

# **Childcare sufficiency assessment**

**August 2016**



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## Introduction and methodology

### Context

The Childcare Act 2006 obliges local authorities to:

- Secure sufficient early education, 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);
- Secure sufficient free early education places<sup>1</sup> for eligible children aged 2 years and for every child aged 3 and 4 years in their area from the relevant date; and
- Establish and maintain a service providing information, advice and assistance to parents and prospective parents about early education and related services (section 12 duty).

In addition, the Childcare Act 2016 section 2 creates a new duty on local authorities to secure from September 2017 the equivalent of 30 hours of free early education over 38 weeks of the year for children aged 3 and 4 years of eligible working parents.

Local authorities are expected to report annually to Council Members on how they are meeting their duty to secure sufficient early education, and make this report available and accessible to parents<sup>2</sup>. Local authorities are responsible for determining the appropriate level of detail in their report, geographical division and date of publication. This report contributes to fulfilling that duty, as well as setting out key considerations for Lewisham in preparing for the extended entitlement for children aged 3 and 4 years of eligible working parents from September 2017.

The newly formed Lewisham Early Years Quality and Sufficiency Team is the lead for delivering on the statutory obligation to secure childcare sufficiency in the London borough of Lewisham. The provision of information and advice for families about local early education is delivered through the Family Information Service (FIS) located within the wider Customer Services Team.

Childcare sufficiency is not just about the number of early education places on offer but whether these places are of good quality, are affordable, and flexible enough to accommodate the needs of diverse families with diverse requirements. There is strong evidence for example that disadvantaged children in particular benefit from good quality early education, especially where there is a mix of children from varied social backgrounds<sup>3</sup>.

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<sup>1</sup> The Early Education Act 2006 Section 7 (as substituted by section 1 of the Education Act 2011) places a duty on English local authorities to secure early years provision free of charge. Regulations pursuant to section 7A make provision about how local authorities should discharge their duty under section 7.

<sup>2</sup> Children and Families Act 2014 which repealed the requirement for three year assessments of sufficiency.

<sup>3</sup> Sylva K., Melhuish E et al, The Effective Provision of Pre-School Education [EPPE] project, (1997-2003), Institute for Education

Access to good affordable early education is also the most important factor for parents, particularly mothers, being able to take up work.<sup>4</sup>

## Methodology

Early Years and Childcare Statutory Guidance (September 2014)<sup>5</sup> makes clear that local authorities should take into account what is 'reasonably practicable' when assessing what sufficient early education means in their area including:

- The condition of the local early education market, including the demand for specific types of early years settings in a particular locality and the amount and type of supply that currently exists;
- The condition of the labour market;
- The quality and capacity of early education early years settings and childminders; and
- Scope for early years settings and schools to offer out-of-hours early education from 8.00am to 6.00pm and to expand their provision.

Lewisham Council has prepared this childcare sufficiency assessment and the review of readiness for the introduction of the extended entitlement from September 2017, and includes reviews of:

- The population profile including labour market and its implications for early education demand.
- Early education supply in each ward and within the four CCSAs. This includes in relation to quality, cost and in providing choice for families.
- Likely supply and demand for extended entitlement places across the borough and at the CCSA and ward levels from September 2017; and key priorities/implications for early years planning.
- Early education demand including specifically as it concerns families with children that are disabled, of different ages, in families that are in receipt of benefits and are more vulnerable.
- Where there is sufficiency and what gaps there are.

A mixed method research design was agreed with the Head of Commissioning- Targeted Services and the interim Manager, Early Years Quality and Sufficiency. The methodology was implemented across August- December 2015 and comprised:

- Focus groups and short interviews with 46 parents across 10 consultations that took place at Clyde Early Years Centre, Bellingham and Ladywell children's centres, St James Family Learning Centre, Evelyn Parents Forum, SENDIAS for parents with children with disabilities/ additional needs and with the founder of the Down's Friendship and Creativity Group.

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<sup>4</sup> <http://www.netmums.com/home/netmums-campaigns/the-early-education-barrier-to-going-back-to-work>

<sup>5</sup> See Department for Education, Early Years and Early education Statutory Guidance Part B, September 2014

- Participation in large network meetings arranged by the Early Years Quality and Sufficiency Team involving childminders and private, voluntary and independent (PVI) settings. This was supplemented with 1:1 meetings with 1 childminder and 5 PVI settings.
- Review and analysis of existing supply, quality and profile data held by Lewisham Early Years and Family Support Services. This was supplemented with additional research on Ofsted website.
- Review and analysis of key plans and reports about the childcare market and population profiles made available, for example, from the GLA and the Department for Education (DfE).
- Preparation, distribution and analysis of 234 surveys completed by parents of children aged 0-5 years in Lewisham.
- Preparation, distribution and analysis of 79 surveys completed by early years settings of early years early education. This included 34 childminders, 29 day nurseries, 5 pre-schools/playgroups, 8 school nurseries and 1 independent school with under 5s nursery.

## Executive Summary

The newly formed Lewisham Early Years Quality and Sufficiency Team is the lead for delivering on the statutory obligation to secure childcare sufficiency in the London borough of Lewisham. The provision of information and advice about childcare and early education is delivered through the Family Information Service (FIS) located within the wider Customer Services Team.

This takes place within a context of a changing population where key growth wards for children aged 0-4 years in Lewisham are concentrated in Children's Centre Service Area (CCSA) 1 (Evelyn and New Cross wards particularly) and the wards of Lewisham Central and Blackheath in CCSA 2. By contrast, all wards in CCSAs 3 and 4 will see reducing numbers of children aged 0-4 years across 2015- 2019 (except Rushey Green in CCSA 3 which will remain broadly the same). Evelyn, New Cross and Lewisham Central wards are also expected to have more provision for eligible 2 year olds reflecting their relative deprivation. These wards are where the affordability of childcare is most significant and where the ability to pay hardest.

With plans for an extended early education entitlement for eligible children aged 3 and 4 years from September 2017, Rushey Green, Lewisham Central, Forest Hill, Evelyn, New Cross and Perry Vale wards will have greater total numbers of children eligible for these places. This points to greater requirements in these wards for more flexible early education to meet the needs of working families. Parents are very positive about the introduction of the extended entitlement, although few parents with young children have heard of this entitlement. Primary objectives for parents in relation to the extended entitlement are:

- a. Limit the amount of settings that children attend.
- b. To access the extended entitlement during school holiday periods and after 3pm.
- c. Have any setting make available additional hours if required for purchase; and ideally existing settings their children attend will offer the extended entitlement.
- d. For parents with children that are attending school, they want any of their younger children to have access to the extended entitlement at the school nursery.

This will impact the existing market. Most parents report that they will move children so that they benefit as much as possible from access to their early education entitlement in a single setting. This is likely to impact school nurseries and pre-schools/play groups the most; and will benefit those early years settings which make available more flexible provision.

There are likely enough places to meet the anticipated demand for the extended early education entitlement in Lewisham. This arises because there are plans for expanded supply and current supply is characterised by many early years settings with low to medium levels of occupancy (57% occupancy for childminders and 73% occupancy for PVI settings) and where more places will be available for funded entitlements, if necessary, in settings that rate at least 'satisfactory'/'requires improvement' or better from September 2017. However,



key to ensuring sufficiency of places are (1) more flexibility in provision to better meet the needs of working families and (2) where families can access the extended entitlement in a single setting.

Overall, 86% of children aged 3 and 4 years take up funded early education, with 85% doing so in good or outstanding quality settings as at January 2016. It is less so for children aged 2 years where 62% accessed their funded early education entitlement and a little over 13 in every 20 do so in good or outstanding quality settings. Improving quality of settings and take-up by children of their early education entitlements are key priorities for Lewisham. Early years settings are especially keen for additional support to improve quality, and particularly so from: (a) the Early Years Quality and Sufficiency Team; (b) more relevant and affordable professional development and; (c) networking and collaborative learning opportunities.

A key gap relates to childcare and early education for children with additional needs/disabilities. Parents of children with additional needs/ disabilities are less likely satisfied with their childcare and 9 in 10 early years settings rate additional support in meeting the needs of children with additional needs as useful/very useful. Priorities include building the skills and confidence of staff to work with children with additional needs/ disabilities and ensuring access to targeted early intervention support for children prior to any agreed Education, Health and Care Plan.

Parents have choice about types of childcare and early education although this varies between wards and CCSAs. More than half of children attend private, voluntary and independent (PVI) settings, about 3 in 10 attend school/independent schools and 13% attend childminders. The faster growing Evelyn, New Cross, Lewisham Central and Blackheath wards have the least childminder provision in Lewisham. Most childcare and early education provision is available Monday to Friday between 8am and 6pm, with more than half of PVI settings not open during holiday periods. Families and early years settings identify that a key gap is having a single comprehensive directory of childcare provision which provides information about all childcare and early education options in Lewisham. The existing FIS Directory needs to be updated and also needs to set out the new minimum standards.

3 in 4 early years settings do not plan to change their hours of operation in the coming 18 months. However, 1 in 4 settings intend offering more early education places and more flexibility. This will help those 1 in 3 parents that are not satisfied about the availability of childcare when and where they need it.

4 in 5 parents rates their childcare arrangements as meeting their needs. It is the affordability of childcare that is the main concern, with 1 in 3 parents reporting they are dissatisfied/very dissatisfied with affordability, at the same as the cost of delivering early education is the main concern of early years settings. Lewisham families pay a little less than the London average for children aged 2, 3 and 4 years, but are likely to pay more for children aged under 2 years. Lewisham Council hourly rates for funded early education are consistent with the average hourly rate charged to fee paying parents with children aged 2 years and between 8- 14% less than the average hourly rate charged to fee paying parents



with children aged 3 and 4 years. Approximately 5% of PVI settings and 15% of all childminders report that they plan to increase fees by more than £10 per week for local families in the next 12-18 months.

Early years settings are concerned about the likely funding rate for 3 and 4 year places when the extended entitlement is introduced; and while 35% of settings (mainly day nurseries and pre-schools/playgroups) indicate they definitely plan to make available extended provision, 1 in 5 definitely plan not to. For those undecided settings (close to 2 in 5), they indicate requirements for more information including most particularly the level of funding.

### **Key priorities for childcare market development in Lewisham**

1. In helping families and the local early years childcare market prepare for the introduction for the extended entitlement and address parent priorities for childcare that meets their needs, Lewisham Council will find benefit in:
  - a. Encouraging more flexible provision and opportunities for children to access early education and childcare in a single setting.
    - a. Especially longer opening hours and childcare availability during school holidays (this includes for parents stretching early education entitlements across more than 38 weeks). This includes targeting PVI settings and school nurseries and especially those in faster growing wards in Children's Centre Service Areas (CCSA) 1 and 2 i.e. Evelyn, New Cross, Lewisham Central, Blackheath and Brockley wards (as well as Sydenham ward in CCSA 4) where more than 9 in 10 early education places are available from PVI settings and school nurseries.
    - b. Through supporting innovative collaborations between early years settings such as schools and childminders to offer longer opening hours and childcare availability during school holidays.
    - c. Efforts to improve the low occupancy rates for many childminders as well as encouraging greater supply of childminders in the fast growing wards of Evelyn, New Cross, Lewisham Central, Blackheath and Brockley.
  - b. Contributing to delivery of the Childcare Act 2006 section 12 duty, Family Information Service (FIS) must build a more comprehensive, up to date directory of childcare and early education services for families across Lewisham. This includes setting out the minimum standards that parents can expect of childcare provision. This will also assist future sufficiency planning, better inform parents about their childcare options and help early years settings with their business planning and marketing.

- c. Working with early years settings to agree a refreshed provider agreement. This offers scope to set out the roles and responsibilities of early years settings that offer funded early education and Lewisham Council (particularly the Early Years Quality and Sufficiency Team and the Family Information Service).
  - a. In clarifying partner roles and responsibilities, the newly formed Early Years Quality and Sufficiency Team has the opportunity to establish its own Service Plan. This includes setting out the Team's focus and scope of their support for early years settings quality improvement, sufficiency and networking/ collaboration. This includes in supporting the roll out of the extended entitlement in September 2017.
- 2. Lewisham Council will benefit from working with early years settings and families with children with additional needs/disabilities to improve the accessibility of childcare and early education. This includes clarifying the available targeted early interventions for children that do not have an EHC Plan and the available advice, guidance and resources for early years staff to confidently manage children's behaviour and other needs, as well as making early years information and advice for parents of children with additional needs/disabilities more integrated.
- 3. Multiagency practitioners who work with families with children aged 0-4 must be encouraged to continue raising awareness of early education entitlements and the benefits of these entitlements for families they interact with; together with providing practical help to families to take up these entitlements.
  - a. This includes especially families eligible to the funded entitlement for children aged 2 years. A continuing focus on building the quality of funded early education for children aged 2 years is also a priority. This is especially so for settings in CCSA 1 (Evelyn and New Cross wards most particularly).
  - b. The Early Years Quality and Sufficiency Team and FIS in contributing to Lewisham Council strategic objectives for increased social and economic wellbeing for families and reduced worklessness and child poverty might also value partnering with Employment, Skills and Adult Education leads to ensure families they are supporting return to work know about the early education entitlements and can help parents with taking these up.

# 1. Factors affecting demand and supply of early education

## Current and future population of children aged 0-4 years

Using GLA estimates, the Lewisham Strategic Partnership estimates that there are 22,726 children aged 0-4 years in Lewisham in 2016<sup>6</sup> of whom 51.5% are boys.

*Table One: Number of children aged 0-4 years in Lewisham, 2016*

Age	0	1	2	3	4	Total
Males	2442	2370	2339	2309	2256	11716
Females	2301	2222	2154	2160	2174	11010
Total	4743	4591	4493	4469	4429	22726

As Table Two shows the most populous wards for children aged 0-4 years in 2016 are:

- Lewisham Central where there are 1,744 children aged 0-4 years;
- Rushey Green where there are 1,644 children aged 0-4 years (and as Table Three on page 12 shows these children account for approximately 10% of the ward population);
- Evelyn where there are 1,484 children aged 0-4 years; and
- New Cross where there are 1,416 children aged 0-4 years.

Broadly speaking, since 2011 there has been relatively limited growth overall in the population of children aged 0-4 years in Lewisham (22,659 in 2011 and 22,726 in 2016 with slight decreases in the overall population of children aged 0-4 years in 2015 and 2016). Slight declines are also expected in 2017 and 2018, with only a statistically insignificant increase in the population of children aged 0-4 years in Lewisham expected in 2019.

However, as Table Two shows there are significant variances between wards and CCSAs as it relates to changes in the population of children aged 0-4 years. Lewisham Central, Evelyn and New Cross wards (already three of the four most populous wards) are amongst the four wards with the largest anticipated increases in populations of children aged 0-4 years. In summary, the wards which are expected to have increases in the numbers of children aged 0-4 years across the period 2015-2018 are:

- Lewisham Central (+ 160 by 2018 cf. 2015)
- Evelyn (+ 152 by 2018 cf. 2015)
- Blackheath (+ 127 by 2018 cf. 2015)
- New Cross (+ 116 by 2018 cf. 2015)

By contrast, two wards tend to remain broadly steady (Brockley and Rushey Green wards) and other wards are expected to experience declines between the ranges of 19 children

<sup>6</sup> See 2014 Round of Demographic Projections, GLA Intelligence Unit (used also by Lewisham Strategic Partnership)

aged 0-4 years (Lee Green) and 86 children aged 0-4 years (Bellingham) across 2015-2019. These impacts are already being felt. One primary school with an attached nursery, for example, in a ward with declining numbers of children aged 0-4 years report in survey feedback that a key challenge is '*viability of school nurseries with reducing numbers of pupils.*'

On a Children's Centre Service Area (CCSA) basis, Table 2 shows:

- Service Area 1 is the main engine of growth of children aged 0-4 years (3.9% in 2018 compared with 2015- up 199 to 5,349 children);
- Service Area 2 has negligible growth (0.4% in 2018 compared with 2015- up 25 to 6,348 children (so remains the most populous service area);
- Service Area 3 has a 4.2% reduction in the number of children aged 0-4 years in 2018 compared with 2015- down 256 to 5,865 children); and
- Service Area 4 has a 4.2% reduction in the number of children aged 0-4 years in 2018 compared with 2015- down 221 to 5,056 children).

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*Table Two: Number of children aged 0-4 year in each ward, 2015-2018 and areas of expected change*

CC area	Ward	2015, 0	1	2	3	4	Total	2016, 0	1	2	3	4	Total	% change	2017, 0	1	2	3	4	Total	% change	2018, 0	1	2	3	4	Total	% change
1	Brockley	283	248	224	199	239	1193	287	253	222	208	195	1165	-2.30%	287	257	227	206	202	1179	1.20%	287	257	229	209	200	1182	0.30%
1	Evelyn	308	289	285	283	266	1431	317	298	289	288	292	1484	3.70%	334	308	299	292	298	1531	3.20%	350	323	307	301	302	1583	3.40%
1	New Cross	291	270	283	277	264	1385	299	281	287	268	280	1415	2.20%	315	291	298	272	272	1448	2.30%	330	304	308	283	276	1501	3.70%
1	Telegraph Hill	236	229	227	223	226	1141	232	226	218	223	224	1123	-1.60%	227	222	216	216	224	1105	-1.60%	223	218	213	213	216	1083	-2.00%
2	Blackheath	231	220	217	208	214	1090	233	223	214	219	206	1095	0.50%	235	225	217	217	218	1112	1.60%	237	227	219	220	214	1117	0.40%
2	Crofton Park	276	271	245	229	218	1239	270	269	236	227	229	1231	-0.60%	264	263	233	218	226	1204	-2.20%	258	258	229	216	217	1178	-2.20%
2	Ladywell	214	204	212	213	241	1084	213	203	205	208	192	1021	-5.80%	212	203	206	202	188	1011	-1.00%	210	202	206	202	182	1002	-0.90%
2	Lee Green	246	249	248	235	240	1218	246	250	241	238	239	1214	-0.30%	245	250	241	232	241	1209	-0.40%	243	248	241	232	235	1199	-0.80%
2	Lewisham Central	363	367	363	304	295	1692	376	376	362	337	293	1744	3.10%	388	389	371	337	323	1808	3.70%	399	401	384	345	323	1852	2.40%
3	Catford South	233	215	222	216	203	1089	231	213	212	213	196	1065	-2.20%	227	209	209	203	193	1041	-2.30%	223	207	207	201	184	1022	-1.80%
3	Downham	210	206	226	221	267	1130	208	205	215	220	232	1080	-4.40%	206	205	216	211	233	1071	-0.80%	204	202	214	210	222	1052	-1.80%
3	Grove Park	237	242	231	235	231	1176	235	240	221	225	234	1155	-1.80%	231	237	220	215	223	1126	-2.50%	227	233	217	213	214	1104	-2.00%
3	Rushey Green	309	297	343	362	331	1642	312	299	334	354	345	1644	0.10%	313	302	337	345	337	1634	-0.60%	314	304	340	348	330	1636	0.10%
3	Whitefoot	209	210	216	224	225	1084	210	211	209	217	226	1073	-1.00%	209	211	209	210	218	1057	-1.50%	208	211	210	210	212	1051	-0.60%
4	Bellingham	260	245	245	252	268	1270	257	242	234	243	259	1235	-2.80%	253	240	231	232	248	1204	-2.50%	249	237	229	230	239	1184	-1.70%
4	Forest Hill	270	266	279	279	290	1384	268	264	271	276	295	1374	-0.70%	264	262	270	268	292	1356	-1.30%	260	258	267	267	283	1335	-1.50%
4	Perry Vale	284	279	280	281	250	1374	280	276	270	270	268	1364	-0.70%	274	273	268	261	259	1335	-2.10%	268	269	264	258	250	1309	-1.90%
4	Sydenham	270	262	257	235	225	1249	270	263	250	235	226	1244	-0.40%	268	263	250	229	225	1235	-0.70%	268	262	250	229	219	1228	-0.60%

### Children aged 0-4 with additional needs/ disability

In relation to children with extra requirements related to additional needs/ disability:

- For children aged 2 years that qualify on economic criteria for 15 hours funded early education, none were recorded as having special educational needs (SEN) by Lewisham as at January 2015.<sup>7</sup> This contrasts with averages in London (3.4%) and inner London (3.2%).
- For children aged 3 and 4 years taking up their 15 hours funded early education, 470 have a SEN in Lewisham as at January 2015.<sup>8</sup> This is 6.2% of children aged 3 and 4 years which is lower than the London average (7.0%) and inner London average (7.5%). Of this cohort, 52 of 470 had an Education, Health and Care (EHC) Plan.

These indicate demand for early education and childcare that is equipped to meet the needs of families with children with additional needs/ disability. For example, skilled and confident early years staff capable of making adjustments to support each child's learning and development and where there is access to guidance and support to tailor early education to meet the specific requirements of any individual child with additional needs.

### Ethnicity

As at 2013, Lewisham is the 15<sup>th</sup> most ethnically diverse local authority in England, and 2 out of every 5 residents are from a Black, Asian and Minority Ethnic (BAME) background. The largest BAME groups are Black Caribbean and Black African, with Black ethnic groups estimated to comprise 30% of the total population of Lewisham<sup>9</sup>. The profile looks different in different parts of Lewisham. 2011 census data<sup>10</sup>, for example, shows:

- Evelyn ward and New Cross ward in CCSA 1 have the smallest proportion of White British residents at 25.9% and 26.6% respectively for any wards in Lewisham. They also have the highest proportion of Black Caribbean residents for any wards in Lewisham at 22.2% and 22% respectively. Evelyn ward also has the largest group of Chinese residents and the second largest group of 'other' Asian residents relative to other wards accounting for 6.5% and 6.6% of the population respectively.
- Blackheath ward in CCSA 2 has the highest proportion of White British residents for any ward in Lewisham at 56%, and the lowest proportion for any ward of Black Caribbean residents at 6% and Black African residents at 5.5%. Lee Green ward adjacent to Blackheath has the second highest proportion of White British residents at 54.6%.
- Catford South ward in CCSA 3 has the highest proportion of Black African residents for any ward in Lewisham at 20.5%, followed by Rushey Green also in CCSA 3, at 16.7%. Whitefoot ward in CCSA 3 has the fourth highest population of Black African residents at 13.6% and the highest proportion of Other Asian residents compared with all wards at 6.9%.

<sup>7</sup> DfE, *Provision for children under 5 years of age: January 2015 Additional Tables*, June 2015

<sup>8</sup> Ibid

<sup>9</sup> See GLA's Round 2011 projections

<sup>10</sup> See Appendix 1 for more detail.

- CCSA 4 also has relatively larger populations of Black African residents: Bellingham ward (14.4%), Perry Vale (11.8%) and Sydenham (10.9%). Bellingham also has more Black Other residents than other wards (6%) and Black Caribbean residents account for 14% of the total population.
- Other White residents are least likely to reside in wards in CCSA 3 and CCSA 4 (with the exception of Forest Hill ward), but much more likely to reside in wards in CCSAs 1 and 2. The greatest proportion are resident in Brockley ward in CCSA 1 at 12.7%, followed by Lewisham Central and Ladywell wards in CCSA 2 at 12.1% each.

However, headline figures for total population masks the full extent to which children and young people in Lewisham are BAME. The youngest age groups are significantly more likely to be BAME in Lewisham. The 2016 Spring Reception class records 77.7% of school children as BAME. The primary ethnic groups amongst children in reception class in 2016 are:

- White British (22.6%)
- Mixed race (14.3%) of which the largest group is White/ Black Caribbean 5.4%
- Unknown (13.3%)
- Black African (12.4%)
- Black Caribbean (9.7%)
- White European (6.8%)

This has implications for planning early education provision that is accessible to all families and can meet their diverse requirements. This includes ensuring that there is ongoing dialogue with parents about the value of early education, especially for children in the early years, and ensuring that early education provision is sensitive to cultural needs. For example, in 1:1 discussions with parents to inform the development of the CSA, 7 of 12 Black African parents indicated it was very important that any early years setting philosophy supported their religious and cultural views (6 Christian, and 1 Muslim).

### **The population profile and its implications for early education planning**

The Lewisham Health Profile 2015 identifies that Lewisham is a relatively deprived borough in England with significantly worse than the England average for deprivation and for children living in poverty<sup>11</sup>. Lewisham is the 31st most deprived local authority in England and relative to the rest of the country Lewisham's deprivation is increasing. Table Three<sup>12</sup> provides an overview of key characteristics associated with the local wards and CCSAs.

In addition to highlighting the population of children aged 0-4 years (as a proportion of the total population) and ethnicity, Table Three also reveals year on year reductions in the proportion of children living in out of work households in every ward every year between 2012- 2014. Nonetheless, more than 1 in 5 children live in out of work households in Brockley, Evelyn, New Cross, Lewisham Central, Downham, Whitefoot, Bellingham and Sydenham wards. With the

<sup>11</sup> See <http://www.apho.org.uk/resource/item.aspx?RID=171842>

<sup>12</sup> This table is an aggregation of different data sources including GLA Intelligence (2015), GLA's Round 2011 projections and modifications to tables to reflect the 2015 population of children aged 0-4 years and its implications for the total population.



exception of Brockley ward, these wards are also characterised by more than 15% of households making claims for Housing Benefit in 2015 and where reception age children are more likely to be obese compared with other wards. Evelyn, New Cross, Downham, Whitefoot, Rushey Green and Bellingham wards also tend to have the lowest median household income, higher proportions of sole parents with dependent children out of work vis-à-vis the rest of Lewisham. Evelyn, New Cross, Lewisham Central and Rushey Green also have higher proportions of BAME households and households where English is not the first language

In summary, Evelyn, New Cross, Lewisham Central, Downham, Whitefoot, Rushey Green, Bellingham and Sydenham are more disadvantaged wards in Lewisham. This points to higher proportions of children being eligible for the 2-year old funded early education. Conversely, these wards have a slightly lower proportion of children eligible for the extended entitlement from September 2017.

With a CCSA lens, Service Area 1 is relatively the most disadvantaged and the most ethnically diverse while Service Areas 3 and 4 more mixed with areas of significant disadvantage alongside areas that are relatively more affluent.

By contrast, Blackheath, Crofton Park, Ladywell, Lee Green, Catford South, Forest Hill and Perry Vale wards have less than 14% of households making claims for Housing Benefit in 2015, higher median household incomes and fewer than 1 in 5 children living in out of work households (with fewer than 1 in 6 children living in out of work households in Blackheath, Crofton Park, Lee Green, Catford South and Forest Hill). With the exception of Catford South, these wards also tend to have reception age childhood obesity rates less than 10%. Generally, sole parents with dependent children are more likely to be working in these wards relative to the rest of Lewisham (although Perry Vale is an exception).

In summary, Blackheath, Crofton Park, Ladywell, Lee Green, Catford South, Forest Hill and Perry Vale are less disadvantaged wards in Lewisham. This points to lower proportions of children being eligible for 2-year old funded early education. Conversely, these wards will have a slightly higher proportion of children eligible for the extended entitlement from September 2017 (and it is only slightly, as the extended entitlement is only available to two parent households where both parents are in work and earning at least £107/week)<sup>13</sup>

With a CCSA lens, Service Area 2 is relatively the least disadvantaged (with Lewisham Central an outlier) while Service Area 4 is more mixed with areas of significant disadvantage alongside areas that are more affluent. Service Area 3 ranks third amongst Service Areas for relative advantage (with Catford South the most prosperous of the four wards).

<sup>13</sup> And less than £99,999.99 per parent per household. So, for example, where one parent earns £100,000 and the other earns £10,000 so a combined household income of £110,000 they will be ineligible for the extended entitlement. Conversely, where one parent earns £99,000 and the other earns £99,000 so a combine household income of £198,000 they will be eligible for the extended entitlement (see draft statutory guidance April 2016).

While this more specific ward level data is not obtainable for children living in out of work households and sole parents in employment for 2015, we do know<sup>14</sup>:

- Lewisham has a higher proportion of working age people that are benefit claimants compared with the rest of London and Great Britain (as at November 2015, 12.7% compared with 11.4% and 10.8% respectively);
- Lewisham has a higher proportion of working age sole parents that are benefits claimants compared with the rest of London and Great Britain (as at November 2015, 1.6% compared with 1.1% and 1.1% respectively); and
- Seemingly at odds with the points above, Lewisham has a higher rate of working age people in employment (for the year ending March 2016, 74.9% compared with London, 73.2%, and Great Britain, 73.7%) and with significantly more women in employment compared with London and Great Britain (70.3% compared with 66.6% and 68.8% respectively). However, this is explained by Lewisham having far higher proportions of working age people (particularly women) engaged in part time employment (36.7% compared with London, 26.2% and Great Britain, 31.7%).

Table Four gives a feel of the likely demand for places for children aged 2, 3 and 4 years required in 2017 (at 100% take-up of entitlements). As a consequence of:

- Greater levels of disadvantage, the key wards for eligibility for 2-year old entitlements<sup>15</sup> are Evelyn. New Cross, Lewisham Central, Bellingham, Brockley and Sydenham.
- Rushey Green having the second largest population of children aged 0-4 years (after Lewisham Central) and being relatively less disadvantaged (than say Lewisham Central), has a higher absolute number of children eligible for the extended entitlement.
- While it is important to reinforce that this is illustrative only and with caveats, because of larger populations of children aged 0-4 years, Rushey Green, Lewisham Central, Evelyn, New Cross, Forest Hill and Perry Vale are likely to have higher numbers of families eligible for extended entitlements<sup>16</sup>.

By CCSA:

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<sup>14</sup> See ONS annual population survey (2016)

<sup>15</sup> This is for illustrative purposes only. This is an estimate based on the 2017 population of 2-year olds (GLA) multiplied by the proportion of children in out-of-work households in 2014 (this has been doubled to reflect the 2-year old entitlement being available to the lower 40% of income). This equalled the DfE provided information to Lewisham about 2-year old eligibility.

<sup>16</sup> This analysis has significant caveats. It is based on the 2017 population of children aged 3 and 4 years (GLA) applying the 47.3% general rate for Lewisham two parent working households with dependent children to the proportion of two parent households in that ward (as per Census 2011), the sole parent out of work with dependent children rate to the proportion of sole parents with dependent children in that ward (as per Census 2011) and then applying evenly a deduction of 55% to meet the DfE estimate (given that parents (especially mothers) with children aged 0-4 are less likely to work than parents generally with dependent children).

- Service Area 1 has the highest requirements for 2-year old places (519 places) and the lowest requirements for extended entitlement places (527 places);
- Service Area 2 has lower ranking requirements for 2-year old places (445 places- driven by Lewisham Central which accounts for 38% of all places) and the highest requirements for extended entitlement places (640 places);
- Service Area 3 has second highest ranking requirements for 2-year old places (472 places- driven by Rushey Green and Downham wards) and very close to the highest requirements for extended entitlement places (635 places); and
- Service Area 4 has the lowest requirements for 2-year old places (418 places) and the second lowest requirements for extended entitlement places (540 places).

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*Table Three: Profile of population- age, BAME, reception age obesity, household income, employment rate/children living in poverty, housing benefit*

-CC area	Ward	Pop. 2015	Pop. aged 0-4 - 2015	Working -age (16-64) - 2015	% All aged 0-4 - 2015	% All aged (16-64) 2015	% aged 65+ - 2015	% BAME 2011	% Not Born UK - 2011	% English 1 <sup>st</sup> Lang. no one in household - 2011	% children reception obese 2012/13	Employ. rate (16-64) - 2011	Median household income estimate (2012/13)	% of sole parents not employed- 2011	% children in out-of-work households - 2012	% children in out-of-work households - 2013	% children in out-of-work households - 2014	Housing benefit claimants % households 2015
1	Brockley	18,550	1193	14,450	6%	78.0	6.1	43.1	36.8	10.5	9.8	71.3	38,100	39.6	25.2	21.7	21.3	13.7
1	Evelyn	18,550	1431	13,200	8%	71.3	5.8	60.9	44.8	16.0	13.4	63.7	30,560	51.1	35.8	30.1	27.3	21.4
1	New Cross	17,650	1385	13,150	8%	74.4	5.5	59.7	46.6	15.3	15.6	64.6	31,520	47.1	28.9	27.6	24.3	18.5
1	Telegraph Hill	17,250	1141	12,750	7%	74.1	7.1	49.4	36.9	10.9	11.3	70.6	37,230	40.9	26.0	22.7	19.4	15.3
2	Blackheath	15,000	1090	10,700	7%	71.4	10.5	30.2	29.3	7.4	9.6	74.1	44,870	40.6	18.4	17.4	15.5	11.6
2	Crofton Park	15,350	1239	10,700	8%	69.7	9.5	39.6	30.1	7.0	6.8	73.9	42,560	39.4	18.0	15.1	13.9	10.4
2	Ladywell	15,200	1084	11,150	7%	73.2	8.9	45.4	35.4	9.4	7.3	70.5	40,290	38.7	20.5	19.0	17.4	10.7
2	Lee Green	15,050	1218	10,300	8%	68.6	11.4	33.7	28.9	8.1	8.6	75.1	42,760	40.2	17.3	17.2	14.5	11.0
2	Lewisham Central	20,250	1692	14,700	8%	72.6	7.4	51.6	41.2	12.4	12.0	69.6	35,760	50.5	25.5	24.5	23.1	17.1
3	Catford South	15,650	1089	10,650	7%	68.0	11.5	56.2	32.2	7.1	10.5	70.2	39,070	36.4	18.9	17.2	13.4	10.1
3	Downham	15,000	1130	9,600	8%	64.2	12.4	41.7	24.8	6.2	12.2	63.6	30,880	49.2	35.6	31.7	26.9	20.1
3	Grove Park	15,100	1176	10,100	8%	67.0	12.4	37.5	26.9	7.0	10.6	69.3	36,150	46.8	24.9	21.5	17.7	14.7
3	Rushey Green	16,650	1642	11,500	10%	69.1	8.2	59.1	38.0	10.2	13.7	66.2	34,670	46.6	26.3	23.1	18.6	18.7
3	Whitefoot	15,050	1084	9,800	7%	65.2	10.6	50.5	29.5	6.8	12.6	64.8	32,840	44.8	31.0	27.0	23.2	18.2
4	Bellingham	15,300	1270	10,000	8%	65.5	10.4	51.3	29.6	6.2	11.9	64.9	31,340	46.4	32.8	30.0	25.5	21.8
4	Forest Hill	15,300	1384	10,550	9%	68.8	9.8	38.2	31.1	8.2	9.0	73.6	40,960	40.9	20.7	19.0	15.6	13.0
4	Perry Vale	16,050	1374	11,150	9%	69.5	9.7	42.5	30.5	7.2	9.7	72.9	39,130	47.5	26.1	22.9	18.7	13.9
4	Sydenham	16,150	1249	10,950	8%	67.8	11.4	41.8	30.2	7.1	10.6	69.1	37,060	40.7	30.0	25.7	23.1	17.2

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*Table Four: Estimates of numbers of children likely have eligibility for 2 year old entitlement and extended entitlement in 2017*

-CC Area	Ward	2	3	4	Total estimate for 2 year old eligibility	Total estimate 3 and 4 year old	Total estimate for extended entitlement	Proportion of families with two parents	Approx eligible for extended entitlement as a %
1	Brockley	227	206	202	127	408	112	70.4%	27.3%
1	Evelyn	299	292	298	163	590	151	55.5%	25.6%
1	New Cross	298	272	272	145	544	144	60.4%	26.4%
1	Telegraph Hill	216	216	224	84	440	120	66.9%	27.3%
2	Blackheath	217	217	218	67	435	117	76.0%	26.8%
2	Crofton Park	233	218	226	65	444	120	74.8%	27.0%
2	Ladywell	206	202	188	72	390	107	71.4%	27.4%
2	Lee Green	241	232	241	70	473	127	76.8%	26.8%
2	Lewisham Central	371	337	323	171	660	169	68.5%	25.6%
3	Catford South	209	203	193	56	396	110	71.3%	27.8%
3	Downham	216	211	233	116	444	115	61.2%	26.0%
3	Grove Park	220	215	223	78	438	115	69.5%	26.2%
3	Rushey Green	337	345	337	125	682	180	65.4%	26.4%
3	Whitefoot	209	210	218	97	428	115	62.50%	26.8%
4	Bellingham	231	232	248	118	480	128	58.5%	26.7%
4	Forest Hill	270	268	292	84	560	152	71.4%	27.1%
4	Perry Vale	268	261	259	100	520	136	69.4%	26.1%
4	Sydenham	250	229	225	116	454	124	66.8%	27.4%
<b>TOTAL</b>		<b>4518</b>	<b>4366</b>	<b>4420</b>	<b>1854</b>	<b>8786</b>	<b>2341</b>	<b>67.6%</b>	<b>26.7%</b>

### Key conclusions

1. Factors affecting demand and supply in Lewisham include:
  - a. A changing population profile where key population growth wards for children aged 0-4 years in Lewisham are largely concentrate in CCSA 1 (Evelyn and New Cross wards particularly) and the wards of Lewisham Central and Blackheath in CCSA 2. By contrast, all wards in CCSAs 3 and 4 will see reducing numbers of children aged 0-4 years across 2015- 2019 (except Rushey Green in Service Area 3 which will remain broadly the same).
  - b. Evelyn, New Cross and Lewisham Central wards would be expected to have increased early education provision for eligible 2 year olds into the future reflecting

the relative deprivation of these wards. These wards given their relative deprivation are also likely to be the wards where the affordability of early education is likely to be most significant and where the ability to pay for early education hardest.

- c. At the same time, increasing numbers of parents with young children will be working and so these wards (together with Blackheath) will expect to have increasing numbers of parents being eligible for extended entitlements beyond September 2017. As a consequence, these wards will likely have greater requirements for more flexible early education to meet the needs of working parents into the future.
  - a. However, for September 2017, the wards that have the highest number of children aged 0-4 years will be the wards with the highest number of children eligible for the extended entitlement. These are Rushey Green, Lewisham Central, Forest Hill, Evelyn, New Cross and Perry Vale. Given this, these wards will likely have greater requirements for more flexible early education to meet the current needs of working parents.
- d. The reasons as to no children aged 2 years with additional needs being recorded as having accessed a funded early education in 2015 are unclear. However, there is evidence that amongst children aged 3 and 4 years, 470 children with additional needs accessed funded early education. This points to demand for early education provision that is equipped at meeting the needs of children with additional needs and disabilities.
- e. The continuing change in the ethnic profile of Lewisham has implications for planning early education provision that is accessible to all families and can meet their diverse requirements. This includes ensuring that there is ongoing dialogue with parents about the value of early education, especially for children in the early years, and ensuring that childcare and early education is sensitive to religious, cultural and language needs.

## 2. Supply of childcare and early education places

### Number of places and type of provision

Lewisham has approximately 8,277 early education places for children aged 0-4 years as at July 2016, of which approximately 7,700- 7,900 are for children aged 2-4 years (95-97% of all places)<sup>17</sup>. Subject to limitations about the comprehensiveness of data, this suggests broadly:

- 111 day nurseries/ pre-schools<sup>18</sup> making available 4,247 places for children aged 0-4 years (51% of all places);
- 54 school nurseries (including 4 independent schools) making available 2,800 places for children aged 3- 4 years (34% of all places). There is also some limited additional nursery provision available in special schools; and
- 410 childminders<sup>19</sup> making available 1,230 places each for children aged 0-4 years (15% of all places).

Footnote 20 sets out the methodology for these estimates. Estimates are used because the directory of childcare and early education provision in the borough is not up to date. This limits the usefulness of the information available on the website (where families are signposted if they contact the Council for information and advice about childcare and early education) and presents challenges for the Early Years Quality and Sufficiency Team. For the broadly illustrative purposes of a market level CSA, the data set out is sufficient. Lewisham Council may find it useful to consider alternative approaches to how they ensure that information, advice and assistance to parents and prospective parents about childcare and related services is comprehensive and accurate (as per the section 12 duty).

On average, however, a single place can cater for more than one child given patterns of childcare use by parents and the degree of flexibility an early years settings has. In this way, 8, 277 underestimates place availability<sup>20</sup>. For example, on average:

- Day nurseries are open for 9 hours (with more than half open 10 hours)
- Childminders are open for 10.4 hours (with close to 1 in 5 open more than 11 hours)

<sup>17</sup> This is based on information provided by 79 early years settings, augmented with data provided by the Early Years Quality and Sufficiency Team and desktop research into which primary schools within Lewisham offer nursery provision. Based on data provided by the settings about the number of places that are available for children aged under 2, 2, 3 and 4 years, the average for different types of settings has been used. This involves 15% of school nurseries, 50% of independent schools, 24% of day nurseries. 22% pre-schools/play groups and 10% of childminders. The average number of places per provider type is 43 per day nursery, 51 per school nursery, 25 per independent school, 21 per play group and 3 per childminder.

<sup>18</sup> There are approximately 23 pre-school/play groups and 78 day nurseries that are currently open.

<sup>19</sup> Lewisham Council provided information about 465 childminders that have operate throughout the last two years or so. This has been checked against Ofsted records which sets out 410 open childminding businesses in Lewisham. Given the data limitations, a 12% reduction in the number of childminders has been applied evenly to the lists that have been provided for market level assessment purposes.

<sup>20</sup> This is based on information provided by 79 early years settings.



- School nurseries and pre-schools/play groups are open for 5.5-6 hours per day, with most offering 2 x 3 hour places per day (or for some pre-schools, 1 x 3 hour place per day).

Given that most children do not attend early education for all the hours of every day that an early years setting is open, at an estimate of PVI settings with 1.5 children per place per day (for 3-6 hours each), schools have 2 children per place per day and childminders have 1 child per place per day, this implies 11,800 places being available. This exceeds what is necessary to meet obligations to deliver early education entitlements at 100% take up of eligible children aged 2, 3 and 4 years in Lewisham (9,000 places) and so offers wider 2,800 place capacity for children aged under 2 years and parents requiring more childcare.

However, given that 100% of entitlements are not taken up, the Lewisham childcare market is characterised by vacancies (see section on occupancy). This will be mitigated to some extent by greater demand arising from the extended entitlement from September 2017, although in CCSAs 3 and 4 (except Rushey Green) there will be pressures arising from a reducing population.

Tables 5 set out the registered places available for different types of childcare and early education provision for families with young children in Lewisham by CCSA and ward. All areas have choice, although less so in some wards and CCSA than others. For example:

- Both CCSAs 1 and 2 have a majority of early education places available through day nurseries and pre-schools/ play groups. In Evelyn, nearly 4 in 5 early education places are available through day nurseries and pre-schools/ play groups, while Rushey Green, Lee Green and Ladywell wards also have 2 in 3 early education places available through day nurseries and pre-schools/ play groups. This suggests a possible gap in parental choices for childminders and school nurseries.
- Conversely, CCSAs 3 and 4 have fewer than half of early education places available through day nurseries and pre-schools/ play groups. There are fewer than 2 in 5 early education places available through day nurseries and pre-schools/ play groups in Grove Park, Downham and Sydenham wards.
- CCSA 3 has more than 2 in 5 early education places available through school nurseries, while in Sydenham ward this accounts for the majority of places. By contrast, CCSAs 1 and 2 have less than the average number of early education places available through school nurseries (at 30-31%) with between 1 in 8 and 1 in 10 early education places available through school nurseries in Evelyn, Lee Green and Ladywell wards.
- CCSA 3 also has a far greater proportion of early education places available through childminders at nearly 1 in 5 of all places. This rises to 1 in 3 of the places available in Grove Park.
- By contrast, the wards with the faster growing populations in CCSAs 1 and 2 have a smaller proportion of their early education places made available by childminders.

For Evelyn, New Cross, Lewisham Central, Blackheath and Brockley wards (as well as Sydenham ward in Service Area 4), approximately 1 in 10 early education places are available through childminders. This suggests a possible gap in parental choices for childminders which given they are typically more flexible, may restrict parents too.

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**Table 5: Estimated count of early education places by provider type and planning/ ward area**

CC Service Area	Ward	Day nurseries/ pre-schools	Average places	As a proportion	School nurseries <sup>21</sup>	Average places	As a proportion	Childminders	Average places	As a proportion	Total places
1	Brockley	7	301	44%	6	306	45%	24	73	11%	610
1	Evelyn	9	387	78%	2	50	10%	18	56	11%	440
1	New Cross	9	*343	59%	4	178	31%	18	56	10%	524
1	Telegraph Hill	3	129	44%	2	102	34%	21	65	22%	234
Total CCSA 1		28	1160	57%	10	636	31%	81	243	12%	12%
2	Blackheath	5	193	55%	3	127	36%	10	31	9%	323
2	Crofton Park	5	193	39%	4	204	42%	31	94	19%	400
2	Ladywell	5	193	61%	1	51	16%	23	70	22%	247
2	Lee Green	6	214	67%	1	51	16%	18	55	17%	268
2	Lewisham Central	10	408	58%	5	229	33%	22	67	10%	640
Total CCSA 2		31	1,201	55%	14	662	30%	104	312	14%	1866
3	Catford South	9	387	55%	4	204	29%	39	118	17%	594
3	Downham	4	150	32%	5	255	54%	21	64	14%	408
3	Grove Park	4	84	29%	2	102	36%	33	100	35%	189
3	Rushey Green	4	172	62%	1	51	18%	18	55	20%	226
3	Whitefoot	5	193	53%	2	102	28%	23	70	19%	298
Total CCSA 3		26	986	47%	14	714	34%	134	402	19%	1703
4	Bellingham	7	279	48%	4	204	35%	32	97	17%	486
4	Forest Hill	7	279	57%	3	153	31%	19	58	12%	435
4	Perry Vale	4	128	43%	3	127	43%	13	40	14%	258
4	Sydenham	6	214	37%	6	306	53%	17	52	9%	523
Total CCSA 4		24	900	47%	16	788	41%	81	243	13%	1691

<sup>21</sup> This includes independent schools with under 5s nurseries

### Cost of early education

Table 6 shows that average hourly rates for nursery fees charged by PVI settings for children are broadly similar to the London average (about the same for children aged under 2 years, 2.6% more than the London average for children aged 2 years and 3.8% less than the London average for children aged 3-4 years)<sup>22</sup>

Similarly, Lewisham childminders tend to charge at about the London average for children aged 2 and 3.7% less than the London average for children aged 3 and 4 years. Only for children aged less than 2 years do childminders tend to charge much more than the London average (+16%).

In the survey, 5 PVI settings and 6 childminders indicated they were intending to increase fees by more than £10 in the coming 18 months. Extrapolated across the local market, this suggests that about 5% of PVI settings and 15% of all childminders intend increasing fees by more than £10 per week for local families.

*Table 6 Average hourly cost of different types of early education, Lewisham, London and England*

	Under 2	2	3-4
<b>PVI settings</b>			
Lewisham	£6.28	£5.87	£5.52
London	£6.20	£5.74	£5.74
England	£4.78	£4.56	£4.56
<b>Childminders</b>			
Lewisham	£6.27	£6.03	£5.75
London	£5.23	£5.97	£5.97
England	£4.02	£4.29	£4.29

Early years settings<sup>23</sup> report that their biggest concern is the levels of funding made available for funded early education. This is especially so in considerations about whether or not the setting might offer extended entitlement places for children aged 3 and 4 years from September 2017.

There was a strong view that the funding provided by the Government was insufficient to cover the costs incurred by early years settings in providing funded early education for 2, 3

<sup>22</sup> Early education Costs Survey 2015, Family and Childcare Trust with an uplift of 2% for 2016.

<sup>23</sup> At manager network events and the childminders event, in 1:1 conversations with early years settings and through the survey.

and 4 year olds This will be less of a concern for children aged 2 years, given that at £6 per hour, Lewisham Council pays 2% higher than the rate charged to parents for children aged 2 years in PVI settings and at about the level charged by childminders). For PVI settings, additional funding (largely through parents buying extra hours at a higher rate and striving for high levels of occupancy to maximise revenue) helps subsidise funded early education places.

In the survey, 19% of settings report that decisions about offering extended entitlement places was very difficult without knowledge about what the rate would be. This was true for all types of PVI settings, school nurseries and childminders. For example:

- *'I do not know what the funded rate will be and therefore how I will manage the financial impact on my business'.* (Childminder, Crofton Park)
- *'We would like to accommodate for parents wishing to use the 30 funded hours but will have to look seriously at the cost implications for us'.* (Day nursery, New Cross)
- *'Cannot afford the loss in income and maintain high quality delivery of preschool education and care.'* (Day nursery, Forest Hill)

This is challenging for Lewisham Council to address in the short term as the funding rate that will be available from Government is not yet known; and not expected until later in 2016/17.

### Quality of early education

As Table 7<sup>24</sup> shows Lewisham has increasing rates of children in funded early education attending settings that have well qualified staff (qualified teachers and early years professionals). Lewisham performance exceeds national averages:

- For children aged 2 years in funded early education, Lewisham ranks 32 in the country (the top quartile) and with 58% of children aged 2 years in settings with a qualified teacher/early years professional does nearly 6% better than statistical neighbours and 11% better than London (and in 2016, had a 4% improvement on 2015); and
- For children aged 3 and 4 years in funded early education, Lewisham ranks 58 in the country (the second quartile) and with 59% of children aged 3 and 4 years in settings with a qualified teacher/early years professional is over 2% better than statistical neighbours and 3% better than London (and in 2016, had a 5% improvement on 2015).

On the other hand, Table 7 shows the proportion of children in funded early education accessing 'good' or 'outstanding' settings reduced in 2016: with a 5% reduction to 68% for children aged 2 years in 2016 (lowest quartile and significantly lower than statistical

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<sup>24</sup> DfE, Local Authority Interactive Tool, *Education provision: children under 5 years of age, January 2016*, 7 July 2016

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neighbours and London averages); and a 1% reduction to 86% for children aged 3 and 4 years in 2016 (third quartile and close to 1% less than statistical neighbours and London averages).

*Table 7: Proportion of children in funded early education quality indicators for Lewisham vis-à-vis statistical neighbours, London and England (2014- 2016)*

% of 2 year old children in funded early education with staff with QTS/EYPS	2014	2015	2016	Change from previous year
Lewisham	48.00	54.00	58.00	4.00
London	52.00	51.00	47.00	-4.00
Statistical neighbours	59.50	56.60	52.10	-4.50
England	50.00	50.00	48.00	-2.00
% of 2 year old children in funded early education in at least a good or outstanding setting	2014	2015	2016	Change from previous year
Lewisham	52.00	73.00	68.00	-5.00
London	70.00	84.00	80.00	-4.00
Statistical neighbours	66.70	82.56	79.90	-2.66
England	71.00	85.00	84.00	-1.00
% of 3 and 4 year old children in funded early education with staff with QTS/EYPS	2014	2015	2016	Change from previous year
Lewisham	48.00	54.00	59.00	5.00
London	58.00	58.00	56.00	-2.00
Statistical neighbours	59.10	58.00	56.90	-1.10
England	52.00	53.00	54.00	1.00
% of 3 and 4 year old children in funded early education in at least a good or outstanding setting	2014	2015	2016	Change from previous year
Lewisham	86.00	87.00	86.00	-1.00
London	76.00	86.00	87.00	1.00
Statistical neighbours	75.40	84.70	86.70	2.00
England	76.00	85.00	86.00	1.00

Table 8 gives a broad indication of quality ratings relevant to the childcare and early education sector (including schools where these have attached nursery provision) using

Ofsted ratings.<sup>25</sup> Given new entrants into the early education market, there are a number of early years settings for whom Ofsted inspections have not yet taken place. By CCSA:

- Service Area 1 has the highest quality school nurseries, but childminder quality needs the most improvement. PVI settings rate lower than the 86% average for children aged 3 and 4 years in funded early education in Lewisham. There are presently no 'outstanding' PVI settings in Service Area 1. Both Evelyn and New Cross wards have inadequate settings (two of the most disadvantaged wards in the borough with higher proportions of children aged 2 years eligible for funded early education).
- Service Area 2 has a very mixed picture with Blackheath, Ladywell and Lee Green wards having 100% good and outstanding PVI settings, while Crofton Park and Lewisham Central (the most disadvantaged ward in Service Area 2) have some PVI settings in need of improvement. Lewisham Central ward also has schools (including an independent school) that require improvement. Service Area 2 rates third best of four in relation to childminder quality.
- Service Area 3 has the best rated PVI settings overall in Lewisham at close to 90% 'good' or 'outstanding' of which 100% are in Catford South, Rushey Green and Grove Park wards. There is one school in the service area that requires improvement, while all others are 'good' or 'outstanding'. Service Area 3 also rates second best of four in relation to childminder quality.
- Service Area 4 has the best rated childminders and with one exception all schools with nurseries are 'good' or 'outstanding'. Perry Vale ward has 100% of PVI settings with ratings of 'good' or 'outstanding', but overall PVI settings need the most improvement in this Service Area (although none are inadequate).

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<sup>25</sup> This reflects obligations as per statutory guidance April 2016 about only using Ofsted ratings as the markers of quality for childcare.



**London Borough of Lewisham**  
**Childcare Sufficiency Assessment and Plans for Extended Entitlement**

*Table 8: Quality ratings in relation to wards and localities*

CC service area	Ward	Day nurseries/ pre-schools	School nurseries <sup>26</sup>	Childminders
1	Brockley	<ul style="list-style-type: none"> <li>6 good and 1 awaiting inspection</li> </ul>	<ul style="list-style-type: none"> <li>1 outstanding and 5 good</li> </ul>	
1	Evelyn	<ul style="list-style-type: none"> <li>6 good, 1 requires improvement, 1 inadequate and 2 not yet inspected</li> </ul>	<ul style="list-style-type: none"> <li>1 outstanding and 1 good</li> </ul>	
1	New Cross	<ul style="list-style-type: none"> <li>4 good, 1 satisfactory, 1 inadequate and 2 not yet inspected</li> </ul>	<ul style="list-style-type: none"> <li>1 outstanding and 4 good</li> </ul>	
1	Telegraph Hill	<ul style="list-style-type: none"> <li>3 good</li> </ul>	<ul style="list-style-type: none"> <li>1 outstanding and 1 good</li> </ul>	
<b>Total Area 1</b>		<b>82.6% good</b>	<b>100% good or outstanding</b>	<b>72.1% good or outstanding<sup>27</sup></b>
2	Blackheath	<ul style="list-style-type: none"> <li>3 outstanding and 3 good</li> </ul>	<ul style="list-style-type: none"> <li>2 outstanding and 1 meets</li> </ul>	
2	Crofton Park	<ul style="list-style-type: none"> <li>3 good, 1 requires improvement and 1 satisfactory</li> </ul>	<ul style="list-style-type: none"> <li>2 outstanding and 2 good</li> </ul>	
2	Ladywell	<ul style="list-style-type: none"> <li>2 outstanding and 4 good</li> </ul>	<ul style="list-style-type: none"> <li>1 outstanding</li> </ul>	
2	Lee Green	<ul style="list-style-type: none"> <li>1 outstanding and 5 good</li> </ul>	<ul style="list-style-type: none"> <li>1 outstanding</li> </ul>	
2	Lewisham Central	<ul style="list-style-type: none"> <li>4 outstanding, 2 good, 2 requires improvement, 1 satisfactory and 2 not yet inspected</li> </ul>	<ul style="list-style-type: none"> <li>1 outstanding, 1 good, 2 requires improvement and 1 satisfactory</li> </ul>	
<b>Total Area 2</b>		<b>84.4% good or outstanding</b>	<b>77% good or outstanding</b>	<b>85.5% good or outstanding<sup>28</sup></b>

<sup>26</sup> This includes independent schools with under 5s nurseries

<sup>27</sup> This is based on 43 settings that have been inspected using the most recent inspection framework, of which 3 are outstanding, 28 are good, 11 are requires improvement, 1 is inadequate

<sup>28</sup> This is based on 69 settings that have been inspected using the most recent inspection framework, of which 5 are outstanding, 54 are good and 10 require improvement.

**London Borough of Lewisham**  
**Childcare Sufficiency Assessment and Plans for Extended Entitlement**

CC service area	Ward	Day nurseries/ pre-schools	School nurseries <sup>29</sup>	Childminders
3	Catford South	<ul style="list-style-type: none"> <li>5 good, 3 not yet inspected</li> </ul>	<ul style="list-style-type: none"> <li>1 outstanding and 3 good</li> </ul>	
3	Downham	<ul style="list-style-type: none"> <li>1 outstanding, 3 good, 1 requires improvement and 1 not yet inspected</li> </ul>	<ul style="list-style-type: none"> <li>1 outstanding, 3 good and 1 requires improvement</li> </ul>	
3	Grove Park	<ul style="list-style-type: none"> <li>4 good, 1 not yet inspected</li> </ul>	<ul style="list-style-type: none"> <li>2 good</li> </ul>	
3	Rushey Green	<ul style="list-style-type: none"> <li>4 good</li> </ul>	<ul style="list-style-type: none"> <li>1 outstanding</li> </ul>	
3	Whitefoot	<ul style="list-style-type: none"> <li>3 good, 1 requires improvement, 1 not yet inspected</li> </ul>	<ul style="list-style-type: none"> <li>1 outstanding and 1 good</li> </ul>	
<b>Total Area 3</b>		<b>88.9% good or outstanding</b>	<b>93.3% good or outstanding</b>	<b>87.8 % good or outstanding<sup>30</sup></b>
4	Bellingham	<ul style="list-style-type: none"> <li>3 good, 1 satisfactory and 3 not yet inspected</li> </ul>	<ul style="list-style-type: none"> <li>2 outstanding and 2 good</li> </ul>	
4	Forest Hill	<ul style="list-style-type: none"> <li>1 outstanding, 5 good and 2 requires improvement</li> </ul>	<ul style="list-style-type: none"> <li>1 outstanding and 2 good</li> </ul>	
4	Perry Vale	<ul style="list-style-type: none"> <li>1 outstanding and 3 good</li> </ul>	<ul style="list-style-type: none"> <li>1 outstanding and 2 good</li> </ul>	
4	Sydenham	<ul style="list-style-type: none"> <li>1 outstanding, 4 good, 1 requires improvement and 2 not yet inspected</li> </ul>	<ul style="list-style-type: none"> <li>1 outstanding, 4 good and 1 requires improvement</li> </ul>	
<b>Total Area 4</b>		<b>81.8% good or outstanding</b>	<b>93.8% good or outstanding</b>	<b>92.4% good or outstanding<sup>31</sup></b>

<sup>29</sup> This includes independent schools with under 5s nurseries

<sup>30</sup> This is based on 82 settings that have been inspected using the most recent inspection framework, of which 13 are outstanding, 59 are good, 9 are requires improvement, 1 is inadequate

<sup>31</sup> This is based on 66 settings that have been inspected using the most recent inspection framework, of which 8 are outstanding, 53 are good, 3 are requires improvement and 2 are inadequate

Feedback from early years settings at manager network events particularly and in 1:1 conversations was that they would value more support to improve the quality of their settings. In the manager network events particularly, there was a strongly expressed view that professional development opportunities made available for PVI settings by the South Thames Early Education Partnership (STEEP) would benefit from improvement. Key concerns raised were:

- The professional development made available was insufficient for their needs and so additional training was routinely being commissioned;
- There was insufficient creativity in the teaching approach with the learning style largely grounded in observing practitioners in an outstanding setting. Several settings indicated they would value additional training focused on children aged 2 years and under, reporting that they felt training largely focused on children aged 3 or more years.
- The cost of professional development opportunities was high; and made higher by delivery of training during the day which mainly meant needing to meet the costs of casual or other staff who provided cover. One nursery report *'Training needs to return to being free – day care settings are being pushed to breaking point financially and quality will inevitably suffer.'*

In meeting childminders, they also report that training costs were high and that it was difficult to take up training given that they are sole traders. 10% of childminders report they wanted training to be made available freely.

Both PVI settings and childminders said that they would value much more opportunity for Lewisham Early Years Quality and Sufficiency Team to visit settings as part of supporting their improvement and to support quality generally. 25% of PVI settings and childminders report that they would value this more bespoke support. In the survey:

- 87% report that support with improving quality would be useful/very useful, with more than 90% of childminders and day nurseries rating support with improving quality as very useful.
- 24% report that the Lewisham Early Years Quality and Sufficiency Team was amongst the 'best' areas of Lewisham Council's approach to childcare development. Three specifically report that *'Tiffany Gordon was very helpful and supportive'* and two childminders report that *'Lorraine was helpful.'*
- 45% of PVI settings report that manager network meetings were an especially useful way of information sharing, finding out about what support is available and for networking more generally. Generally, PVI settings also valued how they are routinely be updated by email and through network meetings about training that was available. On networking more generally, 85% of early years settings rate more opportunities to network within the sector as useful/very useful. This was most true of PVI settings and school nurseries. Amongst childminders with vacancies, 90% rate these opportunities as useful.

### Quality of early education- families with additional requirements

Page 13 indicates the numbers of children aged 2 years that qualify on economic criteria for 15 hours funded early education and children aged 3 and 4 years with extra requirements related to additional needs/ disability as at January 2015. Amongst early years settings, there was a consistent view that there are gaps in childcare and early education provision for families with children with additional needs/disability in Lewisham.

In the survey, 89% of early years settings rate more support in meeting the children with additional needs as useful or very useful. This included 97% of PVI settings and 88% of childminders (albeit that as part of the forum with approximately 40 childminders none indicated that they had any children currently accessing their provision with additional needs). Key concerns that were raised include:

- The availability of additional support only once an Education, Health and Care (EHC) Plan had been agreed. This was also reported in two interviews as true more generally for the children of families which have an agreed Common Assessment Framework (CAF) Plan. Given that most pre-school aged children with additional needs do not have EHC Plans, this impacts the ability to provide targeted support to most children with additional needs.
- Given the time involved in agreeing EHC Plans this means that children can sometimes wait for 6 months or more before their EHC Plan is agreed. At least one specialist provider of early education to children with additional needs/disabilities reports that this has meant they have been unable to accept children (and so the children are on a waiting list). In Lewisham in 2015, 58.1% of children had EHC Plans issued within the 20-week target (down from 89.5% in 2014 and lower than both the inner London (66.9%) and London (64.2%) averages<sup>32</sup>).
- Early years staff report that they do not feel equipped to effectively work with young children with additional needs/disabilities and would value having access to an advisory service that can help build their skills and confidence to work with individual children with additional needs.
- While Drumbeat particularly was reported as high quality and an excellent support for parents and practitioners working with children with an autistic spectrum condition (ASC), there should be more opportunity for early years staff to gain insight and techniques in working with children with ASC generally.
- Other specialist services such as the visual impairment and sensory impairment teams were accessible for early years 'settings only once a diagnosis had occurred of an individual child. This had implications in terms of ensuring these children had access to timely support. Moreover, it was observed by one interviewee that staff working in these teams did not have sufficient background in early years. In interviewing the founder of Down's Friendship & Creativity Group, it was noted that for parents with children, particularly in the early years, that have additional requirements there can be delays in

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<sup>32</sup> Department for Education *Statements of SEN and EHC plans: England 2016*

having children assessed because parents want to believe for as long as possible that their child does not have a disability and so it was doubly important that early years settings were as accessible as possible with adjustments made to provide specific assistance for very young children with disabilities/additional needs prior to any diagnosis.

The other cohort of children where early years settings report they would value more support are those in families do not speak English. 93% of PVI settings and 62% of childminders rate more support in meeting the needs of families that do not speak English as useful/very useful.

### Availability of childcare early education

62% of children aged 2 years eligible for funded early education took up the entitlement in 2016 (up from 48% in 2015) and more than 5% better than statistical neighbours and 6% than London averages. This equates to 1,150 children (up from 970).

85% of children aged 3 and 4 years took up the early education entitlement in 2016 (up from 84% in 2015) which is equivalent to the performance of statistical neighbours and 1% less than London averages. The performance of London boroughs is significantly lower than England averages of 95% and in part, reflects the significantly more ethnically diverse population of London relative to the rest of England. This is characterised by some ethnic communities that are much less likely to take-up early education<sup>33</sup>. As it relates to total numbers, 7,850 children aged 3 and 4 years are taking up their early education entitlement (up from 7,590). These children are mainly in school nurseries given 2,572 children take up their entitlement in PVI settings.

The large majority of childcare and early education is available Monday to Friday between the hours of 8am and 6pm (for day nurseries) and during the school day (for school nurseries and pre-schools/ play groups), with more than half of day nurseries and most schools and pre-schools/ play groups reporting they operate term time only. By contrast, childminders routinely offer much more flexibility. This is reinforced in the survey with early years settings which found:

- 48% of day nurseries operate in holiday periods- particularly half term- and 45% operate during summer holiday periods. One nursery reports being open in evenings.
- 60% of childminders operate in holiday periods- particularly half term- and 49% operate during summer holiday periods. 10% of childminders reports being open in evenings and on the weekend.
- Most school nurseries and pre-schools/play groups are mainly available term time only, Monday to Friday and during school hours.

While this points to gaps in the flexibility of early education to accommodate the needs of families, 1 in 4 early years settings plan to expand provision in Lewisham and improve its flexibility in the next 18 months:

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<sup>33</sup> See Joseph Rowntree Foundation, *Caring and Earning Among Low Income Caribbean, Pakistani and Somali families* (2014)

- 25% intend increasing their opening hours. This was true across all types of early years settings. 17% of childminders report that they plan to offer more hours in the evening and 15% of childminders report that they plan to offer more hours on the weekend. 3% of PVI settings also report that they plan to offer more hours in the evening.
- 13% intend making more provision available in holiday periods, although this does not include any schools. This included 28% of childminders and 13% of PVI settings.
- 23% of early years settings plan to expand their businesses in Lewisham, while 1.5% plan to close their businesses. Of these expanding businesses, 2 in 3 intend to either expand their existing premises or acquire new premises to enable more provision.

What holds back some PVI settings and childminders from expanding are restrictions on building use: This applies to 8% of early years settings. They report they would value assistance with building work so they could expand and make available additional places for children that qualify for the extended entitlement from September 2017.

## Occupancy levels

There is capacity within the existing childcare supply to accommodate more children. In the survey of early years settings, 13 in 20 settings report vacancies. This includes:

- 71% of childminders (with close to half of all childminders reporting they do not have children currently using their service). The average occupancy rate amongst childminders is 38%. This is significantly less than the England average reported in the DfE's national review of childcare costs (November 2015)<sup>34</sup> which found average occupancy rates for childminders at 75%. This suggests a high proportion of childminders are likely experiencing significant pressures given financial break even for childminders is estimated at 59% occupancy.
- 45% of PVI settings. The average occupancy rate is 74%. This is a little more than the DfE's national review of childcare costs (November 2015)<sup>35</sup> which found average occupancy rates for PVI settings at 72%. This suggests more viability for PVI settings, given occupancy rates of 67% for day nurseries are associated with financial break-even.
- 43 % of school nurseries. The average occupancy rate is 83%.

It is not realistic for all settings to have 100% occupancy rates all of the time. The market will always need some capacity if it is to accommodate and respond quickly and flexibly to changes in childcare demand. Being overly reliant on flexible staffing also risks the work to build high quality. Beatrice Merrick, chief executive at Early Education, for example noted that: *"We know early years provision will never operate at full capacity year round, or even over a week. Creating flexible staffing arrangements through short-term contracts or casualisation is rarely*

<sup>34</sup> DfE, *Review of childcare costs: the analytical report: An economic assessment of the early education and childcare market and providers' costs*, Nov 2015 p.65

<sup>35</sup> DfE, *Review of childcare costs: the analytical report: An economic assessment of the early education and childcare market and providers' costs*, Nov 2015 p.65

*compatible with retaining skilled and experienced staff and providing the vital continuity young children need<sup>36</sup>."*

This has implications in terms of business planning and resources management for early years settings. Financial pressures and concern about occupancy and funding levels were a theme especially in interviews and through the survey. For example, two settings fed back the following:

- *I couldn't afford to run my setting- I barely make 10,000 a year, I have 3 children myself to care for. Unless I can find a property with a long length lease that I can move my setting to so I can expand (childminder)*
- *Day care settings are being pushed to breaking point financially and quality will inevitably suffer (day nursery)*

61% of early years settings report that access to business support would be useful/very useful. Close to 90% of these early years settings report they had vacancies. 80% of this group also report they would value support with marketing.

While school nurseries did not identify business support as applicable to their circumstances, at least one independent school noted access to business support would be useful and one school nursery observed that it is not viable for their school to make nursery provision available given the decreasing pupil population within their local area (although at this stage they are not intending to close their nursery provision within the next 18 months).

63% of early years settings rate marketing support as useful/very useful. Three early years settings also report that processes for marketing their businesses and vacancies with the Lewisham FIS were especially challenging. It was noted in interviews particularly that the FIS does not offer comprehensive information and advice about what childcare is available within Lewisham and is an area to prioritise for improvement.

## Plans in relation to extended entitlement from September 2017

### Numbers eligible

From September 2017, local authorities are obliged to secure an additional 15 funded hours a year over no fewer than 38 weeks of the year for qualifying children aged 3 and 4 years in their area from the relevant date. Eligibility for the additional funded hours will be determined by HMRC (the extended entitlement). Lewisham Council has been advised that the estimate of Lewisham children that will qualify is 2,540. Table 5 provides an estimate of demand for extended entitlement places by ward and CCSA.

The additional 15 hours of free early education that will become available is for families where both parents are working (or the sole parent is working in a sole-parent family), and each parent earns the equivalent of 16 hours a week (currently £107 per week) at the national minimum or

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<sup>36</sup> <http://www.cypnow.co.uk/cyp/news/1154941/stick-to-ratios-to-save-money-dfe-tells-childcare-providers>, 25 November 2015



living wage, and earns less than £100,000 a year<sup>3738</sup>. A family with an annual household income of £199,998 would be eligible if each parent earns just under £100,000<sup>39</sup>.

**Minimum standards and ability to secure sufficiency with funded early education at ‘requires improvement’ or ‘satisfactory’ settings**

As part of the draft statutory guidance, the DfE sets out additional obligations on local authorities. This includes:

- Local authorities are expected to work with early years settings to ensure that parents are not charged for any part of their child’s funded place. This includes the charging of top-up fees.
- To secure sufficiency across all age groups, funding can be made available to settings which rate ‘requires improvement’ or ‘satisfactory’. This is true for all funded places for children aged 2, 3 and 4 years.
- Local authorities should agree ‘provider agreements’ to set out expectations vis-a-vis funding, timing of payments and reporting. Early years settings are encouraged to be paid monthly.
- There are key standards of flexibility in minimum childcare provision which are expected to be published and made available to parents and early years settings. These are:
  - No session to be longer than 10 hours
  - No session to be shorter than 3 hours between 9.00am and 3.30pm. Providers and parents need to be aware that no minimum session length exists outside these hours.
  - Not before 6.00am or after 8.00pm
  - A child should only have access to funded places at a maximum of three providers.
  - The 30 hours x 38 weeks can be stretched to meet the needs of families so can be over more than 38 weeks, on weekends, and outside school terms.

This has key implications for:

- Helping make more places available for funded early education. While less than 12% of early education places are taken up in settings that rate ‘requires improvement’ or ‘satisfactory’,

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<sup>37</sup> <https://www.gov.uk/government/news/thousands-of-parents-benefit-from-30-hours-free-early-years-early>, 2 February 2016

<sup>38</sup> A grace period is proposed in the statutory guidance for children becoming eligible or ineligible is that a child becomes ineligible during the first half of a term (up to the first day of the half-term holiday) should be funded until the end of that term; and a child who becomes ineligible in the latter half of the term (up to the first day of the Christmas and Easter holiday or summer holiday) should be funded until the end of the following half-term.

<sup>39</sup> This includes self-employed parents and parents on zero-hours contracts if they meet the average earnings threshold, households where one parent is in receipt of benefits relating to caring responsibilities or has a disability and the other parent is working, and where both parents are employed but one (or both parents) is temporarily away from the workplace on parental, maternity or paternity leave; and/or adoption leave; and/or temporarily away from work on statutory sick pay.

this equates to 910 places (based on the 85% of children aged 3 and 4 years taking up early education).

- Improving the awareness of parents about the minimum standards they can expect from funded early education provision. This needs, for example, to be reflected on the FISW website and in other advice and guidance made available from Children's Centres and providers of early childhood services.
- Refreshing agreements to make clear and current the roles and responsibilities of early years settings offering funded early education and the local authority.

### Levels of funding

The Government has announced that the *national* average rate paid to early years settings for delivering government-funded early years from 2017 will be £4.88 for 3- and 4-year-olds, including the Early Years Pupil Premium (EYPP). For 2-year-olds, the national average rate will be £5.39. As these rates are only national averages, settings may find that the actual rate in Lewisham will be higher or lower than these. A new national funding formula will be introduced in 2017/18 and consultation is expected to start soon.<sup>40</sup>

### Feedback from Lewisham early years settings

Feedback from early years settings at manager network and childminder events particularly and in 1:1 conversations suggests there is limited knowledge and some confusion about the extended entitlement requirements. Several settings report worries that:

- The entitlement becomes available in Lewisham from September 2016 rather than in September 2017,
- Eligibility was for children in households where no one was in paid work rather than for those that are in paid work,
- It is mandatory that every setting make available extended early education places irrespective of their business plans; and
- They would have to close because their setting is open less than 30 hours per week.

Most early years setting also signalled a need for more information; most particularly about the hourly rate that would be paid.

Most early years settings were positive about the introduction of the extended entitlement because of the practical help this provided working families and to encourage parents to participate in the employment market, although several expressed concern about implications for more disadvantaged children. 1 in 5 early years settings also cited that the introduction of the extended entitlement would contribute to improving the occupancy rates and viability of their childcare businesses.

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<sup>40</sup> <https://www.pacey.org.uk/news-and-views/news/archive/2015-news/december-2015/faqs-funding-to-early-years-providers-offering-30-h/>

In relation to planning for the extended entitlement:

- 35% of early years settings report that they definitely plan to offer the extended entitlement, although fewer than 1 in 5 childminders (17%).
- 38% of early years settings report wanting to offer the extended entitlement, but needing more information for their decision. For childminders, 44% report requiring more information. School nurseries were more likely to report an openness to offering the extended entitlement once they were better informed.
- 8% of early years settings report wanting to offer the extended entitlement, but needing help with building alterations/leases to do so<sup>41</sup>.
- 1 in 5 early years settings report definitely planning to not offer the extended entitlement. This rises to 9 in 20 childminders. Reasons provided include:
  - The financial impact of more funded places. One childminder observes, for example, that she would need to work longer hours to provide the extended entitlement while having a reduced income. Several others point to the hourly rate needing to be substantially higher to cover their lost income from fee paying parents.
  - 11% of childminders report delays with receiving funding and administration associated with offering funded early education places.
  - One childminder and one day nursery report that they only provide 2-year early education places.

One school reports that they are working with local childminders to enable a flexible extended entitlement offer across dual sites with the school offering 15 hours and the childminder offering 15 hours. This is an innovative approach to enabling families access to an extended entitlement across dual settings that may be worth encouraging for settings that are restricted in their opening times and where there are space restrictions. It will also help contribute to the Government's plans to introduce a 'right to request' for parents to request schools provide early education for the full working day during term time and in the holidays. While the detail of how this might work are not yet set out, this is likely to increase pressure on schools to offer early education directly or through partnerships with other early years settings operating from their premises in school holidays.

- In the survey with parents, approximately 74% of parents report openness to these types of arrangements (where it was not possible for a child to only attend the same setting).
- In the survey with early years settings, 76% rate opportunities to collaborate with other settings to enable more flexible provision such as during school holidays and after 3pm as useful/very useful. This included particularly school nurseries.

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<sup>41</sup> These details have been shared with the Lewisham Early Years Quality and Sufficiency team to further that request for assistance.

## Key conclusions

1. Overall, 86% of children aged 3 and 4 years take up funded early education with 85% doing so in good or outstanding quality settings as at January 2016. It is less so for children aged 2 years where 62% accessed their funded early education entitlement and a little over 13 in every 20 do so in good or outstanding quality settings. Improving quality of settings and take-up by children of their early education entitlements are key priorities for Lewisham.
  - a. A key gap relates to childcare and early education for children with additional needs/disabilities. 89% of early years settings rate more support in meeting the children with additional needs as useful or very useful. Priorities mainly relate to building the skills and confidence of staff to work with children with additional needs/disabilities and ensuring access to targeted support for children prior to any agreed EHC Plan.
  - b. Early years settings also report seeking more support for children where families do not speak English. Demand is greatest in the faster growing wards of Evelyn, New Cross and Lewisham Central (as well as Rushey Green and Telegraph Hill wards).which have higher numbers of families that do not speak English.
  - c. Early years settings are especially keen for additional support to improve quality, and particularly so from the Early Years Quality and Sufficiency Team, through more relevant and affordable professional development and through networking and collaborative learning opportunities.
2. Families have choice about types of early education although this varies between wards and CCSAs. More than half of children attend PVI settings, about 3 in 10 attend school/independent schools with attached nurseries and 13% attend childminders. The faster growing Evelyn, New Cross, Lewisham Central and Blackheath wards have the least childminder provision compared with all wards. Conversely, CCSA 3 has the greatest childminder availability and the wards of Crofton Park and Catford South the greatest childminder provision.
3. Most early education provision is available Monday to Friday between the hours of 8am and 6pm, with more than half of all PVI settings not open during the holiday period. The details for individual settings are not maintained comprehensively for families in Lewisham. The existing FIS Directory needs improvement.
4. It is childminders that are open longest and more likely to offer weekend and evening childcare and early education which given the relatively fewer childminders in faster growing Evelyn, New Cross, Lewisham Central and Blackheath wards may limit parental choice and needs. While, most PVI settings do not plan to change their hours of operation, there are plans for increasing the supply:
  - a. 1 in 4 settings plan to expand early education provision in Lewisham and improve its flexibility in the next 18 months. This includes 1 in 4 settings planning to increase the hours they offer for early education, 28% of childminders and 13% of PVI settings intend to increase provision in holiday periods.

- b. 23% of settings plan to expand their businesses in Lewisham, while 1.5% plan to close their businesses. Of these expanding businesses, 2 in 3 intend to either expand their existing premises or acquire new premises to enable more provision.
- 5. The cost of delivering early education is reported as the single largest concern of early years settings. Lewisham Council hourly rates for funded early education are consistent with the average hourly rate charged to fee paying parents with children aged 2 years and between 8- 14% less than the average hourly rate charged to fee paying parents with children aged 3 and 4 years.
  - a. Approximately 5% of PVI settings and 15% of all childminders report that they plan to increase fees by more than £10 per week for local families in the next 12-18 months.
  - b. Early years settings are concerned about the likely funding rate for 3 and 4 year places when the extended entitlement is introduced; and while 35% of settings (mainly day nurseries and pre-schools/playgroups) indicate they definitely plan to make available extended provision, 1 in 5 definitely plan not to. For those undecided settings (close to 2 in 5), they indicate requirements for more information including most particularly the level of funding.
- 6. There are likely sufficient places to meet the anticipated demand for the extended early education entitlement in Lewisham. This arises because there are plans for expanded supply and current supply is characterised by many early years settings with low to medium levels of occupancy and where more places will be available for funded entitlements, if necessary, in settings that rate at least 'satisfactory' or better from September 2017.
  - a. To ensure these entitlements can be taken up in ways that meet the needs of working families, key priorities are:
    - i. Greater flexibility in provision so entitlements can be stretched to include holiday periods (whether through collaborative models of the type being taken forward by one primary school with local childminders);
    - ii. In ensuring, as much as possible, that children can access these entitlements at a single setting. Given childminders typically offer the greatest flexibility, 2 in 5 report plans not to offer extended entitlement places. It points to the benefits of working with childminders to encourage them to offer extended entitlement places and working with PVI settings and school nurseries to expand availability through longer opening hours and being open for more of the year.
    - iii. Encouraging service innovation to further collaboration between early years settings that might offer extended entitlements at two or three settings, where individual settings may be restricted in their opening times or have other restrictions on their space.

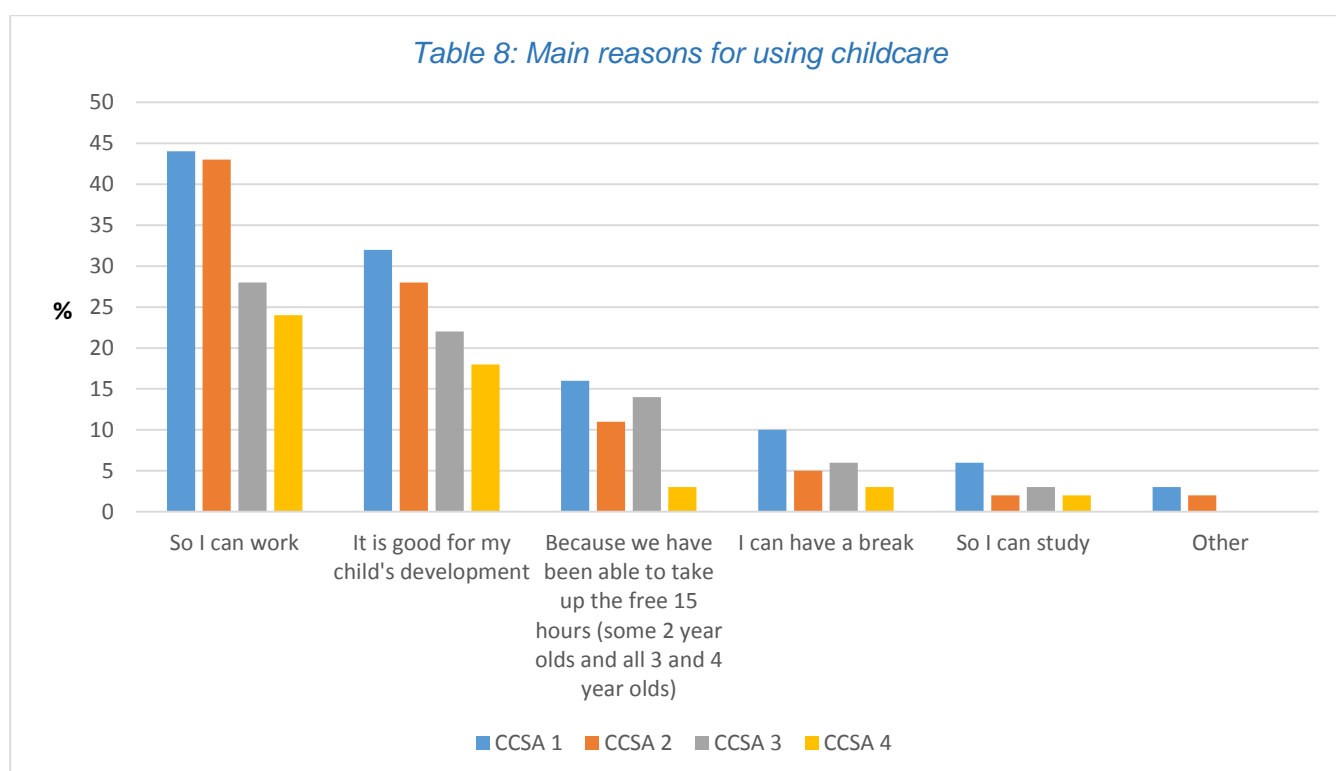
7. The Childcare Act 2016 draft statutory guidance sets out further obligations upon local authorities. Lewisham Council should introduce refreshed provider agreements to specify the roles and responsibilities of early years settings offering funded early education and the local authority and undertake work to increase the awareness of parents about the minimum standards they can expect from funded early education provision e.g. on the FIS website.

## Parents experiences and needs

The following section draws together parents' perspectives from 1:1 meetings/small group work and the findings from the survey involving 234 parents.

### Primary motivations for taking up early years education and childcare

Table 8 sets out the primary motivations of families using childcare by CCSA. The main reason identified by 43% of parents across Lewisham as a whole is that childcare enables them to work; for CCSA's in areas 2 and 4 even more so (47% and 48% respectively). For nearly 1 in 3 parents, the opportunities for child development were also rated highly.



Deeper analysis identifies that:

- Working families are more likely to choose 'so I can work' as their primary motivation for seeking childcare. This was strongly reinforced in the 1:1 interviews/small group discussions with parents. As one sole parent reported *'I'd love to be home with my child but I have to work and so have to have good childcare so I can work and pay the bills.'*
  - For households where both parents or a sole parent are in full time employment, 62% identify that their motivation in using childcare is to enable them to work. This reduces to 34% where one parent is in full time work in a two-parent household. The ability to work is of least importance where no parent/carer is in full time employment; at 28%.
  - For households where both parents are in full time employment, 1% take up childcare to allow them to have a break. Comparatively, 11% of households where neither

parent is in full time employment they take up to childcare so as to have a break.

- For families with a child with a disability/additional needs, 20% of parents identify that they access childcare to enable them to work and 72% report they have been able to use the funded early education entitlements. They were more likely than other parents, however, to identify that childcare provides them respite/ a break (12% compared with 8%).
- Generally, the greater the household income, the more likely that the motivation for using childcare is to enable parent/s to work. This is 52% for all households with an annual income exceeding £40,000 compared with 34% for all households with an annual income less than £40,000.
- At 44% sole and dual parent households are equally as likely to take up childcare to enable them to work. There are some differences in motivation for take up of childcare based on ethnicity:
  - White British and Caribbean families were those most likely to identify that taking up childcare was driven by the need to work (54% and 53% respectively). By contrast, the primary driver for African and Chinese families was to benefit their child(ren)'s development at 40% and 42% respectively, compared to 30% and 17% in favour of their ability to work.
  - For nearly 1 in 4 Irish, any other Asian, White and Black African and White and Black Caribbean households their primary motivation was the ability to use the free 15 hours offered by the Nursery Education Grant (NEG 2/3/4)

### Making decisions about which childcare to use

In focus groups and interviews with parents, questions about how decisions are made about which childcare to use were explored. Issues of '*trust*', '*warmth*' and '*the atmosphere*' featured most prominently. Several West African parents observed they were also keen to make sure that any childcare taken up was consistent with Christian values.

In interviews, a number of parents reported that nursery provision is '*better*' than childminders. In most 1:1 interviews, a nursery was regarded as providing a better environment for early education than a childminder, particularly within the context of encouraging the child's personal, social and emotional and communication development.

Several parents who had used childminders, however, were very supportive. They liked that childcare was at a person's home, felt more like being at home and that children had better 1:1 attention. They also reported that childminders were more convenient. For example, two parents reported that if a child was unwell, a childminder was more likely to care for their child than was true of nursery provision and this was more convenient for working parents.

The key considerations that parents rate important/very important in making their childcare choices are:



- That the staff are friendly and professional, that the cost is affordable (for parents that pay for childcare), that the quality of provision is high and that the atmosphere is warm and friendly. These were important factors 100% of the time.
- The ability of the childcare to accommodate work patterns of parents was important/very important 82% of the time. Where both parents/ sole parent is in full time employment, the importance of childcare being able to accommodate work patterns increases to 94%.
  - 100% of Asian (all Pakistani, Indian and Bangladeshi), White/Asian and White/Black Caribbean parents identify as important the ability of childcare to accommodate work patterns.
  - By contrast, Caribbean parents reported this important/very important at 94%, any Other White parents reported this important/very important at 91%, White British parents reported this important/very important at 84% and African, Chinese and Bangladeshi parents reported this important/very important at 50%.
- The closeness of the childcare to a family home (81%) was much more important than closeness of the childcare to the workplace (27%) and the school attended by other siblings (55%).
  - Closeness to school was more important to sole parents than dual parents (58% compared with 47%).
  - Closeness to home was most important for parents that were not in paid work and amongst different ethnic communities, most important for Pakistani, Bangladeshi, Chinese, White/Asian, any Other Asian parents (all 100%). By contrast, the range was 64% for Caribbean parents to 89% for African parents with parents from other ethnic communities mainly within this range.
  - Caribbean parents were the most likely to identify closeness to work as key to their choice of childcare (55%). Most parents were in the range 20- 30%, although African parents were less at 14%.
  - Closeness to schools attended by other children was most important to any Other White parents (66%) while less so for African (43%) and White British (36%) parents. However, this was more important for more than 3 in 5 of all parents with 2 or more children.
  - Families with lower incomes rated more important the closeness of childcare to home over other families. More than 60% of households earning less than £20,000 per year rated this as important/very important, while less than half of all other families rated closeness to home as important/very important. Those earning above £50,000 were the least concerned about closeness to home at 43%.

- The flexibility of the provision and the opening times were rated 87-89% important/very important in decisions about which childcare to choose. There was a slightly higher support for these factors in CCSA 1.
  - Opening times were far more important to sole parents (97%) than dual parents (87%). Flexibility was also more important to sole parents than dual parents (90% compared with 82%).
  - Families with lower incomes rated more important flexibility of childcare over other families. 86% of households earning less than £20,000 per year rated this as important/very important, while less than 80% of all other families rated flexibility as important/very important.
  - Opening times tend to be less important for African parents (79%) and parents that are White/African and White Caribbean (50% and 57% respectively). This compares to a range of 88% for any Other White to 100% for most other parents.
- For 66% of parents ensuring any extra needs of children were taken into account was important/very important. This was higher for sole parents (74%) than dual parents (61%) and was 100% important/very important for parents with children with disabilities/ additional needs or had a disability themselves.
- Ofsted reports are important/very important to 79% of parents in making their childcare choice. Ofsted reports were far more important to sole parents (86%) than dual parents (73%).

### Finding out about childcare

1 in 2 parents report that it is 'easy/ very easy' to find out about childcare in Lewisham, while more than 1 in 4 parents find it 'difficult/very difficult'. As Table 10 shows, CCSAs 2, 3 and 4 all have about 1 in 3 parents finding it difficult. Parents with children with disabilities/ additional needs tended towards the average of all parents.

For two parent working families, they were slightly less likely to rate it easy/very easy to find out about childcare at 47%. By contrast, the families that report finding out about childcare easiest were African parents and households where at least one parent did not work (at 77%). This helps explain why families in CCSA 1 report less difficulty with finding out about childcare.

In discussion with parents, overwhelmingly recommendations from friends and family and self-directed research on the internet were reported as the main ways in which parents learned about childcare. As one parent observed '*you know you can trust your friends*' and as another reported, '*if the place is good enough for my friend to feel confident that her daughter is going to be safe and do well then I am probably going to like it too.*' While searching the internet was seen as relatively straightforward as it could fit into daily life, several parents observed it could be difficult to work out what was useful and what was not: '*It's a good start but never the same as going and seeing the place for yourself*' as one parent said. In 1:1 conversations, 9 parents reported that they wished there was one website that a parent could visit that would have a comprehensive list of childcare providers in their local area.

The importance of the internet and friends/family was reinforced in the survey which found 33% found about childcare through the internet and 31% through friends and family. Children's centres rated 7% and schools rated 6%. The FIS was identified by 4% of parents as to how they had learned about childcare and less than 2% reported they had learned about childcare through health services.

*Table 10: Proportion of children in funded early education quality indicators for Lewisham vis-à-vis statistical neighbours, London and England (2014- 2016)*

How easy was it to find out about the childcare that you require	CCSA 1	CCSA 2	CCSA 3	CCSA 4
Found it easy/very easy to find out about childcare	52%	38%	48%	59%
Found it neither easy or hard to find out about childcare	35%	25%	20%	10%
Found it difficult/very difficult to find out about childcare	13%	37%	32%	31%

Deeper analysis identifies that:

- Two parent working households were significantly more likely to use the internet to access information about childcare (51%) while only 10% of full time parents/carers did so.
- Families with the lowest (less than £10,000 per year) and highest (greater than £50,000 per year) household incomes were less likely to rely on friends and family for information about childcare (24%). By contrast, households earning more than £50,000 per year were far more likely than all other households to use the internet to access information about childcare (45%).
- Sole parents relied more on friends and family (35%) than dual parent households (28%)
- Caribbean families were much more likely to rely on friends and family for information about childcare (44%). By contrast, less than 1 in 5 Other White parents relied on friends and family.

## Use of childcare

The profile of families that shared their perspectives through the survey are set out at Appendix Two. In considering childcare use, the families that responded to the survey most likely to have used registered childcare in the previous 12 months are:

- Households where both parents/ carers are in full time employment and sole parents that employed (part time and full time).
- Households where total income exceeds £40,000 (86% for £40,001- £50,000 and 90% for households earning above £50,000)

## London Borough of Lewisham Childcare Sufficiency Assessment and Plans for Extended Entitlement

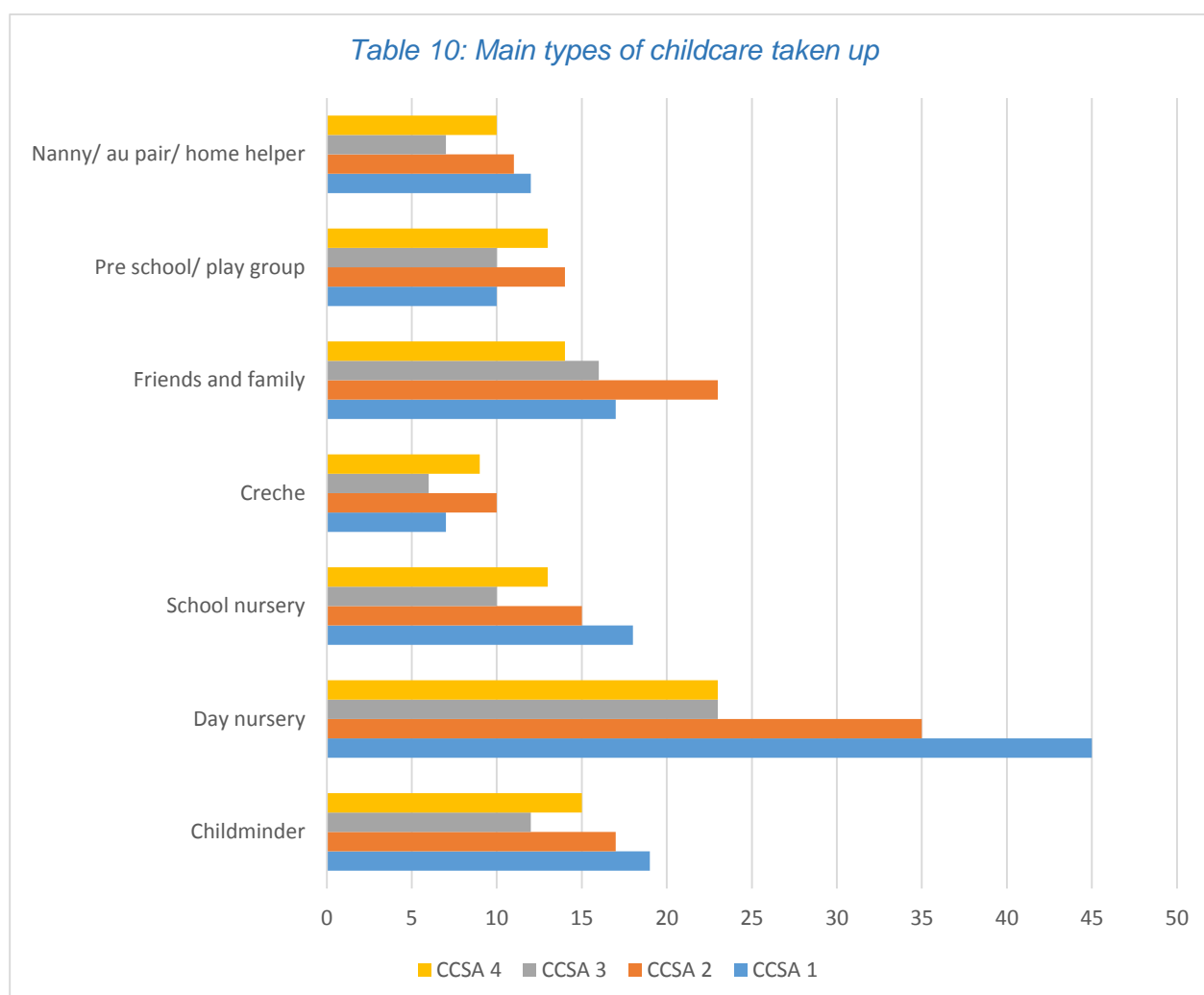
- Families that identify as African, Caribbean, Chinese and White British.

For those families less likely to have used registered childcare in the previous 12 months:

- Households where one parent/carer is in full time employment and the other is not in full time employment.
- Households where total income is less than £40,000 per year.
- Families that identify as Indian, Bangladeshi and other Asian.
- Households where neither parent is in full time employment.

It is more likely that families with children with disabilities/additional needs will take up childcare, with 76% of parents reporting to do so, although parents with a disability are 9% less likely to have used childcare in the past 12 months.

Table 19 sets out the childcare options that families identify taking up.



Deeper analysis identifies that:

- Day nursery, friends and family and childminders, are used by all households irrespective of household income. Au pairs and nannies -are used more by households where family annual household income exceeds £50,000 and also are more likely (+3%) by families

where both parents are in full time employment. Higher income households are also more likely to use all other types of childcare too. By comparison, those that earn less than £10,000 per year favour day nurseries over other types of childcare.

- Day nurseries are overwhelming preferred by households where both parents are in full time employment and households where at least one parent (or a sole parent) is in full time employment i.e. working households tend to favour day nurseries over childminders and school nurseries and play groups/ pre-schools.
- Sole parents are more likely to engage family and friends/neighbours in caring for their children than dual parent households, albeit day nurseries amongst sole parents that work tends to be a bigger part of the childcare mix.
- The only discernible difference based on ethnicity, is that White British parents are more likely than other ethnicities, to use day nurseries, childminders and au pairs.

### Frequency of childcare used

In the survey, 89% of the parents report using registered childcare (and 91% report using all types of childcare). Of all families taking up early education and childcare, 37% report accessing at least two different providers of childcare in any given week (12% of which, or 4% of total parents use at least three different providers of childcare and early education in any given week). The primary mixes are:

- School nursery and family and friends (37% of all parents that use school nurseries)
- Day nursery and childminder (27% of all parents that use childminders)
- Day nursery and family/friends (25% of all parents that use day nurseries)

The average number of days of registered childcare used by parents/carers was 2.73 days<sup>42</sup>. This rises to 2.9 days when including families and friends. Families that use school nurseries and day nurseries as part of their early education and childcare arrangements tend to use the most childcare (over 3.3 days per week each). For those 6.3% of families using an au pair/ nanny that participated in the survey, they are higher income earning households, significantly more likely to have two parents working and use the most childcare.

- Households where both parents are in full time employment or a sole parent is in full time employment report using more childcare (3.8 days per week, increasing to 4.07 days per week where family and friends involved).
- Generally speaking the higher the household income the more days of childcare used. 75% of those households earning in excess of £40,000 per year were those using childcare between 4-5 days per week. By contrast, those earning less than £40,000 per year tended to use childcare less than 3 days per week.

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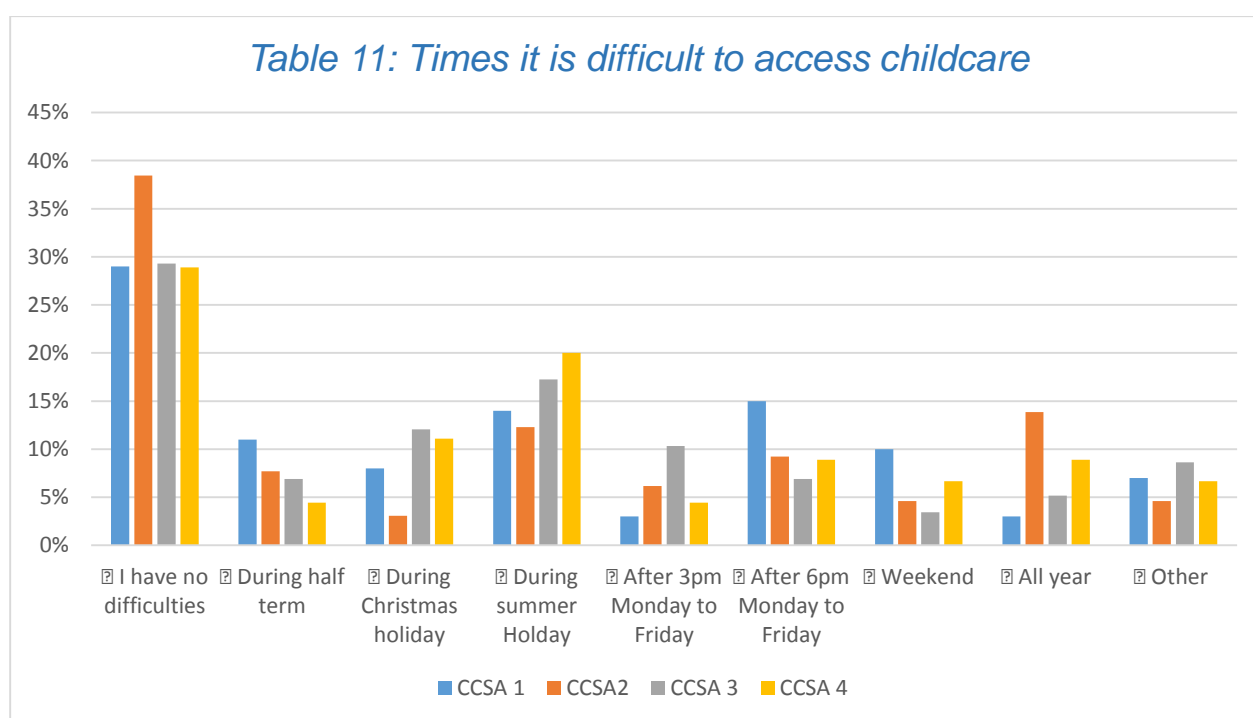
<sup>42</sup> This is calculated using the regular days of registered childcare in a given week e.g. day nursery, school nursery, childminder, crèche, nanny/au pairs and out of school clubs.

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- For parents with children with disabilities/ additional needs, they used registered childcare for significantly less days per week than other parents. In this survey, under 2.5 days per week. They also tended to use crèche less than other parents but were more likely to use playgroups and day nurseries. Similarly, disabled parents were less likely to use registered childcare (consistent with being less likely to be in full time employment).
- Overall, between 65- 77% of Other White parents and African parents tended to use registered childcare, while more than 80% of White British and Caribbean parents did so. African parents less likely to take up crèche services.

### Difficulties with times that childcare is needed

Table 11 sets out the times that parents report as most difficult to access childcare. While 1 in 3 parents report that they have no difficulty accessing childcare, 1 in 4 parents report that after 6pm on Monday to Friday and during the summer holidays are the most difficult times to find suitable childcare.



The families more likely to experience difficulty are:

- Parents with disabled children. They were 15% more likely to identify that summer holidays were difficult for childcare and 12% more likely to identify difficulty with finding suitable childcare after 6pm on weekdays.
- Households where both parents are in full time employment and sole parent families report greater difficulty accessing childcare during the summer holidays. Sole parents also report difficulties with access to childcare after 6pm Monday to Friday, 50% more so than households where both parents are employed.

- Less than 3 in 10 parents residing within CCSA's 1, 3 and 4 report having no difficulties, as compared with CCSA 2 where almost 4 in 10 report that they have no difficulties.
- Over 50% of African households report no difficulties accessing childcare. By contrast, 29% of any other Black and Caribbean families find it difficult after 6pm on Monday and Friday. Summer holidays prove to be the most challenging time for White British households.

### Affordability of childcare

Table 12 identifies the consequences of a lack of suitable, affordable childcare by CCSA. Of the different difficulties parents might face in relation to childcare, the cost of childcare is rated the biggest concern for 44% of all parents.

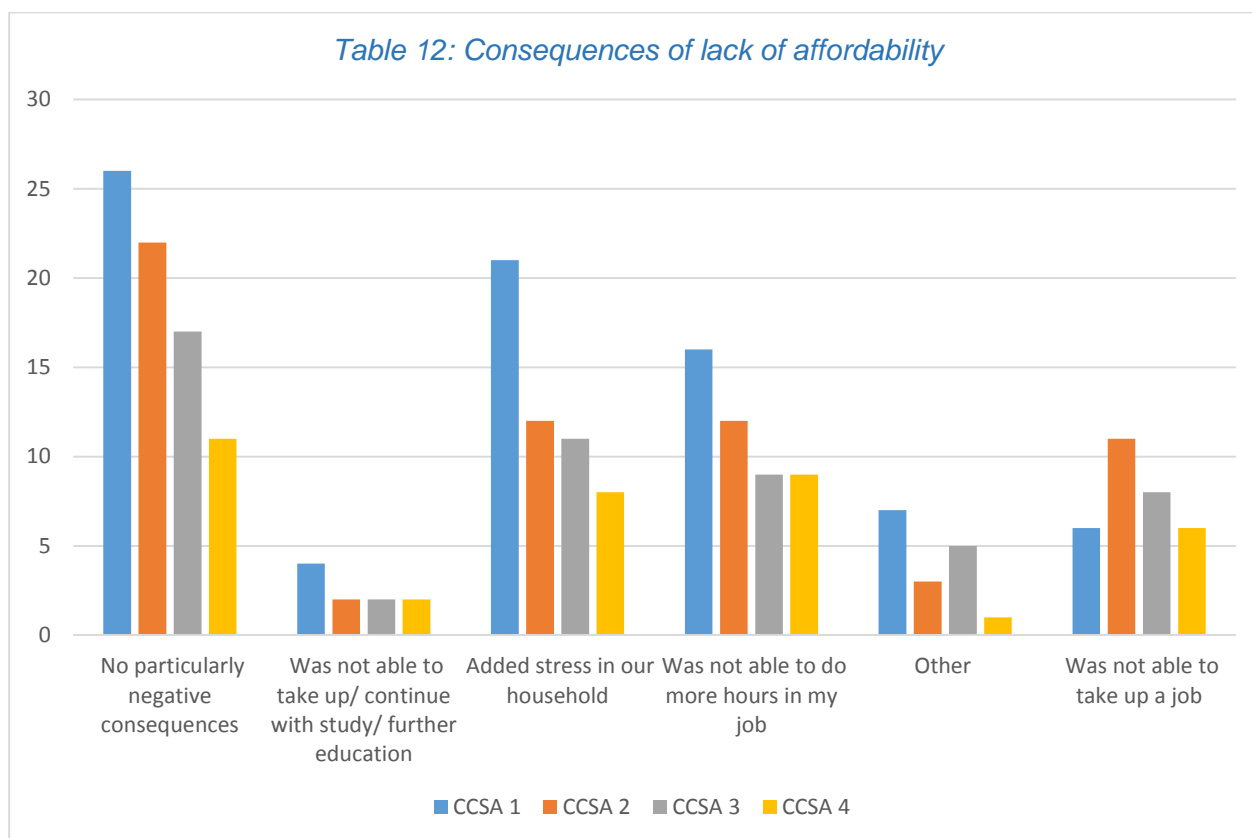
There was general agreement in 1:1 conversations and small group discussions with parents that childcare costs were high, and parents were adapting in order to make ends meet. For example, by working particular hours that fit with the children's childcare and by using grandparents living close by to help with household tasks, grocery shopping and childcare. Several parents reported that they had found it difficult to return to work after having had children given the cost of childcare and so, other than funded entitlements, it did not fit their circumstances to work. As one parent said, *'I only got paid minimum wage. At that rate, I end up working just to pay a stranger to look after my children. I would rather look after my own children in that case.'*

It was also reported generally that where there are 2 or more children that require childcare and parents need to pay, it probably was not economic for both parents to work as the costs of childcare would be prohibitive. This significantly impacts mothers.

The greatest impacts are in CCSA 1 where 1 in 4 parents report added stress within their household because of a lack of affordable childcare and 1 in 6 report not being able to take on more hours in their jobs.

Households in CCSA 2 have been more affected by not being able to take up a job (12%) and where 13% also have been limited in their ability to take on more hours.

Table 12: Consequences of lack of affordability



#### Deeper analysis finds:

- In households where both parents work or the household has a sole parent working and for households where a child has a disability/ additional need, 50% report negative consequences from a lack of affordable childcare. This includes being prevented from taking on a job or taking on more hours. These parents also tended to report additional stress being added to the household. 6 in 11 parents with a child with an additional need/disability report they had been prevented from taking on a job or taking on more hours.
- Sole parents were more likely to identify negative consequences from a lack of affordability of childcare (70%) compared with 57% of dual parent households. 40% of sole parents report they had not been able to take up a job because of the costs associated with childcare. Sole parents more than dual parents have also been more affected in their ability to take on more hours, with 20% of sole parents reporting that a lack of affordable childcare had prevented them from taking on more hours in their job.
- Caribbean, Chinese and any Other White were more likely than others to report that they had been prevented from taking up a job because of a lack of affordable childcare.

There is assistance provided to help parents meet the costs of childcare. Alongside the funded early education entitlements, the Government funds childcare subsidies direct to parents covering school-age children, as well as children in the early years. The most significant are:



- The childcare element of working tax credit: eligible families can get help with up to 70% of their childcare costs. As working tax credits are replaced by Universal Credit, the childcare element will transition across, and will be increased to 85% of childcare costs.
- Tax-Free Childcare scheme: 20% support on childcare costs up to £10,000 per year for each child when introduced in 2017.
- Childcare Vouchers, although this scheme and is closed to new entrants. These were worth £124 per month for higher rate taxpayers; £110 per month for additional rate earners; and £243 per month for everyone else.

The average cost of childcare being paid by Lewisham parents is in the range £101-£150/ week, and for just over half of parents with 2 or more children the range is £151- £200/week. Table 13 sets out differences by CCSA and for particular household characteristics. Most particularly, Table 13 shows:

- One third pay less than £50/week, with close to 1 in 3 paying in the range £0- £25/week.
- 11% pay between £51- £100/week.
- 14% pay between £101- £150/week, with a further 1% paying £151- 200/week.
- Close to 1 in 5, 17% of parents pay between £201- £300/ week.
- 7% pay £301- £400 week, while a further 6% more than £400/ week.
- More than half of all households where both parents work and 60% of households where sole parents work pay on average more than £200/ week, with 40% of sole parents paying more than £300/week.
- Households with incomes exceeding £50,000 per year are more likely to pay more for childcare with 49% paying more than £200/week and close to 1 in 4 paying more than £300/week.

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*Table 12: Average costs of childcare for different cohorts of families*

Weekly average	% of total	CCSA 1	CCSA 2	CSA 3	CCSA 4	Parents with 2 or more children	Sole parents	Dual parent both working	Full time parent/ carer	Household income Less than £10k	Household income £10-20K	Household income £20-30K	Household income £30-40K	Household income £40-50K	Household income More than £50k
£0-£25	28%	30%	28%	40%	16%	20%	18%	5%	76%	52%	38%	53%	31%	32%	11%
£25-50	3%	3%	2%	5%	0%	5%	7%	0%	5%	9%	4%	0	9%	0%	1%
£51-100	11%	10%	8%	14%	19%	11%	17%	8%	13%	13%	19%	18%	19%	6%	7%
£101-150	14%	15%	9%	0%	25%	12%	16%	17%	3%	13%	8%	12%	22%	10%	15%
£151-200	14%	13%	17%	21%	6%	14%	29%	17%	0%	0%	15%	6%	3%	32%	16%
£201-300	17%	12%	17%	14%	28%	22%	20%	30%	3%	9%	8%	12%	6%	19%	26%
£301-400	7%	4%	15%	3%	3%	10%	32%	11%	0	0	0	0	3%	0	13%
More than £400	6%	11%	4%	3%	3%	6%	8%	14%	0	4%	0	0	6%	0	10%

## Perspectives on current childcare

There is a mixed picture from parents about current childcare. While 4 in 5 are overall satisfied with their arrangements and close to 17 in 20 are satisfied with the quality of the childcare they use, affordability is the main source of dissatisfaction with 1 in 3 parents reporting they are dissatisfied/very dissatisfied.

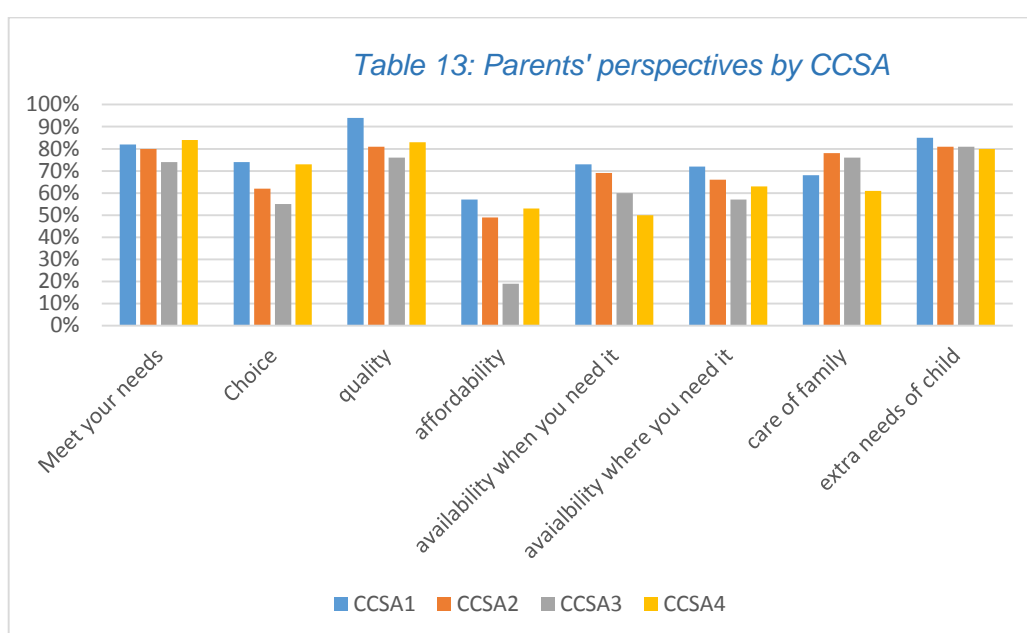
### Summary of parents' perspectives:

- 79% of parents report that their current childcare arrangements suit their needs and overall satisfaction (very satisfied/satisfied) is 74% with 12% dissatisfied/very dissatisfied.
- 84% of parents are satisfied/very satisfied with the quality of their children's childcare with 6% dissatisfied/very dissatisfied.
- 50% of parents are satisfied/very satisfied with the affordability of childcare with 31% dissatisfied/very dissatisfied.
- 64% of parents are satisfied/very satisfied with the availability of childcare when they need it with 13% dissatisfied/very dissatisfied.
- 65% of parents are satisfied/very satisfied with the availability of childcare where they need it with 16% dissatisfied/very dissatisfied.
- 50% of parents are satisfied/very satisfied with the care provided by family and friends with 11% dissatisfied/very dissatisfied.
- 81% of parents are satisfied/very satisfied with the extra needs of their children being taken into account with 3% dissatisfied/very dissatisfied.

Table 13 sets out differences by CCSA. These show that parents in CCSA 1 tend to have the most positive view of their current childcare arrangements as it relates to quality, choice, cost, availability both when and where the parent requires this and in addressing any extra needs a child may have. Parents in CCSA 4 tend also to more positive views about their childcare arrangements with, like CCSA 1, more than half of parents satisfied/very satisfied with the cost of childcare. More than 4 in 5 parents also are satisfied/very satisfied with choice, quality and in addressing any extra needs a child may have. Parents in CCSA 4 tend to have the least positive view of the availability of childcare when they need it however; where only 1 in 2 are satisfied.

By contrast, more than half of all parents in CCSAs 2 and 3 are not satisfied with the cost of their current childcare arrangements, with only 1 in 5 parents in CCSA 3 satisfied with the affordability of current childcare. Parents in CCSAs 2 and 3 rate the quality of care provided by family and friends highest amongst the CCSAs but are less likely to rate choice and quality. They are less satisfied that their current childcare arrangements meet their needs.

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Deeper analysis identifies that ethnicity is not especially relevant, although Other White and Caribbean parents tend to have slightly lower levels of satisfaction overall (71-75%) compared with White British and African parents (77- 85%). In relation to other cohorts:

- Sole parents are much less likely than dual parent households to identify that:
  - Their current childcare arrangements meet their needs (63% compared with 83%)
  - They are satisfied with quality (76% compared with 83%)
  - They are satisfied with availability of childcare when they need it (55% compared with 65%)
  - They are satisfied with availability of childcare where they need it (51% compared with 66%)
  - On satisfaction with affordability, ability of childcare to meet the extra needs of children and choice of childcare, there are no material differences in parents' ratings.
- Households with 2 or more children tend to have similar rates of satisfaction to other parents, although are more likely to identify cost as a significant challenge (40% were satisfied/very satisfied) with the affordability of childcare.
- Households with higher incomes tend to rate their childcare arrangements meeting their needs. For example, more than 92% of households where income is greater than £50,000 report that their current childcare arrangements meet their needs, whereas for households with income of less than £20,000 per year, fewer than 2 in 3 parents do so. However, they are the least satisfied with the cost of childcare. Less than 1 in 3 parents with household income exceeding £50,000 per year are satisfied with the cost of childcare, while 9 in 20 earning less than £20,000 per year are satisfied (with this rising to 7 in 10 for those earning less than £10,000 per year).

- Households where both parents are in full time employment or a sole parent is in full time employment have the most concerns about affordability of childcare. This is consistent with the higher costs for families that access childcare in addition to any NEG entitlements. 36% are satisfied with the cost of childcare. They are also slightly less likely to report satisfaction with availability when they need it (63% satisfied/very satisfied that childcare is available when they need it). On the other hand, these parents tend to more positively rate the quality of their children's childcare (90%).
- For parents with children with disabilities/ additional needs, they were generally as satisfied as other parents, except as it relates to having childcare available where and when they need it (40% and 50% respectively satisfied/very satisfied that they have access to childcare where and when they need it as compared to 67% and 68% for other parents).

### Perspectives on the introduction of extended entitlement

In primary research with parents, 36 of 42 parents had not heard of the Government's ambitions to introduce an extended entitlement for eligible working parents from September 2017. There was significant interest and excitement however at the prospect. Comments include:

- *'That will be so helpful and mean I will be able to take on extra hours with <my employer>'* (Parent, St James COE nursery)
- *'I am going to start thinking about working now. London is too expensive and you really need to work to get ahead, but it is really hard when you have young children given we don't have family that can look after them.'* (Parent, Clyde Early Childhood Centre)
- *'Is it really free? That could mean I could go back to work as my child will be 3 then.'* (Parent, Bellingham Children's Centre)
- *'Shame it wasn't around when I had my eldest child <now at school> as it would have meant I would not have had to stop working after maternity leave.'* (Parent, Ladywell Children's Centre)

In relation to key factors that parents identify as important, key is limiting the amount of settings that children attend and having access to the extended entitlement during school holiday periods and after 3pm. This reinforces points made in the section on childcare supply about the value of encouraging more flexible provision that is capable of meeting the childcare needs of working parents through summer holidays and outside 9am-3pm.

In primary research with parents, most parents said they would move children from existing early years settings to ensure that children had access as much as possible to their early education entitlement in a single setting. This is likely to impact school nurseries and pre-schools/play groups the most; and will benefit most those early years settings which already are or plan to make available more provision after 3pm and during school holidays.

While assessing by CCSA and ethnicity did not find especially different views about what needs to be prioritised within these areas, for households where both parents or the sole parent are in

full time work and those on the highest incomes (which tends to be households where both parents are in full time work), the priority for them is to have their child access the extended entitlement at a single setting.

By contrast, just over half of parents of children with additional needs/disabilities do not rate this as important/very important. That said, all parents of children with additional needs/disabilities report that if their child requires attendance at two or more settings, they should only attend one setting per day, and 100% rate as 'very important' the ability of staff to meet the needs of their child.

#### **The most important priorities for at least 3 in every 4 parents**

- 86% rate as important/very important that their child remains at the same setting for the full 30 hours. This increases to 94% for households where both parents or a sole parent is in full time work and households where income exceeds £50,000 per year. However, this is much less important for parents of children with additional needs/disabilities (45%).
- 80% rate as important/very important that they can buy additional hours from the same setting if required. This increases to 90% for households where both parents or a sole parent is in full time work and households where income exceeds £50,000 per year (and those other 10% tend to have families and friends or an au pair/ nanny also provide childcare).
- 79% rate as important/very important that their child can access this provision in the school holidays. For families with 2 or more children, this increases to 83%.
- 79% rate as important/very important that their child can access this provision after 3pm. For families with 2 or more children, this increases to 83%.

#### **Other important priorities for more than half of all parents**

- 74% rate as important/very important that their child has at least one staff member that is the same throughout the day.
- 74% rate as important/very important that their child can access this provision before 9am.
- 70% rate as important/very important that if my child has to attend two different settings that they do so on different days. However, for parents of children with additional needs/disabilities this increases to 100%.
- More than 72% of all parents want their current provider to offer the extended entitlement.
- 53% rate as important/very important that their child can access this provision at the school their sibling attends. However, for parents with 2 or more children, 72% rate this as important/very important.

#### **Other priorities for one third of all parents**

- 35% rate as important/very important that their child can access this provision in the evening. For families that identify as 'Other White' and Caribbean background, closer to 2 in 5 parents report that evening provision is important.

## Key conclusions

1. Overall, 4 in 5 parents rate their current childcare arrangements as meeting their needs, and 3 in 4 are satisfied/very satisfied with quality. 4 in 5 parents are also satisfied/very satisfied that their children's extra requirements are taken into account. Parents living in CCSA 1 tend to be more satisfied about childcare arrangements, while those in CCSA 3 are least satisfied.
2. The area that parents are least satisfied about is the affordability of childcare, where only 1 in 2 parents is satisfied/very satisfied, and 1 in 3 are dissatisfied/very dissatisfied. While more than half of parents in CCSA 1 and 4 are satisfied, less than half of parents in CCSAs 2 and 3 are satisfied.
  - a. The impacts of insufficient affordable childcare are reflected in close to half of households where both parents work reporting that they had not been able to take up a job or take on more hours. These parents also tended to report additional stress being added to the household. Sole parents and parents with a child with an additional need/disability also report more negative consequences and dissatisfaction arising from a lack of affordable childcare.
  - b. Caribbean, Chinese and any Other White were more likely than others to report that they had been prevented from taking up a job because of a lack of affordable childcare.
3. 2 in 3 parents are satisfied/very satisfied with flexibility of provision to meet childcare needs when and where required.
  - a. Households where both parents are in full time employment, sole parent households and parents with children with additional needs/disabilities report the greatest difficulty accessing childcare during the summer holidays and in the evenings.
  - b. In considering childcare use, the families that responded to the survey most likely to have used registered childcare in the previous 12 months are:
    - Households where both parents/ carers are in full time employment and sole parents that employed (part time and full time).
    - Households where total income exceeds £40,000 (86% for £40,001- £50,000 and 90% for households earning above £50,000).
    - Families that identify as African, Caribbean, Chinese and White British.
4. Families mainly find out about childcare through their friends/family and through self-directed research on the internet. A recommendation made by several parents was that

- there should be a one-stop shop for finding out about all childcare options in Lewisham (as per the Childcare Act section 12 requirements).
5. The average number of days of registered childcare used by parents/carers was 2.73 days<sup>43</sup>. This rises to 2.9 days when including families and friends. The most commonly used types of registered childcare are PVI settings and school nurseries. More than 3 in 5 of all families also augment their use of registered childcare with family, friends and neighbours.
  6. Households where both parents are in full time employment or a sole parent is in full time employment report using more childcare (3.8 days per week, increasing to 4.07 days per week where family and friends involved).
    - a. Generally speaking the higher the household income the more days of childcare used. 75% of those households earning in excess of £40,000 per year were using childcare between 4-5 days per week. By contrast, those earning less than £40,000 per year tended to use childcare less than 3 days per week.
  7. The primary motivation for parents using childcare is that this enables parents to work. This increases to 62% for households where both parents or a sole parent is in full time work. This reduces to 34% where one parent is in full time work in a two-parent household. The ability to work is of least importance where no parent/carer is in full time work at 28%.
  8. The most important considerations in choosing childcare are that the staff are friendly and professional, that the cost is affordable (for parents that pay for childcare), that the quality of provision is high and that the atmosphere is warm and friendly 100% of the time. The ability of the childcare to accommodate work patterns is only a key consideration for parents where both work full time or a sole parent is in part time or full time work.
  9. For families with a disabled child, it is most important that the childcare setting can address the additional requirements of their child (100%).
  10. The introduction of the extended entitlement for eligible working parents from September 2017 is considered very welcome, although few parents with young children had heard of this entitlement. Primary objectives for parents are to:
    - a. Limit the amount of settings that children attend.
    - b. To access the extended entitlement during school holiday periods and after 3pm.
    - c. Have any setting make available additional hours if required for purchase; and ideally existing settings their children attend will offer the extended entitlement.
    - d. For parents with children that are attending school, they want any of their younger children to have access to the extended entitlement at the school nursery.

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<sup>43</sup> This is calculated using the regular days of registered childcare in a given week e.g. day nursery, school nursery, childminder, crèche, nanny/au pairs and out of school clubs.



11. Most parents said they would move children from existing early years settings to ensure that children had access as much as possible to their early education entitlement in a single setting. This is likely to impact school nurseries and pre-schools/play groups the most; and will benefit those early years settings which make available more flexible provision.

## Appendix One: Ethnic profile, census 2011

Proportions of residents reflecting particular characteristics of ethnicity as it relates to the predominant populations within Lewisham.

CC area	Wards	White British	Other White	Mixed White and Black Caribbean	Chinese	Other Asian	Black Caribbean	Black African	Other Black	Other Ethnic Group
1	Brockley	41.6%	12.7%	2.8%	2.8%	3.1%	11.1%	9.2%	3.7%	1.8%
1	Evelyn	25.9%	11.8%	2.6%	6.5%	6.6%	22.2%	9.0%	4.7%	2.0%
1	New Cross	26.6%	12.3%	2.6%	4.9%	5.6%	22.0%	10.4%	4.2%	2.3%
1	Telegraph Hill	37.2%	11.1%	2.8%	3.1%	3.0%	13.6%	11.1%	5.3%	2.9%
2	Blackheath	56.0%	11.3%	2.5%	2.3%	2.5%	6.6%	5.5%	2.7%	1.7%
2	Crofton Park	47.0%	10.9%	3.1%	1.4%	2.9%	7.2%	11.0%	4.0%	1.6%
2	Ladywell	40.2%	12.1%	3.8%	1.9%	4.8%	8.5%	11.5%	3.9%	2.1%
2	Lee Green	54.1%	10.0%	2.3%	2.2%	4.2%	6.1%	7.5%	2.8%	1.5%
2	Lewisham Central	34.6%	12.1%	3.0%	3.5%	4.4%	11.3%	12.3%	5.3%	2.3%
3	Catford South	33.5%	8.3%	3.5%	1.2%	5.7%	9.1%	20.5%	5.7%	2.4%
3	Downham	50.7%	6.0%	3.4%	0.8%	4.4%	10.4%	9.4%	4.1%	3.0%
3	Grove Park	52.4%	8.6%	2.7%	1.2%	3.7%	9.3%	8.0%	3.1%	2.7%
3	Rushey Green	29.8%	9.4%	3.6%	1.5%	4.9%	14.1%	16.7%	7.0%	2.5%
3	Whitefoot	41.7%	6.5%	3.5%	0.9%	6.9%	13.1%	13.6%	4.3%	2.2%
4	Bellingham	40.2%	7.0%	3.8%	0.9%	4.3%	14.0%	14.4%	6.0%	2.0%
4	Forest Hill	48.4%	11.1%	3.0%	1.7%	3.1%	9.6%	8.4%	3.4%	1.3%
4	Perry Vale	45.8%	9.4%	3.5%	1.2%	3.5%	8.9%	11.8%	4.2%	1.9%
4	Sydenham	46.6%	9.5%	3.4%	1.1%	3.1%	9.5%	10.9%	4.0%	1.5%

## Appendix Two: Profile of families sharing perspectives through survey

Across 6 weeks in June- July 2016, parents were invited to share their perspectives through an online survey about their experiences of using childcare in Lewisham. This was augmented with surveys completed 1:1 at 8 sessions with 42 parents at early education settings and stay and play activities in children's centres. See appendix two which sets out the profile of those families that shared perspectives through the survey.

### Where families live

CCSA)	Ward	No of respondents	% total respondents	No. of children	% total children	No of children with disability/Add needs
CCSA 1	Brockley	22	10%	37	10%	1
	Evelyn	16	7%	26	7%	0
	New Cross	7	3%	14	4%	1
	Telegraph Hill	22	10%	32	9%	1
CCSA 2	Blackheath	5	2%	8	2%	0
	Crofton Park	9	4%	19	5%	0
	Ladywell	9	4%	13	4%	1
	Lee Green	5	2%	6	2%	0
	Lewisham Central	24	11%	37	10%	1
CCSA 3	Catford South	8	4%	11	3%	0
	Downham	5	2%	11	3%	1
	Grove Park	6	3%	12	3%	0
	Rushey Green	13	6%	22	6%	0
	Whitefoot	10	4%	21	6%	2
CCSA 4	Bellingham	8	4%	11	3%	0
	Forest Hill	4	2%	6	2%	0
	Perry Vale	15	7%	18	5%	0
	Sydenham	5	2%	9	2%	1
Missing	Missing	32	14%	50	14%	2
	Grand Total	225	100%	363	100%	11

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### What we know about these families?

Factor	Demographic	Number of families
Disability	Number with children with additional needs/ disability	11
	Number of parents with additional needs/ disability	9
Employment status	Two Parents/Carers in Full-Time Employment	67
	One Parent/Carer in Full-Time Employment, Other not in Full-Time Employment	110
	Other	48
Household income	£0 to £10,000	25
	£10,001 to £20,000	27
	£20,001 to £30,000	18
	£30,001 to £40,000	32
	£40,001 to £50,000	31
	£50,001 to £60,000	88
	No response	4
Dual parent or sole parent household	Sole parent	39
	Dual parent	169
	No Reponse	17
Number of children	0-1	85
	2	90
	3	63
	4	52
	5+	73
Ethnicity	African	27
	Any other Asian background	6
	Any other Black/ African/ Caribbean background	2
	Any other mixed/ multiple ethnic background	4
	Any other White background	31
	Arab	1
	Bangladeshi	2
	Caribbean	32
	Chinese	6
	English/Welsh/Scottish/Northern Irish/British	87
	I'd rather not say	5
	Indian	6
	Irish	2
	No response	3

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	Pakistani	1
	White and Asian	1
	White and Black African	2
	White and Black Caribbean	7
Age	18-24	6
	25-29	11
	30-34	58
	35-39	70
	40-44	40
	45-49	4
	50-54	3
	I'd rather not say	2
	No response	31

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