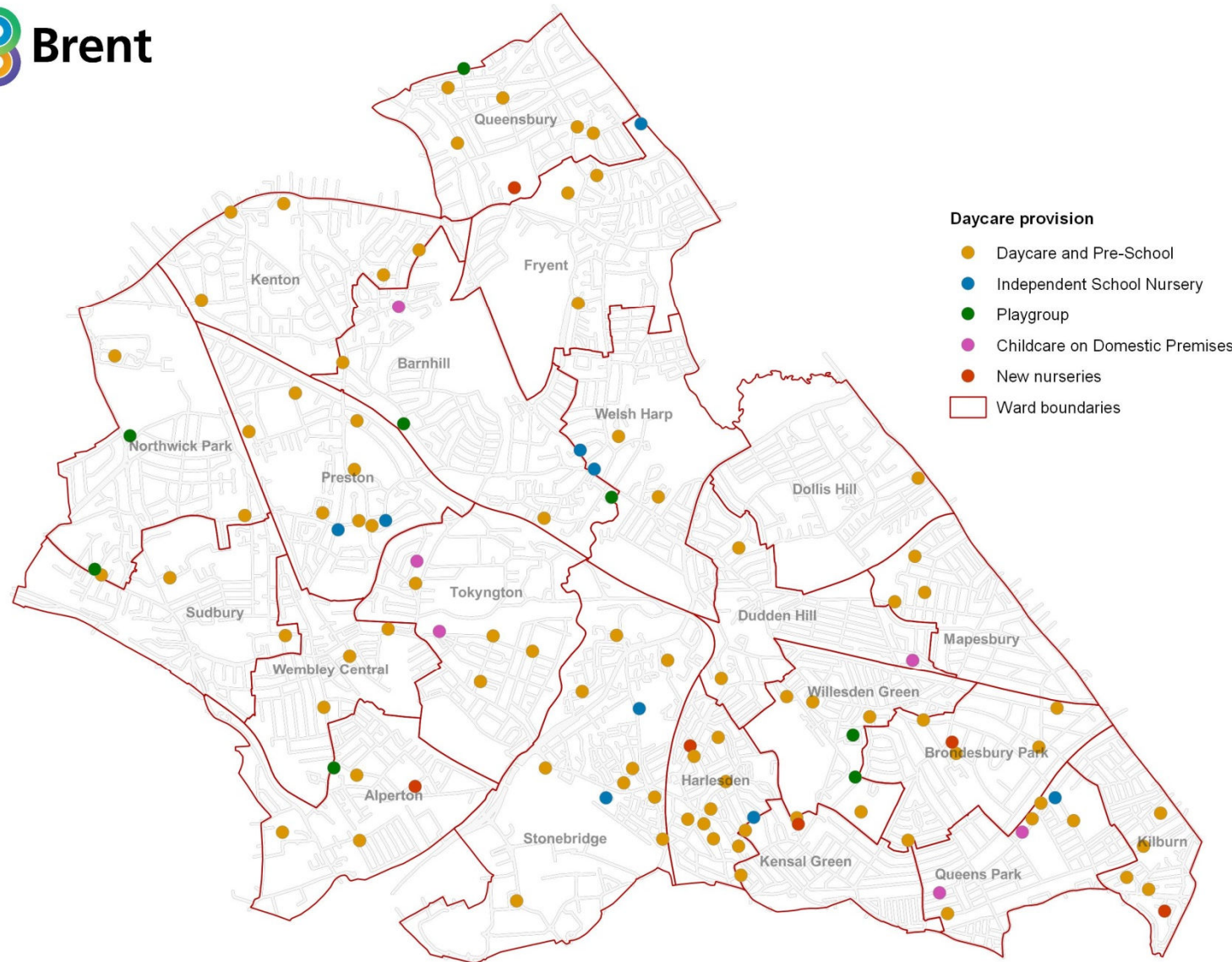
Operations Manager, Early Years and Family Support

Appendix 1: Childminder provision in Brent



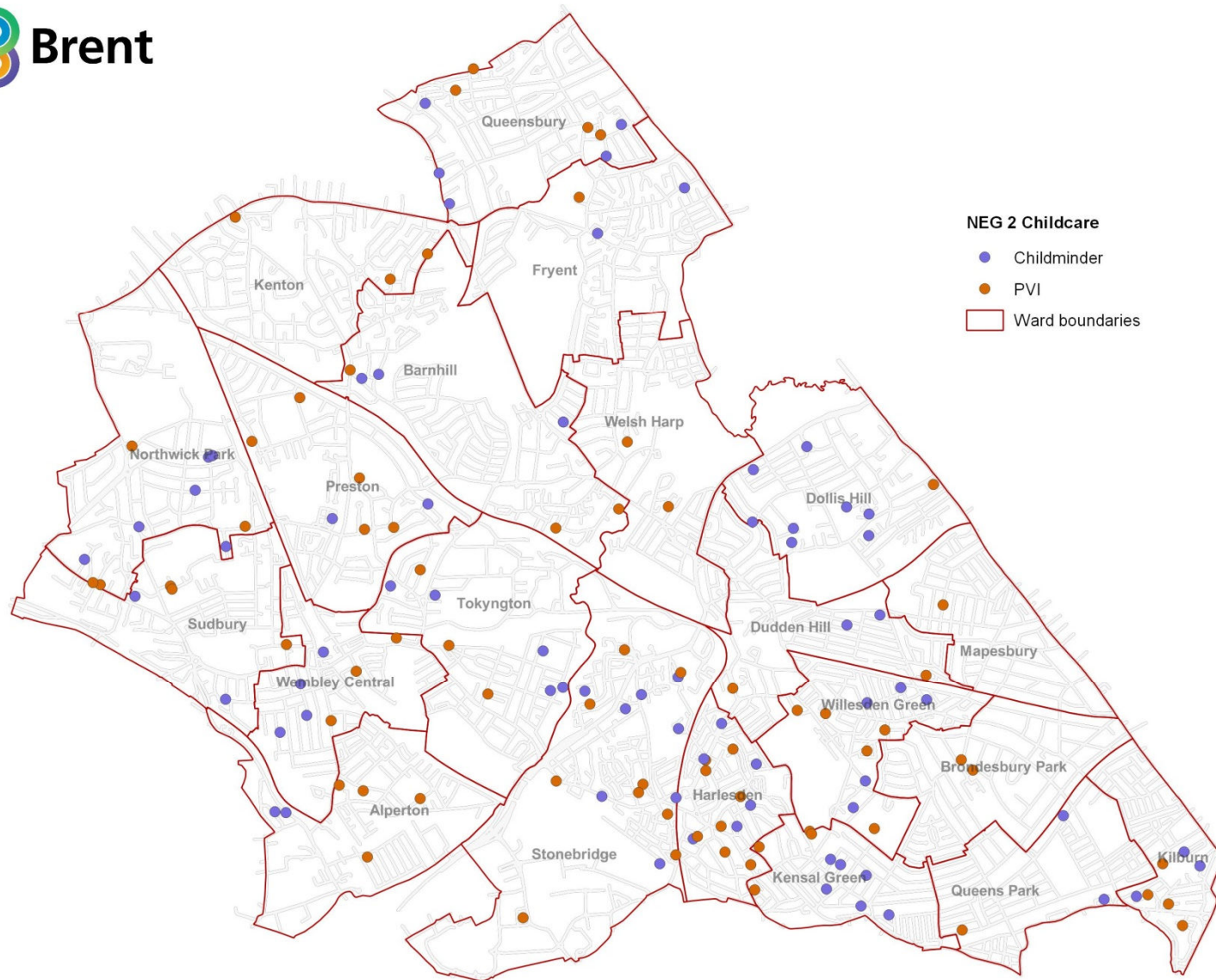
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Appendix 2: Daycare provision in Brent



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Appendix 3: NEG2 childcare provision in Brent



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