

Written evidence submitted by the Greater London Authority

Overview

The Mayor of London welcomes the Education Committee's work in examining the current early years and childcare system and how well it supports families.

The Mayor has no statutory role in early years and childcare, but is committed to working with local authorities, the Government and other partners to ensure London's families have access to high-quality early education and childcare.

The first years of our lives can have a significant impact on future success, especially for the poorest children. High-quality early education is essential to ensuring school readiness and addressing health and educational inequalities, which have deepened during the COVID-19 pandemic. London's childcare system also underpins our economic success, ensuring parents can access work and training.

This is a precarious time for the sector. After years of chronic underfunding, it has been hit hard by the pandemic and is facing a nationwide workforce crisis. While local authorities have a duty to ensure sufficiency of childcare, significant funding cuts over recent years have affected their support for the sector - from training and marketing, to support for children with additional needs. If unaddressed, the impact of these challenges on the sustainability of the sector and availability of high-quality childcare could be hugely detrimental, hitting vulnerable families hardest.

Our submission sets out our evidence in response to the questions in the terms of reference. In summary:

- Childcare is prohibitively expensive and complicated for many London families. More must be done to ensure affordability and accessibility, especially for the most disadvantaged.
- Many families don't qualify for existing childcare entitlements, and maternal employment rates in London remain comparatively low. Parents (especially mothers) must not be locked out of workplaces.
- The workforce crisis in the early years sector must be urgently addressed to ensure quality and availability of childcare.
- Despite its importance in supporting children with SEND, the early years sector does not meet the needs of all such children in London. Adequate funding and resources are essential to improving this.
- In London, children from disadvantaged backgrounds remain less likely to access early education, despite being the group evidence shows would benefit most.
- Although welcome, the Family Hubs Programme does not negate the need for wholesale action from the Government to ensure the long-term viability of the early years sector, including adequate funding.

We also reiterate the key asks we made of the Government through their consultations in 2022 on childcare regulatory changes and early years funding formulae, that it must:

1. Ensure quality provision is accessible for all families, including the most vulnerable.
2. Address the workforce crisis.
3. Provide adequate, long-term funding for the sector.

Response to the questions set out under this inquiry

Childcare entitlements

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?

Whilst 'affordable' means different things to different families, many in London find childcare prohibitively expensive, and support offers too complex to navigate. Wholesale action from the Government is needed to address this.

Coram Family and Childcare's [annual childcare survey](#) reveals rising childcare costs across Britain, with London consistently amongst the most expensive regions. Inner London faces the highest cost for a full-time week (50 hours) of childcare for an under two-year-old at nursery. At £368.73, this is approximately 35% above the average for England, with prices in outer London 10% above average. Londoners also face the highest housing costs in the country, commuting costs and often less family support with childcare than other regions. This is especially worrying amidst the cost-of-living crisis, which is particularly affecting Londoners on low incomes. Soaring costs are also felt by early years settings, who (to stay afloat) may pass on additional costs to parents.

The Mayor cannot directly influence the cost of childcare, but has consistently called on the Government to address the chronic underfunding of the sector and increase funding levels to ensure its affordability and viability. He has also made clear that reducing staff:child ratios, as proposed last year, will not make childcare affordable. In a national [survey conducted by the Early Years Alliance](#), only 2% of early years settings who responded said this would result in reduced fees for parents.

Although various offers and entitlements exist to help with childcare costs, the system is complex and often difficult to navigate for parents, as well as professionals supporting them. Some parents aren't aware of their entitlements, whereas others struggle to access them. Various factors contribute including:

- limited awareness of the value of early education
- complexity of the childcare system - different types of providers e.g. schools, maintained nursery schools (MNSs) private nurseries, and confusion around statutory school age

- complexity of support offers and entitlements - these depend on children's ages and parents' circumstances (e.g. employment, income, benefit entitlement)
- limited and/or inconsistent funding for services to support parents e.g. Family Information Services
- The complexity, in large cities like London, of supporting new arrivals and families for whom English is not their first language.

London consistently lags behind the national average for take-up of free early education entitlements. This is particularly concerning for disadvantaged families, since we know low take-up exacerbates inequalities. In January 2021, only 50% of eligible two-year-olds from disadvantaged backgrounds took up a place in London, compared to 62% nationally.

We have called on the Government to do everything possible to ensure families understand the benefits of early education and access relevant support offers. This type of marketing was a recommendation of [research conducted on behalf of the GLA](#), exploring the business support needs of London's early years sector as it emerged from COVID-19. The Mayor's [London Early Years Campaign](#) responded to this need through a social media campaign and work with employers and family-facing professionals. We also promote childcare entitlements and support offers through the Mayor's [Cost of Living Hub](#) and work with Debt Free Advice.

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?

There are many families that fall through the gaps of childcare support offers. Notably, there is no government-funded childcare for children under the age of two, and no universal support until the age of three. For families just above the financial threshold for Free Early Education for two-year-olds, this can be especially challenging.

Parents (especially mothers) being locked out of the workplace by childcare costs is another concern for London. In his [Early Years in London report](#), the Mayor identified mothers' employment rates as one of four indicators to help us see whether the quality and accessibility of early years provision is improving. These numbers are historically lower in London than elsewhere, with the most recent ONS figures showing that 70.1% of mothers are in paid work, compared to the 76.6% across England.

The Mayor encourages London employers to implement a [Childcare Deposit Loan Scheme](#), like the one offered at the GLA. This supports parents with expensive upfront costs of childcare (e.g. deposits), by offering an interest-free loan - like a season ticket loan. With Gingerbread, we created a free toolkit helping employers across all sectors follow our lead.

As well as increasing overall investment in the sector, we urge the Government to review childcare support offers to ensure certain groups (especially mothers) aren't locked out of the workplace. The current 30 hours of free childcare for three and

four-year-olds in England, for example, should be expanded to parents seeking work or looking to retrain. Work may also be needed to assess the pandemic's effect on parental working patterns and childcare needs. Childcare providers must respond to these changes to ensure their own viability and ensure parents' needs are met.

Whether the current Tax-Free Childcare scheme, and support for childcare from the benefits and tax credit system, is working effectively or whether these subsidies could be better used within other childcare subsidies.

As outlined above, many parents and professionals find childcare support offers hard to navigate. This includes tax-free childcare, which has had relatively low take-up.

Stakeholders also report the Government's 'universal credit for childcare' offer is less helpful for London families. Although families claiming universal credit can claim back up to 85% of childcare costs through this scheme, this does not solve the issue that childcare costs are prohibitively high to begin with. Families still need to find money upfront for childcare fees, since any subsidy must be claimed back. Additionally, the caps on how much can be claimed (£646 a month for one child, or £1,108 for two or more) do not reflect higher prices in London. London families are disadvantaged compared to other regions and unable to claim back such a large proportion of their costs.

Early years provision

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?

Recruiting and retaining high-quality early years practitioners is a long-standing challenge. Multiple factors feed into this, notably:

- low pay
- failure to attract men to the profession – it is predominantly female
- lack of status and recognition
- unclear routes for career progression
- an ageing workforce.

The situation intensified during the pandemic, when early years practitioners were working on the frontline. A [national survey from the Early Years Alliance](#) (December 2021), revealed more than 8 in 10 settings were finding it difficult to recruit staff, and around half had had to limit the number of new children at their setting, or stop taking them altogether. Over a third of respondents were actively considering leaving the sector, often citing feeling undervalued by the Government, job-related stress and poor pay.

The Mayor is concerned about this crisis and its potential impact on the quality and sufficiency of early education in London. National trends (outlined above) are exacerbated here by the higher cost of living and higher running costs for settings. Anecdotally, stakeholders such as the London Early Years Foundation (LEYF),

which runs 39 nurseries across the capital, have reported having to turn children away because of insufficient staffing.

The Mayor invests in London's early years workforce through the devolved Adult Education Budget (AEB). In the academic year 2021-22, 5340 learners were funded across 6920 courses in child development and wellbeing, and 5050 learners were funded across 5970 courses in education and training more broadly. The Mayor's [Strong Early Years London programme](#) (May 2021 - March 2022) also offered business support to struggling early years providers, including around recruitment, retention and staff management. We are working closely with colleagues at London Councils and through the London Heads of Early Years Network as part of a working group to bring regional coordination to tackling the workforce crisis within the sector.

It is clear, however, that urgent action is needed nationally. We call on the Government to:

- provide better, long-term funding to the sector, to help address the low pay and status of the workforce, and attract more men.
- reconsider plans to relax staff:child ratios. This would stretch practitioners even more thinly and increase already high stress levels. A [survey by the Early Years Alliance](#) found 75% of practitioners not responsible for making decisions about ratios in their setting were likely to leave if guidelines were relaxed.
- ensure its investment in workforce development through the Early Years Education Recovery Programme meets the sector's long-term needs.
- bolster campaigns such as [#ChangedALife](#) (PACEY), [#FirstFiveYearsCount](#) (NDNA) and [#WeAreEducators](#) (Early Years Alliance), which highlight the importance of careers in early education.
- take longer-term action to ensure early education is seen as a viable and rewarding career path for the next generation, including men.

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.

Supporting children with SEND early in their development is vital in improving their longer-term outcomes. However, far fewer children with additional needs achieve a good level of development at age 5 compared to their peers. In 2018-19, this was 33% for London children accessing SEN support, and 81% for those with no identified SEN.

Children with low to moderate needs who attend early education settings are more likely to be identified and supported; however, there are barriers to access, including: collaboration between agencies; skills and confidence of the early years workforce; availability of suitable places; parental awareness, understanding and confidence around early education; and complexities of inclusion funding and the lack of consistency across London. Many of these challenges have been exacerbated by

the pandemic and stakeholders in London are reporting increasing levels of need, with some early years settings overwhelmed.

In his first term, the Mayor supported various initiatives to support children with SEND. For example, the Wandle Early Years Hub (one of three local hubs funded through the [Early Years Hubs programme](#)) specialised in supporting children with SEND. We also formed a [SEND task and finish group](#) trialling a best practice template for transition from early years to primary school for children with SEND.

Ultimately, however, the chronic underfunding and ongoing workforce crisis faced by the sector threaten the accessibility and quality of provision for all children - including those with additional needs. As well as addressing these issues urgently, the Mayor has urged the Government to:

- provide a long-term funding solution for MNSs, who are the backbone of London's early years SEND provision. We welcomed greater investment through the Government's recent consultation, but it must ensure this is sufficient to address the funding gap and protect MNSs long-term.
- provide additional funding in the Early Years Designated Schools Grant (EY DSG) to set up a statutory Special Educational Needs Inclusion Funding (SENIF) pot for 2-year-olds to align with the statutory duty to provide this for 3 and 4-year-olds.
- introduce a mandatory requirement for SENCOs in Ofsted registered settings to hold a higher-level SEND qualification (preferably level 7) and change the EY DSG funding formula to include funding to cover the additional cost associated with training and employing a qualified SEND practitioner in each setting.
- expand the 2-year-old free early education criteria to include children known to or referred to Specialist/Tertiary Health Services, who do not have an EHCP, so they can regularly attend an early years setting and access the Early Years Foundation Stage curriculum (for 15 hours per week).
- review the funding available to cover the additional cost of childcare for children and young people with more complex needs where the 40% tax free childcare element does not currently meet the required costs.

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

On average, London's children have better academic outcomes than the rest of the country. High-quality early education is vital to this – ensuring children are school-ready and supporting their long-term development. However, although London's children are above average in achieving a good level of development at age 5 (pre-pandemic, 74% achieved this, compared to 72% for England), many children still don't meet this standard, with some stark disparities, for example children entitled to Free School Meals (64%) and with SEN support (33%). These attainment gaps, emerging before school, widen throughout children's lives. Health inequalities including obesity and tooth decay also affect London's children from their earliest years - all with the potential to impact life chances.

The Mayor's [Healthy Early Years London \(HEYL\)](#) programme supports achievements in child health, wellbeing and development in early years settings. However, we remain concerned that children from disadvantaged backgrounds are less likely to access early education in London, despite being the group evidence shows would benefit most. The pandemic has the potential to widen entrenched disadvantage in terms of health inequalities and academic attainment.

London boroughs have raised concerns about poorer children falling behind, having missed out on early education. Moreover, inadequate government support and funding for the sector threatens to disproportionately impact families from poorer parts of London, where early years settings benefit less from funding from fee-paying parents. [Research conducted on behalf of the GLA](#) (2021) found 70% of nurseries in disadvantaged areas of London defined themselves as 'struggling', against 59% in more affluent areas. If fewer children access early years education, primary schools will have to provide more support to address gaps in school readiness in reception year and beyond.

The extent to which the reduction of Sure Start Children's Centres has affected children and families, particularly children from disadvantaged backgrounds, and the role of Family Hubs.

Through our work with the early years sector, we have seen the important role that many children's centres still play in bringing together services, acting as a hub for communities and supporting local families - particularly the most vulnerable. The [Institute for Fiscal Studies' 2019 evaluation of Sure Start](#) pointed to major health benefits for children living in disadvantaged areas. The cuts to and closure of many of these sites over recent years is certainly a loss for London.

We welcome the Government's new Family Hubs Programme and look forward to working alongside hubs where they exist. It is concerning, however, that only 16 London boroughs have been selected for the programme so far, and that many families therefore won't be served by a local hub. This programme must be adequately resourced in order to meet the needs of communities right across the capital. What's more, it must be understood that family hubs are not a magic bullet for the early years sector, which desperately needs adequate funding and resourcing to continue to serve all children – including those from disadvantaged backgrounds.

Further information about the Mayor's work to support London's early years sector is available at www.london.gov.uk/early-years

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