

LEWISHAM POVERTY COMMISSION 2nd MEETING, 4th MAY 2017
CHILD POVERTY, CHILDCARE AND LONE PARENT UNEMPLOYMENT

1. Introduction

- 1.1 This paper focuses on some of the key issues relating to child poverty, especially childcare costs and lone parent unemployment. In particular, it focuses on:
- The main challenges for parents, particularly lone parents, in Lewisham
 - Childcare in Lewisham and the impact that the Council can have on childcare costs and lone parent unemployment
 - Examples of best practice and possible solutions
 - Conclusion and further questions
- 1.2 The challenge for the Commission is to identify areas where there is the potential for the Council and its partners to improve outcomes for Lewisham's children and their parents. The Commission may also wish to consider wider recommendations that could form part of the Council's national lobbying strategy on child poverty.

2. Lone parent households, flexible work and childcare

- 2.1 Children in lone parent households are more likely to grow up in poverty.¹ Lone parents often struggle to balance work and childcare and are therefore more likely to be on low incomes and to be reliant on benefits. Lewisham has high numbers of lone parent households². According to the 2011 Census, 11% of households in the borough are lone parent households, compared to an average of 8.5% in inner London. The overwhelming majority (91.5%) of lone parent households in Lewisham are headed by women. The challenges facing single parents are not likely to disappear, with lone parents set to lose out under universal credit, according to some estimates.³
- 2.2 Part-time and/or flexible employment opportunities are vital in enabling lone parents to juggle childcare with work. Only 27.7% of lone parents in Lewisham are in full-time employment and another 27.8% in part-time employment, leaving 44.6% not in employment. There is evidence that single parents want access to flexible work, but are not always able to find it. In survey research by the Gingerbread trust, parents were asked to identify the top three features of an ideal job. 38% of respondents said their ideal job needed to allow 'emergency time off', 33% of single parents chose 'part-time hours', 32% 'flexible hours' and 28% 'term-time hours'.⁴ A report by the Resolution Foundation suggests that nations with the best maternal employment rates are more likely than UK to have employers that offer flexible work options, including the ability to set some of your own hours or to use accumulated hours to earn leave.⁵
- 2.3 The other major challenge facing single parents is suitable and affordable childcare. According to the Resolution Foundation report cited above, four in ten mothers identify childcare costs as the single biggest obstacle to work (42 per cent of those in work and 41 per cent of those not working). A report by the Joseph Rowntree Foundation, *Creating an anti-poverty childcare system* (2016) suggests that publicly funded childcare can help reduce child poverty in two key ways:⁶

¹ <http://www.jrf.org.uk/data/child-poverty-rate-family-type-and-parent-work-status>.

² See Appendix with data on child poverty presented to Commission on 27 February

³ https://www.childrensociety.org.uk/sites/default/files/tcs/u56/single_parents_and_universal_credit_singled_out_final_0.pdf.

⁴ http://www.gingerbread.org.uk/file_download.aspx?id=7866.

⁵ <http://www.resolutionfoundation.org/media/press-releases/two-in-three-mothers-say-high-cost-of-childcare-is-a-barrier-to-working-more/>.

⁶ <https://www.jrf.org.uk/report/creating-anti-poverty-childcare-system>

- high quality early education and effective early intervention can act as protective factors for children against the negative effects of poverty, improving long-term developmental and employment outcomes;
 - access to flexible, affordable childcare can reduce pressures on family income and help parents to participate in work, education or training, reducing a family's short- and long-term poverty risks.
- 2.4 As the report suggests, the quality of such early years provision is critical. Only high quality provision that has the capacity to improve children's outcomes and narrow the childcare development gaps between disadvantaged children and their peers.
- 2.5 Over the last 25 years there has been much progress to make childcare more affordable for families and to increase the number of places. Parents presently get help with their childcare costs through free early education provision, tax credits and childcare vouchers.
- 2.6 The biggest change on the horizon is the introduction of '30 hours' free childcare (30 hours over 38 weeks of the year, 22 hours over 52 weeks) for eligible parents of 3 and 4 year-old children in autumn 2017. This is an increase on the current 15 hours a week for all three- and four-year olds, and for disadvantaged 2 year-olds. The 30 hours entitlement applies with both parents working or one lone parent working and earning a minimum each of 16 hours at the national minimum wage. However, even this more generous provision may not be sufficient to meet the childcare needs of working families and most working parents will have to cover the shortfall from their own pockets.
- 2.7 London faces some unique childcare problems. Nursery, childminder and out-of-school provision is significantly more expensive in London than elsewhere in Britain. The cost of childcare in Lewisham is close to the London average. As well as being expensive, childcare provision in London does not always meet the needs of the labour market. Many jobs require work outside normal office hours or other forms of flexibility and it is significantly more difficult to find formal childcare before 8am or after 6pm. For some families, this need is at least partially satisfied by informal childcare arrangements (e.g. family and friends) but London parents are also less likely to live near relatives who are able to provide this informal childcare.
- 2.8 A survey of 134 childcare providers across London, conducted by 4in10, found that many had reservations around the 30 hours offer and its new funding rates. Many providers fund the shortfall between the rates for current 15 hours offer and their costs by charging parents more for other hours they use. The survey identified concerns among providers about the impact of the 30 hour offer changes on early years providers, children and families. Some of the issues mentioned were that underfunding for 'free' places threatens quality of provision, places for disadvantaged children, and ultimately the financial viability of settings⁷.

3. The provision of childcare in Lewisham

- 3.1 Lewisham has a broad mix of childcare provision, including two maintained nursery schools, 52 nursery classes, 138 private, voluntary and independent settings, 450 registered childminders, four special schools with EYFS provision and 71 breakfast/after-school clubs.⁸ The borough has a good reputation for the high standard of its early years provision and consistently ranks in the top 3 local authorities in England for children achieving a good level of development in the Early Years Foundation Stage Profile (EYFSP).⁹ There are good working relationships between the Council and EYFS providers across the sector that have been established over a long period. This has led to a joint commitment to delivering high quality provision and good local intelligence about the Early Years sector and its gaps.

⁷ <https://www.childrenengland.org.uk/Handlers/Download.ashx?IDMF=f7b892c2-2ab5-429a-8edc-a9d64c297f5f>

⁸ This is an approximate figure, since the Council does not routinely collect information on extended school services.

⁹ The EYFSP assessment is completed for every child at the end of their reception year.

- 3.2 The Council has a statutory duty to ensure sufficient childcare is available in the borough, though its ability to influence provision is limited. An annual childcare sufficiency assessment carried out in August 2016 suggests that there are likely to be enough places to meet the anticipated demand for the 30 hours entitlement in Lewisham. In fact, several providers are expanding their provision to offer more places to three and four year olds. The challenge will be to ensure that providers can take sufficient numbers of funded 30 hours places and that parents of young children are aware of the offer as the sufficiency assessment found that many parents were unaware of the new entitlement.¹⁰ We also need to ensure that residents in receipt of benefits are aware of their other childcare entitlements, through Working Tax Credits, Universal Credit and other provisions.
- 3.3 In addition to increasing awareness of childcare provision, the Council can also help support parents into work. Lewisham's Early Years team identified an issue with parents' readiness to return to work, with women often preferring to spend time with their children. These decisions can be affected by cultural or religious values and childcare options that are not sensitive to such concerns might not be acceptable to many families. Parents of children with special educational needs or disabilities may also have specific concerns about the suitability of childcare on offer.
- 3.4 Lewisham has slightly lower rates of take-up of childcare for 2 and 3 year-olds than the London average, but slightly higher rates for 4 year olds, suggesting that Lewisham mothers often wait longer before going back to work. This can make it more difficult for them to re-enter the labour market. Children's centres in the borough work with Job Centre Plus to offer information, advice and support to mothers preparing to go back to work. However, lone parents often require access to flexible employment, which is not always available. The Early Years Team is working with local employers to increase awareness of the childcare entitlements available to parents. This should further support parents to increase their working hours if they wish to do so.

4. Best practice and possible solutions

- 4.1 A report by Family and Childcare Trust, Childcare in London (2016),¹¹ shows that London local authorities' market management can take several forms:
- 'Light touch' measures such as brokerage, information and advice offered by Family Information Services. The local authority role is also critical in promoting the take-up financial help through tax credits, which, in turn, helps to promote demand for childcare.
 - Engagement with childcare providers. This may range from bringing providers together to highlight gaps, giving start-up or business advice and sharing information about demand to promoting partnerships, for example between schools or housing associations and private or voluntary childcare providers.
 - Limited direct support for providers, such as subsidised training, rent or business rate amnesties, the identification of suitable premises, free premises, smoothing the planning process and small grants for adaptations.
 - Capital funding for existing or new providers to enable them to expand places.
 - Revenue funding used to support provision in areas where it is not financially sustainable, usually because there is an insufficient proportion of working parents.
- 4.2 Not all of these options are open to Lewisham Council, with challenging financial circumstances ruling out increased capital or revenue funding for childcare, unless it is provided by central government. Lewisham has recently submitted four successful bids for increased capital funding. However more could be done to improve take-up of childcare entitlements by improving access to information and advice.

¹⁰ <http://councilmeetings.lewisham.gov.uk/documents/s48006/Childcare%20Strategy%20Update.pdf>.

¹¹ <https://www.familyandchildcaretrust.org/childcare-survey-2016-0>

- 4.3 According to the Family and Childcare Trust report, a lack of market management and poor quality or absent childcare sufficiency reviews are two arguments for passing the responsibility for childcare sufficiency and market management to the Mayor of London, ensuring that this duties are done consistently and well. The GLA could then make this information available to potential providers, which could help fill gaps.
- 4.4 More could also be done at a national level to improve access to childcare. The Joseph Rowntree Foundation report argues for replacing the ineffective Childcare Act 2006 'sufficiency duty' with a properly funded entitlement to childcare for pre-school children from age one extending across a full day and for 48 weeks of the year. It also suggests providing support with childcare costs for families in or at risk of poverty through the following targeted measures:
- removing the parental contribution to childcare fees altogether for families with an income below the relative poverty threshold;
 - extending support with childcare costs to job seeking and work preparation activities, including education and training; and
 - establishing a mechanism to pay the deposit and first month of childcare fees up front for parents moving into work.

Family Information Services

- 4.5 The Council is changing its online Family Information Services (FIS) directory, which will include information about early years provision and childcare services across the borough. It will be designed to offer a comprehensive, up-to-date directory of childcare and early education services across Lewisham.
- 4.6 The new service will take the form of an easy-to-search website which will help match parents with suitable childcare providers. It will be modelled on Brent Council's Family Information Services.¹² Brent's website allows parents to enter their postcode, select the type of providers they are interested in and the geographical area they would like to search. A map and list of providers then appears, with further information on their location, opening hours, special services, target age groups and latest inspection results. Lewisham's new directory could also provide parents with information about extended schools provision (especially breakfast or after-school clubs) in the borough. This information is of particular value to working parents.
- 4.7 The Early Years Team is also planning a borough-wide marketing campaign in partnership with Children's Centres and other stakeholders to increase awareness of the range of childcare benefits available. The Family and Childcare Trust report cited above suggests that a pan-London targeted information campaign about help with childcare costs may also be necessary to raise awareness of childcare entitlements.

Innovative models for childcare

- 4.8 One model that has produced more affordable childcare in Hackney and Lambeth is one of parent co-produced nurseries.¹³ In a parent co-produced nursery, parents are involved in running for example the administration, staff management and admissions policy of a nursery, as well as directly helping out in the classrooms. The number of hours and type of work parents are expected to contribute varies across different models. Some parent co-produced nurseries offer discounted fees for increased parent participation.
- 4.9 Although only a handful such nurseries currently exist in the UK, one of its benefits is that it can cost up to 50% less to run than a standard nursery. Exactly how much less depends on whether parents are counted as staff or as additional support. Other potential benefits include

¹² http://local.brent.gov.uk/fsdir.nsf/pages/lbb-3?opendocument&l=2&c=Childcare&_ga=1.104069760.1053312267.1492703264

¹³ New Economics Foundation report, Co-produced childcare An alternative route to affordable, high quality provision in the UK?, 2015, http://b.3cdn.net/nefoundation/c142e402b391ed2097_z7m6ibzpa.pdf

improved skills for parents, who may learn from working alongside professionals and a more stable workforce.¹⁴ Research also suggests that parents' confidence can grow and that involvement in parent co-produced nurseries can lead them to retrain or pursue new career paths.

- 4.10 Possible concerns about this model include the fact that not all parents have the time to contribute to running a nursery. There are also concerns around the lack of training most parents have, and its impact of the quality of care provided.
- 4.11 There are ways that the Council can use its status as a broker to promote innovative models of childcare provision. Brent Council's Flexible Childminders Pool, for example, provides parents with information on where to find childcare outside standard hours (especially overnight, late at night, during the weekends and/or at short notice). All childminders in the pool are registered with Ofsted, are quality assured or working towards a quality assured grading, must show they can meet Quality Standard One, and are supported by a network coordinator who regularly assesses them. This information is available as part of Brent's online Family Information Service. This supports parents who have irregular working patterns (such as shift work, for example) or who need to arrange childcare at short notice, for example during a family emergency or for a job interview.¹⁵ The benefits for parents do still depend on whether sufficient flexible places are available at the right times.
- 4.12 Some Fairness Commissions have suggested that local authorities could do more to promote innovative models of childcare, to encourage and support more extended provision in schools, especially breakfast clubs and after-school clubs, and more to link parents with existing providers. Islington's Commission recommended that the Council establish a 'Childcare Coalition' in the borough, involving schools, public sector organisations, the voluntary sector and employers to increase the amount of affordable childcare available in the borough, especially during school holidays, and to promote flexible employment for parents.

Flexible employment

- 4.13 In addition to looking at childcare provision in the borough, the Council can also do more to promote flexible working. Organisations such as Women Like Us¹⁶ demonstrate the importance of part-time and/or flexible employment opportunities and quality careers advice for women with children, especially lone parents. More work could be done to target some of our employment support programmes at lone parents and to provide better quality information about childcare to enable parents to juggle childcare and work commitments.
- 4.14 Camden's 2013 Equality Taskforce identified high maternal unemployment levels as one of the main drivers of inequality in the borough. As a result, it recommended that the Council and its partners implement flexible working for its employees and that this was incorporated in the Council's procurement processes to encourage contractors to do the same. To achieve this, Camden worked closely with the TimeWise Foundation, a community interest company that aims to stimulate the part-time and flexible job market.¹⁷ TimeWise offers accreditation to employers, in a similar way to the Living Wage Foundation.¹⁸ Camden was the first Council to receive TimeWise accreditation and has since worked with the Foundation to encourage local businesses to sign up.

¹⁴ "Research about co-operatives beyond the childcare sector provide clear evidence that staff tend to be more satisfied, and less likely to leave, than they are in traditional organisations. The limited evidence we have for the childcare sector suggests this is also the case here", p. 21, NEF report above.

¹⁵ <https://www.brent.gov.uk/services-for-residents/children-and-family-support/childcare/flexible-child-care/>

¹⁶ <http://www.womenlikeus.org.uk/>

¹⁷ <http://timewisefoundation.org.uk/about/>

¹⁸ <http://timewise.co.uk/wp-content/uploads/2014/05/Guide-to-becoming-a-Timewise-Council.pdf>

5. Conclusion and further questions

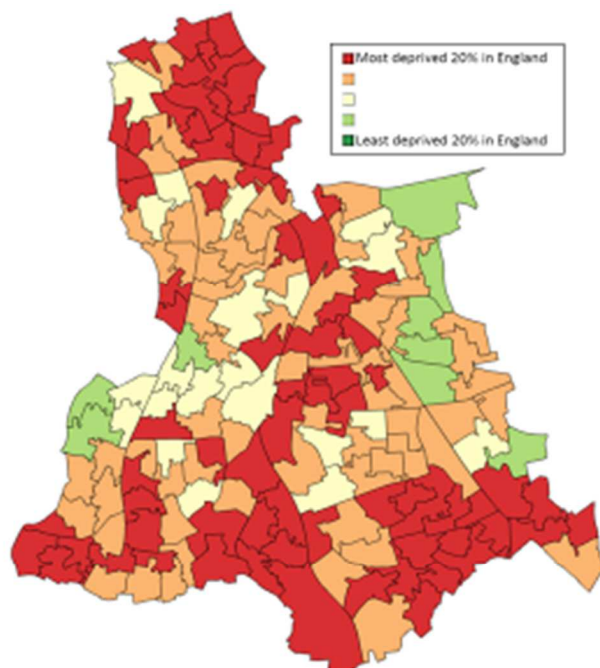
5.1 Parents can often struggle to balance childcare and work, particularly in lone parent households. Increased opportunities for well-paid, flexible working is one thing that would encourage parents to enter the job market and could help lift their children out of poverty. This paper has focused specifically on challenges for parents around the provision of childcare. In Lewisham estimates are that there are sufficient places in the borough to accommodate the introduction of the new '30 hours' entitlement in September. Furthermore, the early years provision in the borough is of a high standard and consistently produces good outcomes for children. However, more could be done to raise awareness of existing entitlements and to explore innovative models of childcare that could help increase suitable provision in the borough.

5.2 Given this picture, the Commission could consider the following questions:

- *Would transferring the responsibility for childcare sufficiency and market management to the GLA improve the provision of childcare in London and Lewisham specifically?*
- *What steps can central government take to support families struggling with childcare costs and encourage employers to provide more flexible employment opportunities?*
- *Could the Council improve the information it provides to parents about childcare, including their entitlements, be improved? Are there innovative ways to reach parents and engage them in these conversations that can be explored?*
- *Could the Council encourage the provision of childcare outside standard hours? Could the Council encourage new provision of child care such as co-produced nurseries?*
- *Should the Council become a TimeWise accredited employer? Can it encourage its partners to do the same?*
- *What else can the Council do to promote flexible working and how can it help lone parents into suitable employment?*



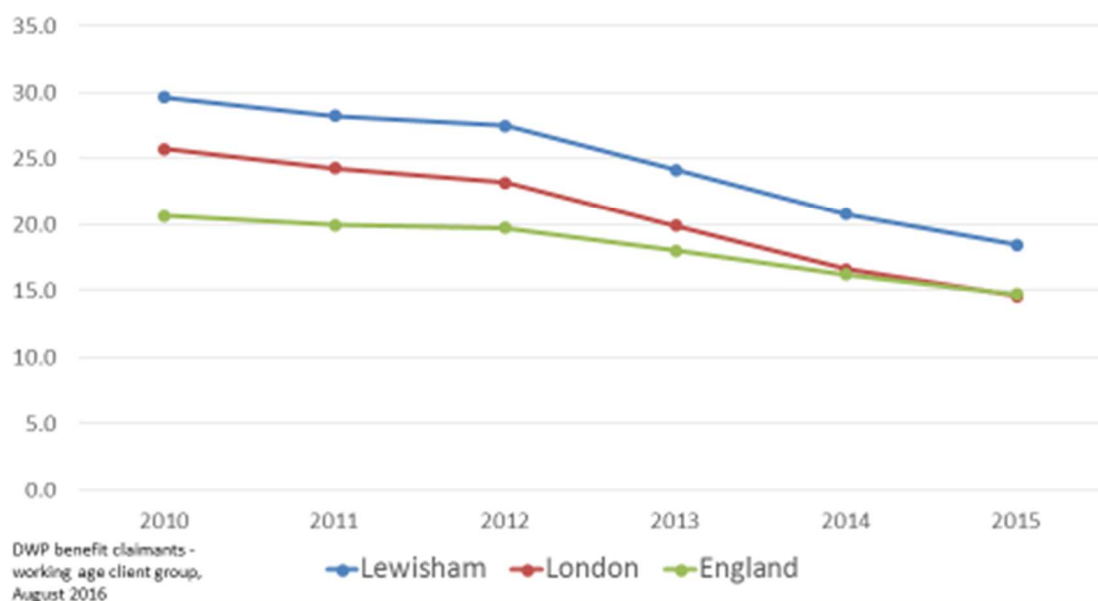
Child Poverty



Income Deprivation affecting
Children Index 2015



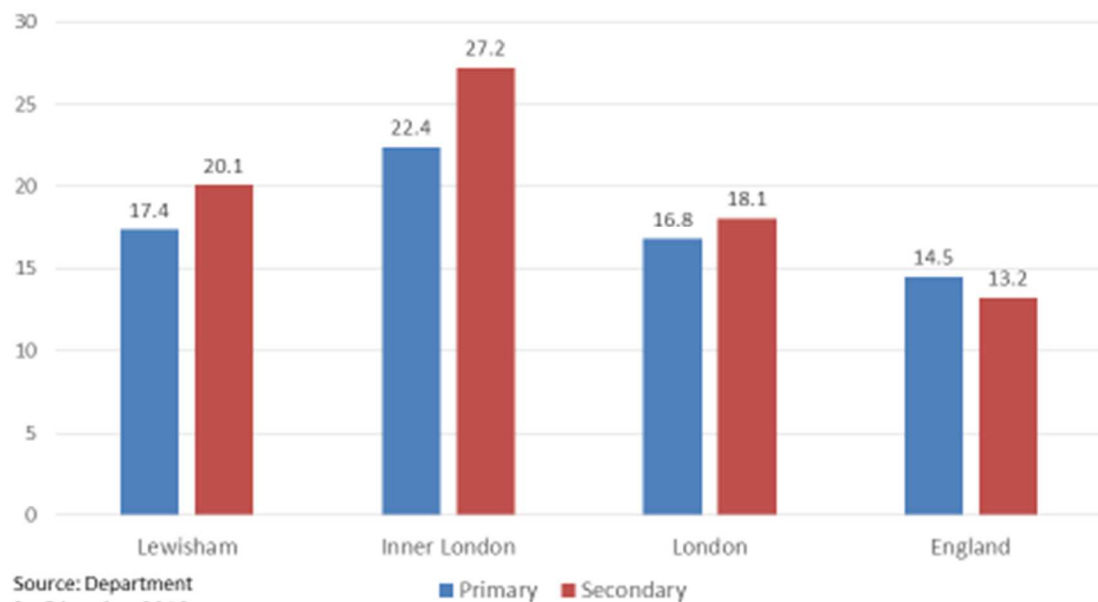
Percentage of children in children living in households where a parent or guardian claimed out-of-work benefits



Children in out-of-work benefit households



Percentage of children eligible for and claiming free school meals



Free School Meals

