

## Written evidence submitted by London Councils

### Introduction

1. London Councils welcomes the opportunity to submit evidence for the Education Committee's inquiry into Support for Childcare and the Early Years.
2. The growth and development that a child undergoes in the first few years of their life is vital to their long-term outcomes, which the government has recognised in its support for the entitlements to free early education and childcare for eligible children.
3. High quality early years education supports children's long-term development and sets them up to be ready for school. Yet families face a number of changes in accessing early years provision and childcare including the complexity of the childcare and early years system, lack of awareness about the benefits of early years education, high costs for children and hours not covered by entitlements, and lack of flexible and inclusive places available locally.
4. Providers also facing ongoing financial pressures which are being exacerbated by recruitment and retention challenges.
5. The key messages of this evidence submission are:
  - Affordable childcare will mean something different to every family, dependent on their income capacity and individual situations. It is clear however, that for some families, childcare is unaffordable and acts as a significant barrier to parents and carers returning to full-time work.
  - The early years system can be challenging for parents and carers to navigate. **The government should look at ways to simplify the system and run an ongoing awareness campaign to improve understanding and take up of different entitlements and support.**
  - **The government should engage with parents and carers to better understand their needs and support the early years and childcare sector to deliver a more flexible offer that meets the need of working parents and providers post pandemic.**
  - Challenges with the recruitment and retention of staff in the early years sector are reducing the capacity of some early years settings, and creating further financial pressures. **The government should look at what steps can be taken to raise the profile and increase the attractiveness of careers in the early years education sector.**
  - It is important that children from disadvantaged backgrounds and children with Special Educational Needs and Disabilities (SEND) do not miss out on high quality early years education. The lack of early education has an impact on longer term outcomes and places a burden on schools to address down the line.
  - **We call on the government to ensure that there is sufficient funding for early years entitlements to improve the financial sustainability of the early years sector and make sure families can access high quality provision when and where they need it.**
  - **We urge the government to work with local authorities to monitor the impact of closures of early years settings and to continue support the early years sector to ensure sufficiency of high-quality local early years education and childcare provision, including for children with SEND and other additional needs.**

**How affordable and easy to understand is the current provision of childcare in England, and what steps, if any, could be taken to improve it, especially in relation to families living within the most deprived areas in England?**

### Affordability

6. Affordable childcare will mean something different to every family, dependent on their income and individual circumstances. As such it is difficult to make a blanket assessment on the affordability of childcare in England.
7. For many parents and carers, affordability is a key issue, and even more so with additional pressure on families from the cost-of-living crisis. [Analysis of Office for National Statistics \(ONS\) income data from Business in the Community \(BITC\)](#) shows full-time nursery for children under the age of two costs the equivalent of 71% of average weekly earnings for inner London residents.

### **Complexity of the system**

8. The childcare system is complex and difficult to navigate with different entitlements for 2, 3 and 4 years olds depending on different eligibility criteria, tax free childcare and other options for support with costs for those on lower incomes. Many parents and carers struggle to understand what support is available to help them pay for childcare and early years provision, even with online tools and summaries. They also struggle with the different application processes. It can be especially challenging for parents with SEND, and parents who speak English as an additional language or are new to the country.
9. Borough Families Information Services (FIS) promote the early entitlements, but many boroughs do not have sufficient funding to provide signposting for the service and many families do not know who to contact for support.
10. Some boroughs have also reported that many families are not accessing the disadvantaged 2-year-old entitlement due to the complex and time-consuming application process.
- 11. We call on the government to simplify the Early Years and Childcare system and run an ongoing awareness campaign to improve understanding and take up of different entitlements and support.**

### **The needs of children from disadvantaged backgrounds**

12. London has had historically low levels of take up of places for disadvantaged 2 year olds. Increasing awareness and understanding of free entitlements play a significant role in encouraging parents to take up the 2 year old childcare offer.
13. In January 2020, [only 59% of eligible two-year-olds in London accessed their free 15-hours of early education, compared to 69% nationally.](#)
14. Take up varies significantly across London boroughs linked to a variety of factors including disadvantage, employment status, ethnicity, SEND, population mobility and English as an additional language. Some parents cannot afford additional charges that are not covered by entitlements. [The DfE suggests that London's pattern of take up differs to other culturally diverse cities in England due to the diversity of the population and higher level of population mobility.](#)
15. Increasing awareness and understanding of free entitlements plays a significant role in encouraging parents to take up the 2-year-old childcare offer.

## Are the current entitlements providing parents/carers with sufficient childcare, and to what extent are childcare costs affecting parents/carers from returning to work full-time?

### High costs and lack of support for children under 3

16. At the moment there are no universal entitlements to free childcare for babies and children under 3. The increasing cost of childcare, even with support from current entitlements, means that parents on lower incomes cannot afford to pay for the childcare they would need if they worked fulltime. [A recent survey from Working Mums found that 49% of mums said lack of childcare was stopping them working more hours.](#)

### Meeting changing needs of working parents

17. The growth of flexible working and changing working patterns since the Covid-19 pandemic has changed what some parents need from childcare. Officers have heard from parents that they require access to a more flexible offer from early years providers. For example, providers have reported that Mondays and Fridays tend to be quieter compared to pre-pandemic patterns, and this is causing financial challenges for providers.
18. **The government should engage with parents to better understand market needs and support the early years and childcare sector to deliver a more flexible offer that meets the need of working parents and providers.**

## What challenges do early years providers face in terms of workforce, including recruiting, and retaining qualified staff, and the barriers faced by individuals joining the profession? To what extent has the Covid-19 pandemic exacerbated workforce challenges?

### Recruitment and retention challenges

19. Challenges with the recruitment and retention of staff in the early years sector are reducing the capacity of some early years settings and creating further financial pressures.
20. People are leaving the early years sector to work in jobs that are better paid and less challenging. The 2022 Beyond Boundaries report, which looked into early years integration in London, found that “people are leaving [the early years sector] to work in Aldi and Lidl because there’s less responsibility and they get paid more.” Boroughs also heard from providers that job satisfaction during the pandemic dropped for staff working in the sector as they were increasingly covering for colleagues and felt overstretched, undervalued and underpaid.
21. Early years providers are also struggling to recruit new staff with fewer people choosing early years as a career pathway. This is compounded by a drop-off in the number of early years courses in further education, as colleges report they do not have sufficient interest.

### The impact of recruitment and retention challenges on finances and sufficiency of places

22. Some settings are having to close rooms and turn children away as they cannot retain or recruit sufficient staff to meet the required staff to child ratios, which then results in a loss of fees and funding which could lead to further closures. Where headcounts are lower than pre-pandemic levels, local authorities have had

to reduce funding to providers for free early education entitlements at a time when other income streams, such as paid for places, are also likely to be reduced. These current pressures, on top of long-standing financial challenges, have caused serious concerns among London boroughs about the future of the early years sector and how this will affect access to vital high-quality early years education in the coming years.

23. In order to tackle the recruitment and retention challenges facing the sector, **London Councils is calling on the government to run a national campaign to raise the profile of careers in the early years education sector and career pathways.**

**Whether the Early Childhood Education and Care (ECEC) system is meeting the needs of pupils with Special Educational Needs or Disabilities (SEND), and the improvements that could be made to better support young children with SEND within early years provisions.**

### **High quality provision for children with SEND**

24. All children and families, including those with additional needs, should be able to access a place at a high-quality local early years provider. However, some families with children with SEND struggle to access early years provision and some providers struggle to meet the needs of children with SEND.
25. Boroughs have heard from families who are turned away from settings that cannot meet the needs of their child. Some settings do not feel their staff have the required skills. Boroughs have been proactive in offering training to providers but workforce challenges mean that many settings lack the capacity to have staff away to attend training.
26. There are many inclusive settings across London but the funding rates for entitlements do not fully cover costs for providing places for children with special educational need or disability (SEND). Some settings report becoming known for being inclusive and becoming overwhelmed by demand for places for children with SEND and the financial challenges that come with this.
27. In our consultation response to the government's SEND Green Paper we highlighted that in order to improve early years practice, the government needs to:
- **Introduce a statutory Special Educational Needs Inclusion Fund (SENIF) pot for the 2 year old entitlement, in line with the SENIF for the 3 and 4 year old entitlement, providing additional funding through the Early Years Block to support this.**
  - **Expand the 2-year-old free early education criteria to include children known to or referred to Specialist/Tertiary Health Service, who do not have an EHCP so that they can regularly attend an early years setting for 15 hours per week.**
  - **Set up a mandatory requirement for at least one practitioner in an Ofsted registered setting to hold a SEND qualification (preferably level 7) and change the Early Years DSG funding formula to include funding to cover the additional cost of a qualified SEND practitioner in each setting.**
  - **Provide pump priming in the short term to enable local areas to develop strong early intervention approaches which would drive down demand and reduce costs in the longer term.**

### **The role of Maintained Nursery schools**

28. We welcome the government's continued commitment to supporting maintained nursery schools. Maintained Nursery Schools are an integral part of London's early years sector, particularly for provision for children from disadvantaged backgrounds and with SEND. We welcome the minimum hourly funding rate.

However, **we call for a funding formula for maintained nursery schools that provides a long-term funding solution that is responsive to local changes in demand.**

**To what extent does the early years system adequately prepare young children for their transition into primary education, particularly children from disadvantaged backgrounds**

**The disadvantage gap**

29. The success of London's schools in achieving the smallest gap in attainment between children eligible for Free School Meals and their peers at GCSE is well documented. However, it is important that we recognise the work that early years education does in laying the groundwork for schools to continue to level up outcomes. Early education can prevent children from disadvantaged backgrounds from having to start school behind their better off peers, helping to close the disadvantage attainment gap early. Without this work, schools would have a far greater job to do in terms of reducing inequalities.
30. High quality early years education supports children's long-term development and sets children up to be ready for school. It plays a vital role in aiding cognitive, social and behavioural development, improving early language skills and their understanding of the world. [Research has found that children with early education experiences are more likely to achieve better academic outcomes compared with those without early years education.](#)
31. Yet where early gaps in school readiness develop, they can follow children through their school years, hindering longer term efforts to improve outcomes. [The gap in attainment between some children from disadvantaged backgrounds and their better off peers is evident when they are as young as 5 years old.](#) Attainment gaps that open up before schooling begins continue to widen throughout the school years. [Education Policy Institute research](#) found that children from disadvantaged backgrounds were over 4 months of learning behind their peers in reception year. This gap increases to 9 months by the end of primary school and 18 months by the time they take their GCSEs.
32. Boroughs have raised considerable concerns about children from disadvantaged backgrounds falling behind having missed out on vital early years education – losing key support for their development at a crucial point in their young lives with long term implications for their attainment and outcomes.

**The sufficiency of places for children from disadvantaged backgrounds**

33. With the early years sector under increasing financial pressure, any reduction in the capacity of the sector in the mid to long term leaves the youngest Londoners at risk of losing key support for their development at a crucial point in their young lives – with long term implications for their attainment and outcomes.
34. We remain concerned about the financial sustainability for the early years sector without further investment. London Councils is concerned that the hourly rates will not deliver the necessary funding to sustain a vibrant early years offer across London. Current pressures relating to increased costs and workforce challenges, on top of long-standing financial challenges, have caused serious concerns among London boroughs about the future of the early years sector and how this will affect access to vital high-quality early years education and childcare in the coming years. Many boroughs have reported to us that local providers are struggling financially and are particularly concerned about the loss of flexible, affordable providers in areas with higher levels of deprivation.

- 35. We call on the government to ensure that there is sufficient funding for early years entitlements to improve the financial sustainability of the early years sector and make sure families can access high quality provision when and where they need it.**
- 36. We urge the government to work with local authorities to monitor the impact of closures of early years settings and to continue support the early years sector to ensure sufficiency of high-quality local early years education and childcare provision, including for children with SEND and other additional needs.**

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