

**CHILD  
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GROUP**

# **Childcare and maternal employment in London: what can local authorities do?**

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Supported by Camden Council  **Camden**

## **Foreword**

Councillor Sarah Hayward

Camden's Equality Taskforce was set up in July 2012 to explore the structural and systemic reasons for inequality in the borough. The Taskforce, which I championed, was established as an independent body, chaired by Naomi Eisenstadt CB and with Alison Garnham, Chief Executive of Child Poverty Action Group (CPAG), as a key member.

The Taskforce identified one of the key structural barriers driving inequality for families as being the low rates of maternal employment in London. It concluded that low rates of maternal employment are largely caused by two factors: a lack of quality, flexible or part-time jobs and the high cost of childcare. Both mean it is often too difficult for parents to fit employment around their families. We know childcare is particularly expensive in London and, coupled with a 'low pay premium' for part-time work, this plays a significant role in whether or not the financial benefits to paid work outweigh the costs for parents.

We want to support parents to be able to access work, including good quality part-time/flexible opportunities, and we will continue to develop good quality childcare to enable this. Success in achieving this would provide a significant boost to the economy. Parents who currently stay at home to care for their children would be able to work if they wished to do so. This would increase family incomes, improve living standards and reduce dependence on benefits, as well as lifting children out of poverty and improving their learning and development outcomes.

Despite reduced funding, the Council is committed to supporting families in Camden by providing all three- and four-year-olds with 25 hours of free nursery education a week in maintained settings (not just the statutory 15 hours) for two years, and subject to review thereafter. In addition to supporting Camden's poorest families, this will also help those parents who are on middle incomes. We have also commissioned two pilot employment projects to support mothers into work. Camden has also always demonstrated a strong commitment to early years provision, including an integrated children's centre offer, incorporating employment services, commissioning a borough-wide play provision and drop-in services.

This report is a product of a partnership between Camden Council and CPAG, exploring the potential for different models of investment in childcare and early years to support greater levels of maternal employment.

Camden Council and CPAG strongly believe that local councils have a unique position of power and responsibility. We can get the right people round the table to make a difference in a way that no other organisation can, and we should consider all options to continue to support families.

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## Summary

A critical factor underlying London's high child poverty rates are the low rates of maternal employment in the capital. There is a nine percentage point gap between the number of lone parents working in London and the UK average, and a 14 percentage point gap between mothers in couples in London and the UK average.

A number of factors may be contributing to this, including both the lack of quality part-time jobs within the capital and the low wages received by those who do work part time. This report focuses on investigating the extent to which a lack of affordable, available quality childcare might play a role in holding back mothers' employment prospects.

There is substantial evidence that high quality childcare boosts children's attainment. Evidence on the extent to which an expansion in childcare leads to an increase in women's employment is harder to come by, although international evidence suggests clearly that countries that invest in publicly funded childcare for children age 0 to two have higher maternal employment rates. The concurrent increase in childcare and rise in maternal employment, particularly among lone parents in the UK during the last decade, is also suggestive of a link (although we do not have evidence that the increase in childcare had a causal effect), as is the fact that many women report in surveys that childcare is in some way a barrier to their returning to work.

Working with the London Borough of Camden, we investigated the evidence in a series of focus groups, with 27 predominantly low-income parents in four children's centres. We found that the cost and availability of childcare was one of a number of factors influencing parents' decisions about balancing paid work and care, alongside other concerns about being better off and their desire to spend time with their child:

*'Also, you feel like you are missing out, you want to be there to take your kids to school, you don't want somebody else to be doing it, you want to pick them up, you want to spend time with them in the holidays. If you are going out to work anyway, it has really got to be worth it to leave your child.'* Sarah

Some parents felt that the cost of childcare meant that they would not be better off in work:

[in response to a hypothetical example of someone getting job at £6.50 an hour] *'She wouldn't be able to afford it, she's got two kids and both of them are going to be in childcare. £6.50 an hour isn't going to cover the way for the childcare.'* Margaret

There are common gaps around: the availability of childcare reported by parents; childcare during irregular working hours; childcare during school holidays; childcare before and after school; and childcare during training. This was highlighted by one Camden parent:

*'Another thing is my college starts in September, but there was an enrolment for April. If you do a childcare course there's usually a crèche facility available, any other course there is nothing. Anything for IT, if you say you want to do a career rather than just a job, do anything past that and there is no childcare facilities.'* Leah

When asking about the support that parents wanted when considering a return to employment, we also found strong support for a personal adviser type scheme that would provide tailored advice:

*'That there should be like a personal service, maybe like a personal system that would actually sit down and work with the client for maybe over a year or 18 months and so help them find the path that is best for them, and not them compromising just because they need a bit of money.'* Roxanna

In addressing childcare constraints, local authorities are to some extent limited by central government policy and wider funding constraints. Local authority budgets are declining sharply, and there are concerns that the funding to extend the offer of 15 hours a week free childcare to disadvantaged two-year-olds is not funded at a sufficient rate to ensure high quality childcare provision for this group.

However, the local authority can still make discretionary decisions about where to target resources, and we argue that investing in childcare will pay off in the short, medium and longer term.

We believe that promising approaches for local authorities include the following.

- **Following Camden's example and expanding the hours during which free childcare is provided for three- and four-year-olds.** From September 2013, parents of three- and

four-year-olds in Camden (children in schools and maintained children's centres) will be able to access 25 hours of nursery education (10 hours more than the statutory offer of 15 hours) for the next two years, and subject to review thereafter.

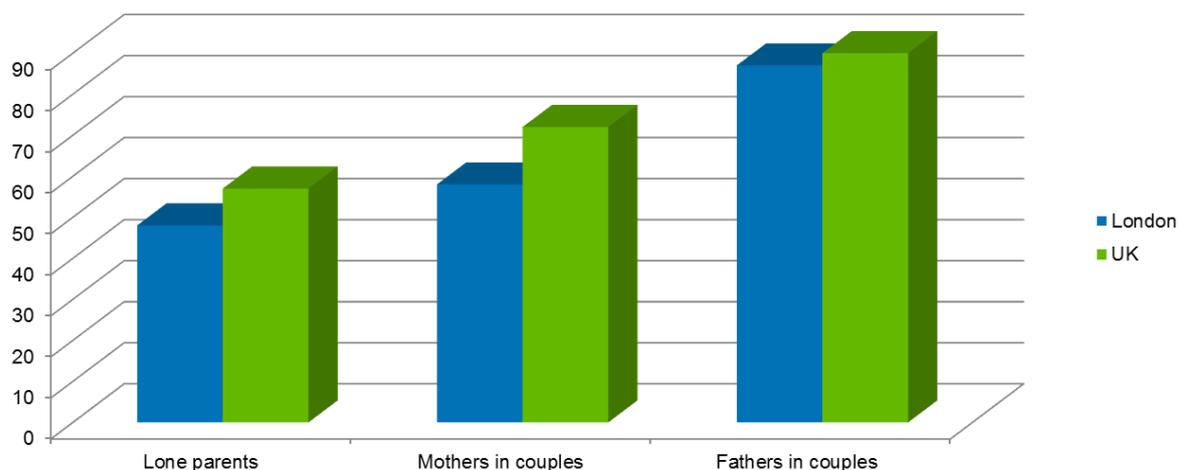
- **Providing a targeted package of employment support to mothers, combining advice on training, volunteering, childcare and employment options.** We suggest that this builds on and incorporates existing employability support, and that it is initially targeted at parents accessing the childcare offer for disadvantaged two-year-olds and those who have a child starting school.
- **Reviewing current childcare support and, where possible, prioritising support for parents who take up a training place that has a clear employment outcome.** We suggest that this is the 'childcare gap' that local authorities could seek to fill first, again drawing on the existing provision of childcare support for training, but providing a 'backstop' to ensure that parents who want to improve their employment prospects are able to do so.
- **Extending the provision of before- and after-school childcare at affordable rates.** In seeking to fill other childcare gaps, we recommend that local authorities work to extend provision of before- and after-school childcare, either directly or through supporting delivery partners and commissioned services to extend current provision. This provides support to parents at a point when they are likely to be already considering employment, may have additional benefits in terms of children's attainment, and may be more affordable to achieve, avoiding the high premises costs that form a substantial part of the London childcare premium.

One

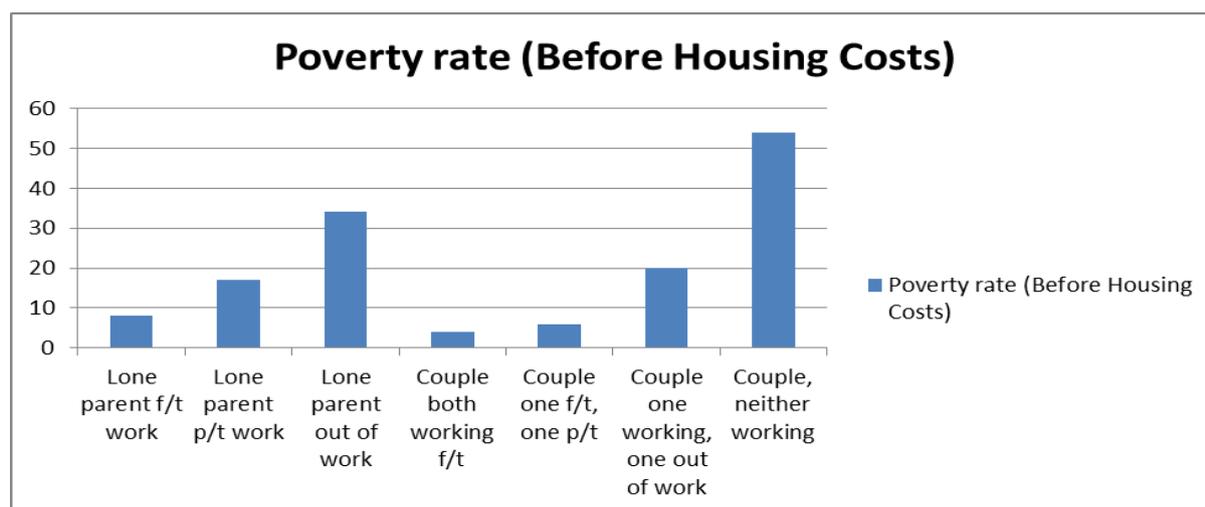
### Maternal employment, childcare and child poverty

CPAG wants no child to grow up in poverty, and each local authority in England has a duty to prepare a child poverty strategy. London has the highest rates of child poverty in the country, with more children living in poverty in the capital than in any other region.

### Employment rates among parents in London, 2011 (% in employment)



### Poverty rates among families with different work patterns



Source: *Households Below Average Income 1994/95-2011/12*

A critical factor underlying London's high child poverty rates are the low rates of maternal employment in the capital. There is a nine percentage point gap between the number of lone parents working in London and the UK average, and a 14 percentage point gap between mothers in couples in London and the UK average. The child poverty rate among lone-parent families in which no one works is 34 per cent (before housing costs) compared with 17 per cent where parents work part time, and 8 per cent in families in which a parent works full time. For couples, the risk of poverty is 54 per cent with no one in work, 20 per cent with one partner in work and one not working, 6 per cent with one partner in full-time work and one in part-time work, and just 4 per cent where both work full time.<sup>1</sup>

### **The role of part-time work in influencing maternal employment in London**

One key factor potentially underlying low rates of maternal employment in London is the lack of quality part-time job opportunities. Mothers at the lower end of the labour market face a substantially lower 'London premium' in their wages than those elsewhere, meaning that the gains of working compared with the costs are likely to be lower than elsewhere in the country. And there is a lower level of part-time opportunities available in higher level jobs, particularly in 'administrative and secretarial' and 'associate professional' roles.<sup>2</sup> This leaves few good quality part-time vacancies available to parents: only 3 per cent of vacancies in London are for part-time roles with a full-time equivalent salary of £20,000 or more, in sharp contrast to the full-time market, where the majority of roles pay over £20,000.<sup>3</sup>

Part-time work is not the right option for all parents and the recession has seen a rise in the number of people who are working part time involuntarily.<sup>4</sup> Twenty-four per cent of those in part-time work across the country say that they are working fewer hours than they wish to: in London between 2009 and 2012, an average of 10 per cent of all workers were under-employed.<sup>5</sup> However, many mothers express a preference for part-time work. A recent survey by the Resolution Foundation and NetMums found that:<sup>6</sup>

Across all groups, 70 per cent of part-time working women with young children [under five] felt that they had freely chosen to work part time. This is despite the fact that almost all (93 per cent) worked full time before having children and two-thirds (67 per cent) planned to increase their working hours once their children were older. For many respondents, their decision to work part time reflects their preference for being more involved in bringing up

their children than they could be if working full time. Many said that they did not want to miss out on the important early years in their child's life.

There is also evidence of a significant pay penalty for women who move into part-time employment, linked to the fact that such employment is often unavailable in higher skilled jobs. As the Resolution Foundation put it:<sup>7</sup>

Part-time work tends to be concentrated in low-paid and low-skilled jobs, where opportunities for progression may be limited. This unduly affects women as only 7 per cent of men with dependent children work part time. Previous work by the Resolution Foundation has demonstrated that those working part time were less likely to move up the earnings ladder in their thirties compared to those working full time, regardless of qualifications and other characteristics. Many respondents to our survey complained about being held back by working part time.

This means that higher skilled women are often forced to take jobs below their skill level, in turn reducing the opportunities for lower paid women to take up part-time work. This suggests that efforts to tackle the lack of part-time opportunities in the London labour market should be concentrated on higher level jobs, as well as on ensuring that lower level part-time jobs pay sufficiently well to be worthwhile.

Universal credit will bring some benefits to those in lower level part-time roles, ensuring that in-work financial support (including support with childcare) is available to those working below 16 hours for the first time. However, the in-work conditionality that is also a feature of universal credit will encourage parents to work for at least 16 hours.<sup>8</sup>

### **Where does childcare fit in?**

The fact that there is a 'low pay premium' for part-time work in London means that the cost of childcare may play a particularly important role in determining whether or not the financial benefits of paid work outweigh the costs for parents – with those costs comprising both the direct costs of employment (transport, school food, the loss of out-of-work benefits, childcare) and the emotional or other costs of spending less time with children. We know that childcare is particularly expensive in London, with the Family and Childcare Trust finding that the average cost of a nursery place for a child under two is 26 per cent above the national average.<sup>9</sup>

A report published by the Greater London Authority in 2012 identified the main reason behind London's higher childcare prices as the costs faced by providers:<sup>10</sup>

The majority, of providers' costs come from staff and accommodation, which are both considerably higher in London than elsewhere. For example, ground-floor nursery rents are £100 to £250 in London, compared to £40 or £60 for Stockport in Greater Manchester. Staff costs are 20–30 per cent higher in London. Staff and accommodation costs are also difficult to reduce, because of the need to meet regulations in terms of staff ratios and qualifications, and in terms of the suitability and safety of premises. A desire to deliver high quality provision also reduces opportunities to reduce staff and accommodation costs.

The interaction between low rates of maternal employment in London, child poverty, the lack of part-time work and the high costs of childcare has been understood for some time. However, we have lacked a clear analysis of the options for local authorities to take action in this area, particularly around their role in mitigating the costs of childcare. This piece of work aimed to address this gap. It is based on:

- a rapid literature review of the evidence on the impact of childcare on maternal employment;
- four focus groups held with parents in Camden (details of the parents who participated are in Appendix 1). A total of 27 parents took part.
- a roundtable held with officers from local authorities and representatives of think-tanks.

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<sup>1</sup> *Households Below Average Income 1994/95-2011/12*

<sup>2</sup> D Gaffney, 'Trends in child poverty and parental employment in London' in K Bell (ed), *We Can Work It Out: parental employment in London*, CPAG, 2012

<sup>3</sup> E Stewart, 'Tackling the lack of part-time work in London' in K Bell (ed), *We Can Work It Out: parental employment in London* CPAG, 2012

<sup>4</sup> Office for National Statistics, 'People in work wanting more hours increases by 1 million since 2008' at [http://www.ons.gov.uk/ons/dcp171776\\_289024.pdf](http://www.ons.gov.uk/ons/dcp171776_289024.pdf), 2012

<sup>5</sup> Office for National Statistics, 'People in work wanting more hours increases by 1 million since 2008' at [http://www.ons.gov.uk/ons/dcp171776\\_289024.pdf](http://www.ons.gov.uk/ons/dcp171776_289024.pdf), 2012

<sup>6</sup> V Alakeson, *The Price of Motherhood: women and part-time work*, Resolution Foundation, 2012

<sup>7</sup> V Alakeson, *The Price of Motherhood: women and part-time work*, Resolution Foundation, 2012

<sup>8</sup> Department for Work and Pensions, Universal Credit Policy Briefing Note 12, *Conditionality Under Universal Credit: the work search and work availability requirements*, 2011, available at <http://webarchive.nationalarchives.gov.uk/+http://www.dwp.gov.uk/docs/ucpbn-12-work-search.pdf>

<sup>9</sup> Family and Parenting Institute/Daycare Trust, *Childcare Costs Survey 2013*, 2013

<sup>10</sup> *Tackling Childcare Affordability in London*, Greater London Authority, 2012

Two

### **Childcare and children's attainment**

The focus of this report is on the potential impact of childcare on increasing parental employment. However, it is important to note the important contribution that high quality childcare can make to increasing children's attainment, particularly for the most disadvantaged children.

The international evidence was summarised by Edward Melhuish in CPAG's recent publication *Ending Child Poverty by 2020*:<sup>1</sup>

Early childhood education and care has positive, long-term educational, occupational and social outcomes for disadvantaged children. The benefits improve subsequent educational levels, socio-economic status, income and health, as well as reducing crime, thus making early childhood and care programmes cost-effective; the savings made through later outcomes outweigh any initial costs. The benefits for school readiness are long term and the UK can take lessons from other countries in this regard. For example, pre-school is associated with increased qualifications, employment and earnings up to age 33. In France, pre-school is a universal, free, education programme, with access from age three. During the 1960s and 1970s, large-scale expansion led to the enrolment of three-year-olds increasing from 35 per cent to 90 per cent and of four-year-olds from 60 per cent to 100 per cent. State-collected data reveal sizeable and persistent effects, such that pre-school helps children succeed in school and obtain higher wages in the labour market. It also reduced socio-economic inequalities as children from less advantaged backgrounds benefited more than the more advantaged. Likewise, in Switzerland, the impact of pre-school expansion was associated with improved inter-generational educational mobility, with children from disadvantaged backgrounds benefiting most. Further evidence comes from the expansion of pre-school education in Norway, where different implementation by municipality reveals that pre-school was associated with strong benefits for later educational and labour market outcomes. Similar evidence exists outside the developed world. Pre-school boosted primary school achievement in Bangladesh, with similar results reported for ten other countries. Pre-school expansion in Uruguay and Argentina also revealed clear benefits.

Substantial evidence for the impact of quality pre-school education has been found for the UK, through the Early Provision of Preschool Education (EPPE) project, which found the following:<sup>2</sup>

- The positive benefits of both medium and high quality pre-school education persisted to the end of Key Stage 2 for attainment in reading/English and mathematics and all social/behavioural outcomes. Also attending a more effective pre-school showed long term benefits for mathematics.
- Moreover, having attended a high quality pre-school was especially beneficial for boys, pupils with special educational needs and those from disadvantaged backgrounds for most social/behavioural outcomes.
- High quality pre-school was especially beneficial for the most disadvantaged pupils and for those of low qualified parents in promoting better mathematics outcomes at age 11.
- Children who had attended poor quality/less effective pre-school generally showed no significant age 11 benefits in improved outcomes compared with those who did not attend any pre-school. However, they did show better pro-social behaviour but poorer ratings for hyperactivity.

The EPPE project was clear that for pre-school to have a positive impact on children's outcomes, it needs to be of high quality:

- The quality of the pre-school attended, both medium and high (measured on the Early Childhood Environment Rating Scales<sup>3</sup>) was an important predictor of all children's developmental outcomes, cognitive and social behavioural.
- When compared to children who had not attended pre-school, children who had attended poor quality/less effective pre-school generally showed no significant benefits in terms of improved outcomes.

It is clear that at national level, government takes seriously the benefits of investment in early education and childcare, and expects that significant cost savings will arise from extending the free entitlement from 12 to 15 hours per week. In a recent report, the National Audit Office set out the Department for Education's cost assumptions in this area, although it expressed some reservations about whether these could be robustly supported when it comes to maintaining the impact of early education on children's outcomes beyond age seven:<sup>4</sup>

The Department has estimated an additional cost of £250 million each year to extend the entitlement to 15 hours per week. It estimated monetised benefits in two areas. Firstly, the increased hours and flexibility of the offer should increase the number of working parents,

generating an additional £4.4 billion in annual family income. Secondly, receiving the entitlement should improve educational outcomes for children later in life. In its impact assessment, the Department estimated that a pupil achieving five A\*–C grades at GCSE will have lifetime earnings £45,000 greater than a pupil with no GCSEs. On this basis, the Department states that the benefits of extending the entitlement would exceed costs if 5,542 extra children gained five GCSEs at C or above... the Department points to the additional 30,000 children achieving a good level of development in the Foundation Stage profile in 2010 compared with 2009 as an indicator that its investment in the early years is having a positive impact on children...

The Department's evidence base for investing in early education anticipates continued benefits from the entitlement at age seven and beyond. The first cohort to benefit from the universal free entitlement for three-year-olds would have reached the end of Key Stage One in 2009. As shown in Part Two, national Foundation Stage profile results have improved. Although there have been changes in the scope and nature of the entitlement, and its relationship with Key Stage One results is not straightforward, the 2011 national Key Stage One results from teacher assessments at age seven have shown almost no improvement since 2007.

Nevertheless, the case for investing in early education in terms of improving children's attainment appears strong. Government is already extending the free entitlement to around 20 per cent of the least advantaged two-year-olds from September 2013, and to around 40 per cent from September 2014.

This piece of work did not look at additional interventions in childcare and early education in terms of improving children's attainment. However, we assume that this is a key aim of childcare policy, and that any interventions aimed at increasing maternal employment must not compromise childcare quality. There are some concerns that the funding of the extension of the free entitlement for two-year-olds is insufficient to deliver this within high quality settings in London. Research by London Councils and the Daycare Trust found that:<sup>5</sup>

Government revenue funding to London boroughs provides between £5.28ph and £6.08ph to providers delivering the two-year-old offer. In at least 19 local authorities, many good and

outstanding Ofsted-rated providers intend to opt out of delivering free places, as this funding will not cover their costs.

This may have cost implications for local authorities wanting to ensure that two-year-olds accessing the free entitlement receive high quality provision.

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<sup>1</sup> E Melhuish, 'The impact of poverty on child development and adult outcomes: the importance of early years education' in L Judge (ed), *Ending Child Poverty by 2020: progress made and lessons learned*, CPAG, 2012

<sup>2</sup> K Sylva, E Melhuish, P Sammons, I Siraj-Blatchford and B Taggart with S Hunt, H Jelcic, S Barreau, Y Grabbe, R Smees and W Welcomme, *Effective Pre-School and Primary Education 3-11 Project (EPPE 3-11) Final report from the Primary Phase: Pre-School School and Family Influences during Key Stage 2 (Age 7-11)*, Institute of Education and Department for Children, Schools and Families, 2008

<sup>3</sup> The Early Childhood Environment Rating Scale includes measures of: space and furnishings; personal care practices; language and reasoning; pre-school activities; social interaction; programme structure and adults working together. See <http://eppe.ioe.ac.uk/eppe/eppepdfs/ChileECERSPaper2001.pdf>

<sup>4</sup> National Audit Office, *Delivering the Free Entitlement to Education for Three- and Four-year-olds*, 2012

<sup>5</sup> J Rutter, B Evans and R Singler, *Supporting London Local Government to Deliver Free Early Education for Disadvantaged Two-year-olds*, London Councils, 2013

Three

### **Can the provision of childcare increase maternal employment?**

Intuitively, the availability of affordable childcare should increase the potential for parents, and particularly mothers who still bear the weight of childcare responsibilities, to participate in paid employment. If childcare is not available or if the costs of childcare outweigh the gains from employment, one parent in a couple, a lone parent or an additional family member will need to care for any child in a family, either before they are school age or during times when they are not in school.

This intuition to some extent seems to be borne out when looking at international data. A 2008 paper comparing Italy, Spain, France, Belgium, The Netherlands, Denmark and the UK found that:<sup>1</sup>

- The availability of childcare significantly increases the probability of maternal employment (it focuses on childcare availability for children aged 0 to two).
- This effect is greater for women with lower qualifications (who are less likely to work than those with higher qualifications).
- The availability of high quality part-time work also increases the probability of employment, but part-time work in general, which may be characterised by insecure and temporary contracts, decreases the probability of maternal employment (re-emphasising the need to focus on quality part-time jobs, rather than simply an expansion of part-time work).

A 2005 paper using data from 19 countries included within the Luxembourg Income Study also found that 'public provision of childcare for young children is positively associated with the effect of having young children on the probability of employment and it is also positively associated with the effect of having older children and marriage on the probability of employment'<sup>2</sup> – that is, the provision of childcare limits the extent to which having young children, older children or being married reduces women's employment rates. (The measure of childcare used in this case is the provision of publicly funded childcare for children aged 0 to two.)

We have less UK-specific evidence, despite the significant increase in childcare provision over the past decade. Interventions in childcare since 1997/98 have included:<sup>3</sup>

- The publication of a national childcare strategy in 1998, and the Childcare Act 2006, which requires local authorities to secure sufficient childcare for working parents within their local area.
- The Neighbourhood Nurseries initiative, which by 2004 had created around 45,000 childcare places in disadvantaged areas.
- The introduction of Sure Start local programmes, followed by Sure Start children's centres.
- The introduction of free entitlement to early education for three- and four-year-olds in 1998, extended to 15 hours in 2010 and available to some two-year-olds since 2006.

Over this period, the proportion of households with dependent children in which no one is in work has decreased, from 16.1 per cent in 1998, to 12.8 per cent in 2012. The decline has been particularly significant for lone-parent households, from 49.4 per cent to 37.4 over the same period.<sup>4</sup>

However, we cannot attribute these changes directly to increased childcare provision – the same period has seen both economic growth and then recession, in addition to factors that may have directly influenced parents' participation in employment, such as 'welfare-to-work' policies and the introduction of tax credits. Researchers at the University of Essex are currently using data on the introduction of the free entitlement at different times in different places in the country to investigate whether this had an impact on employment decisions – however, this project will not be completed until 2014.<sup>5</sup>

We do, however, have some suggestive evidence that parents now see childcare as less of a barrier to employment than previously. The Families and Children Study, previously run by the Department for Work and Pensions, asked parents who were not working for their reasons for not doing so. In 2001, 17 per cent of lone parents and 11 per cent of couples said that they were not looking for work because there was no childcare available.<sup>6</sup> By 2007, this had fallen to 3 per cent of lone parents and 4 per cent of couples.<sup>7</sup> The pattern for those who said they were not looking for work because they could not afford childcare was slightly different – this fell from 14 per cent to 12 per cent of lone parents, but rose from 4 to 14 per cent of couples.

The Department for Education's Childcare and Early Years Survey for 2009 also reports falls in the proportion of mothers saying they are not working for childcare reasons:<sup>8</sup>

There has been a decline in the number of mothers reporting childcare as a barrier to work since the survey series began in 1999. If we look at mothers who said they could not find free/cheap childcare which would make work worthwhile, this was reported by 23 per cent of mothers in 1999, but 17 per cent of mothers in 2009. This trend is particularly pronounced for lone mothers: 20 per cent of non-working lone mothers reported this in 2009, compared with 31 per cent reporting this in 1999.

Predicting trends in childcare usage is difficult, as the financial support for childcare is currently in a state of flux. The amount of support available for childcare costs through working tax credit was reduced from 80 to 70 per cent in April 2011. The new universal credit will, when introduced, extend childcare support to those working under 16 hours a week. In Budget 2013, the government announced an extension of childcare support via vouchers and some additional funding within the universal credit scheme to be available after the general election in 2015, although the details of this have yet to be worked out fully.<sup>9</sup>

However, the fact that 17 per cent of mothers were still reporting childcare as a barrier to employment suggests increasing the supply of available, affordable quality childcare further could, by removing this barrier, increase parents' chances of moving into paid work. The most recent (2012) Childcare and Early Years Survey found that at a national level:<sup>10</sup>

- Just over one-quarter (26 per cent) of families found it difficult or very difficult to meet their childcare costs, not significantly different from 2010 (25 per cent). Just over half found it easy or very easy (51 per cent), the same proportion as in 2010. Workless families and lone parents were most likely to find it difficult to meet their childcare costs.
- Views on childcare availability were more mixed: 44 per cent felt the number of local childcare places was 'about right'. Thirty-five per cent rated the affordability of local childcare as good, although the proportion rating this as 'very poor' rose significantly from 13 per cent in 2010 to 16 per cent in 2011.
- Parents' views on the flexibility of the available childcare were generally fairly positive: a minority (20 per cent) of parents encountered problems finding childcare that was flexible enough to fit their needs, compared with 44 per cent who did not encounter problems. Parents living in London were more likely to have encountered problems finding sufficiently flexible childcare.

- Less than half (41 per cent) of parents with disabled children thought that local childcare providers could cater for their child's illness or disability.
- Just over half (53 per cent) of non-working mothers said that they would prefer to work if they could arrange reliable, convenient, affordable, and good quality childcare.

A survey undertaken by MORI for the Department for Work and Pensions to inform the government's childcare commission also found that parents were willing to use additional childcare in order to take up work, or to work more hours, provided that childcare was affordable:<sup>11</sup>

- In households with one or more parent not working full time, 29 per cent said they were likely to pay for more childcare to enable them to start work or increase their hours if they were paid enough to cover their additional childcare costs.
- Among the same households, willingness to use more childcare to enable more work was higher at 48 per cent if the government were to cover the extra childcare costs.
- Willingness to use more formal childcare to increase hours worked if the government covered the extra cost of childcare was higher in:
  - households already using formal childcare (70 per cent);
  - couple households attached to the labour market and in some form of employment – eg, in 55 per cent of households with one full-time and one part-time parent.
- This willingness appears to increase with household income up to those earning £35,000 to £60,000 a year, of which 54 per cent said they would be willing to use more formal childcare as a means to increase their hours of work if the government covered the extra cost of childcare.

We therefore have suggestive evidence that childcare remains a barrier to employment for some women, and that increasing the availability and affordability of childcare could encourage these women to move into employment. However, the availability of publicly funded childcare is clearly not the only factor influencing mothers' decisions about employment, which may also depend on (in addition to the availability of part-time work) their access to informal childcare, their own skills and qualifications, other factors that influence the financial gains to employment, and their own preferences about the balance between paid work and care. The next section looks at the extent to which childcare may act as a barrier to employment in London, focusing on the experience of parents in Camden.

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<sup>1</sup> D Del Boca, S Pasqua and C Pronzato, *Motherhood and Market Work Decisions in Institutional Context: a European perspective*, Dondena Working Paper No 11, 2008

<sup>2</sup> B Pettit and J Hook, 'The structure of women's employment in comparative perspective', *Social Forces*, Vol. 84, No. 2, 2005, pp 779-801

<sup>3</sup> See S Dickens, I Wollny and E Ireland, *Childcare Sufficiency and Sustainability in Disadvantaged Areas* Department for Education, 2012, available at

<https://www.education.gov.uk/publications/eOrderingDownload/DFE-RR246.pdf>

<sup>4</sup> Office for National Statistics, *Working and Workless Households 2012: statistical bulletin*, 2012, at

[http://www.ons.gov.uk/ons/dcp171778\\_277448.pdf](http://www.ons.gov.uk/ons/dcp171778_277448.pdf)

<sup>5</sup> See <https://www.iser.essex.ac.uk/projects/the-effect-of-free-childcare-on-maternal-labour-supply-and-child-development>

<sup>6</sup> D Kasparova, A Marsh, S Vegeris and J Perry, *Families and Children 2001: work and childcare*, Department for Work and Pensions, 2003, available at

[http://webarchive.nationalarchives.gov.uk/20130314010347/http://research.dwp.gov.uk/asd/asd5/rrep191.p](http://webarchive.nationalarchives.gov.uk/20130314010347/http://research.dwp.gov.uk/asd/asd5/rrep191.pdf)

<sup>7</sup> D Philo, N Maplethorpe, A Conolly and M Toomse, *Families with Children in Britain: findings from the 2007 Families and Children Study (FACS)*, Department for Work and Pensions, 2008, available at

<http://webarchive.nationalarchives.gov.uk/20130314010347/http://research.dwp.gov.uk/asd/asd5/rports2009-2010/rrep578.pdf>

<sup>8</sup> R Smith, E Poole, J Perry, I Wollny and A Reeves, with C Coshall, J d'Souza and C Bryson, *Childcare and Early Years Survey of Parents 2009*, Department for Education, 2010, available at

<https://www.education.gov.uk/publications/eOrderingDownload/DFE-RR054.pdf>

<sup>9</sup> See the Written Answer to Steve Webb to a Written Parliamentary Question on 10 April 2013 at

<http://www.theyworkforyou.com/wrans/?id=2013-0410a.149975.h&s=section%3Awrans+speaker%3A24896#g149975.q0>

<sup>10</sup> T Huskinson, J Pye, K Medien, S Dobie, C Ferguson and C Gardner, with N Gilby, M Littlewood and J D'Souza, *Childcare and Early Years Survey of Parents 2011*, Department for Education, 2013, available at

<http://media.education.gov.uk/assets/files/pdf/m/sfr08-2013.pdf>

<sup>11</sup> I Borg and A Stocks, *A Survey of Childcare and Work Decisions Among Families with Children*, Department for Work and Pensions, available at:

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Four

## **Is childcare a barrier to employment in London?**

### **Findings from the roundtable with local authorities**

As set out earlier, we have good reasons for thinking that the availability and affordability of childcare in London might, in part, explain London's low rates of maternal employment. The average cost of a nursery place for children under two in London is, at £5.33 per hour, 25 per cent higher than the average across Britain.<sup>1</sup> Childcare use is considerably lower in London. The latest Department for Education Childcare and Early Years Survey finds that a:<sup>2</sup>

... consistent finding from previous surveys in the series is that the take up of childcare has varied across regions within England, with far lower take up in London than elsewhere in the country (Smith et al 2010). The 2011 survey again reveals this pattern, with London being the only region in which less than half of children (46 per cent) received childcare... The low overall take up of childcare in London can be attributed, to a large extent, to the low take up of informal childcare in London (8 per cent, compared to 30 per cent overall). However formal childcare is also lower in London than in other regions (41 per cent compared to 51 per cent overall).

(The Daycare Trust defines informal childcare as 'childcare that is largely unregistered by the state for quality control, child protection and/or taxation purposes.'<sup>3</sup>)

Discussion with representatives from local authorities suggested that some of the barriers to the take up of childcare in London relate less to the cost of childcare than to perceptions about the appropriateness of childcare use, with some parents reluctant to use formal childcare. In the roundtable discussion with local authority representatives, take up was also identified as a potential issue when it comes to the extension of the free entitlement for two-year-olds: local authorities believed that childcare delivered in schools or maintained nurseries was perceived as acceptable and as part of the education sector, but that parents were much more cautious about using childminders. Local authority representatives also identified a lack of knowledge or information about childcare as an issue potentially influencing parents' decisions about whether to take up childcare for employment purposes, with perceptions of the cost of childcare not necessarily reflecting the reality. Finally, and reflecting the finding that childcare flexibility is a particular issue in

London, local authorities suggested that a lack of flexibility in delivering the free entitlement meant that its role in facilitating employment was limited.

### **Findings from focus groups in Camden**

To examine the extent to which these factors were affecting childcare use in Camden, and parents' perceptions of the extent to which childcare formed a barrier to employment, we held four focus groups with Camden parents. The focus groups were held at children's centres in four locations across Camden, with a mix of working and non-working parents recruited via the centres (the vast majority of participants were not in employment). Further demographic information about focus group participants is given in Appendix 1, and the topic guide for the focus groups is in Appendix 2. All details of these parents have been anonymised.

### ***Making decisions around paid work***

Focus group participants were asked to consider a hypothetical situation of a lone parent with two children considering a return to work. Childcare formed a key part of discussions about the issues this parent would face, but it is important to note that decisions around childcare interacted with a wider set of issues around the financial gains to working overall, personal preferences around the balance between employment and caring for children, and the availability of suitable employment. Parents held a wide range of views about whether or not those with (young) children should be in paid work, but it was clear that in order to justify time spent away from children, work needed to be seen as 'worth it', both financially and in terms of the level of additional stress it would cause the parent:

*'Also you feel like you are missing out, you want to be there to take your kids to school, you don't want somebody else to be doing it, you want to pick them up, you want to spend time with them in the holidays. If you are going out to work anyway, it has really got to be worth it to leave your child.'* Sarah

*'To treat your children and treat yourself.'* Ava

*'You do it for a better life for them, so if you are not that much better off you might as well not bother and spend that time with them.'* Sarah

*'I guess the people that use it are the people that know that their job is so damned good that they are going to weigh it against that. They think, 'I am on 100 grand a year down the city' they have got to do it. People in our spectrum, I don't know everyone's finances, I am just saying, probably a lot lower, so we have to weigh the difference and probably think about the welfare of our kids.'* Mike

Several parents talked about wanting to work in order to set a good role model for their children, but this was seen as something to balance against providing children with the parental care that they need, and ensuring that there was enough money coming in to the household:

*'Then you can get that stigma of having the latch-key children because the parents aren't there for their children, not raising them. So it is a Catch 22, but then you can have your child and you want to be a good role model to your child and say this is how you get up and go to work.'* Jane

*'When I worked, by the time I paid everything out there was nothing and at the moment I'm not working. I've been out of work for three years and I put my hands up, it is easier not working at the moment, but it's boring. As we said before you don't want your children to grow up thinking this is it, benefits and nothing else. You want to show them that you can be a single mum and you can work full-time hours and give them everything they want, but the wage has to be there. You want to be able to give them everything and show that that's not the only option, this is also an option and be able to live on it. I think we want to be able to have money and work and we can't.'* Zara

### **Childcare costs**

Childcare costs played a large part in parents' thinking about whether they would be better off in work. However, considerations around childcare costs were weighed up in relation to overall household budgets and the potential for an increase in overall household costs that going back to work can trigger. High rents were mentioned several times in this context:

*'About the working tax credits, when you go back to work the jobcentre tells you about what you are entitled to and everything. So when they tell you that you are going to go back and you are going to get total tax credits when you start working full time and they do give the tax credits, everything goes up, everything you have to pay for. So with that, you have to pay*

*your rent, so by us just getting tax credits because that's not enough. That's not enough because you have got your rent, you've got your council tax, you've got everything and then you have to pay for your own childcare. So working tax credits is not enough for childcare...*

Rebecca

[in response to the hypothetical example of someone getting job at £6.50 an hour] *'She wouldn't be able to afford it, she's got two kids and both of them are going to be in childcare. £6.50 an hour isn't going to cover the way for the childcare.'* Margaret

*'There is no point paying for childcare because when you work, if you don't work 16 hours, because I had a job before and if you are on income support but you don't work 16 hours, you only get to keep the first £20 of what you make. After the first two hours, you are working for free. If you have got to pay for travel and then pay for childcare, you are basically working for nothing, it is voluntary, there is no point.'* June

*'I agree with you, this is a problem. I am working to give all my salary to childcare. I stay with my kids, it is better for me.'* Desiree

When asked what parents would like to ask the leader of the Council to introduce if they had the power to do so, several suggested free or more affordable childcare as an option:

*'I was thinking, I don't know if the Council can come up with especially for people who are parents who are wanting to go to work or are at work, if they can open a crèche [for those] with less pay or not paid.'* Sharon

*'I am thinking about free childcare, I am thinking when I want to go back to work I don't want to have to be worrying about paying for childcare for my children. I want it to be worth my while to go back to work to provide a good life for my children. That is something I would like to consider.'* Sophie

One issue to emerge from the focus groups was the problems involved in the targeted provision of childcare. Several parents mentioned the fact that while non-working parents received subsidised after-school places, these were more expensive for parents who were in work. One parent also mentioned this in the context of free places for two-year-olds:

*'They've got also, I could be wrong in saying that if you work full time you have to pay for breakfast and school clubs, but if you are on benefits it's all given to you for free. You can put your children in a breakfast club for like 50p and after-school club for a £1, yet if you work full time you pay the full rate, which is wrong because you are willing to work. So if you are willing to work, wouldn't it be better to give the ones that want to the free places. I mean, if you are on income support like I am your child gets a full-time place from 9am to 3.30pm. If you work, you get a part-time place. I think they might be changing the law, but...'* Zara

*'If the school ran one [breakfast club] which was a bit more subsidised, a bit cheaper or you qualified because you were working rather than on benefits or social services, then it would help.'* Sarah

One parent also mentioned the fact that because she had a partner this excluded her from much targeted assistance, and felt that addressing this should be a priority for action:

*'Mine would be I think helping parents on a low income who are not on benefits because it seems, and obviously I am not knocking anybody, but it seems that those who are get everything and if you are not you don't get help with nothing. I think that would be mine.'*  
Ava<sup>4</sup>

### **Childcare preferences**

While the focus groups did not specifically probe for information on the type of childcare parents preferred, there were several concerns expressed around childminder use, echoing the finding from the local authority roundtable that many parents are cautious about using this form of provision:

*'I am worried to give my children to other person... They are just kids; they don't know what they are doing to them. Maybe the childminder is very good, but maybe the childminder has a guest which is very bad.'* Sylvia

*'I am not going to put my kid in a childminders. I could sit at home with my kid in my house all day. I could sit and watch TV and watch my child, I don't need someone else to do that.'*  
June

However, it should be noted that the parents we spoke to had been recruited via children's centres, and may therefore be more likely to favour centre-based care.

Parents, in general, appeared to appreciate the free early years entitlement, but the (current) 15-hour offer was seen by some as 'cup of tea' childcare (giving time for this only), that was insufficient to enable employment:

*'I would say it's not enough, it's not enough...'* Moira

*'It is good for a cup of tea because my last son, he is three and he's got a place at pre-school. So that's like four hours every day and I think he gets a free entitlement and it's enough for me to take him there, maybe go and do a bit of shopping, grab a cup of tea. You've got to pick him up and wait for two hours and then go and pick up my other children.'* Margaret

The presence of family members or a supportive partner made a critical difference to many parents' employment prospects, with these individuals able to provide care that was both seen as trustworthy and free:

*'It is hard working full time when you have got children, but I was fortunate enough that my mother looked after my first child while I worked full time. I didn't have childcare costs, I didn't claim any benefit or anything like that, it was only when she got ill and I had no one to look after my kids.'* Sophie

*'Hopefully he [the partner of the parent in the hypothetical case study] can have a flexible job that he can work hours around the childcare hours.'* Jackie

### **Specific childcare gaps**

Issues around the availability of childcare were linked both to issues around the cost of provision, and to working hours.

**Irregular working hours.** One parent mentioned that she had been unable to find childcare to fit her preferred working pattern:

*'Until I had my son, until last year I was a social worker. No childminders want to take your child from 3 pm until 10 pm, neither do they want to sit in your house from 3 pm until 10 pm. So I'm trying to explore other career options and again I was a bit reluctant to, but no one wants to take your child from five o'clock in the morning. So I'm trying to find a new career, even though that's what I really love.'* Jackie

**School holidays.** Parents in all four focus groups raised the issue of what to do with children in the school holidays as a particular barrier to employment:

*'There is another problem, if you send them to a full-time nursery but there is still a holiday, it is a bank holiday, half term and you have to work as well, what do you do with the children? Again there is a problem...'* Fiona

*'Example – in this nursery they are open most of the year round, but they take, is it the last four weeks of the summer holidays off? So you would have to fit your holidays in with them. A lot of places would not accept four weeks in one go.'* Fiona

*'In the school holidays, that is another issue for me. My children, even weekends they want me to be with them all the time or take them out. During the holidays, my son will say, 'Mum that is not fair, you are busy, you are doing this or doing that'. What is going to happen during the holidays?'* Cristina

*'That also impacts on the cost doesn't it, because if you are working during that six-week period and you haven't gone for one of those private nurseries or got a nanny, you have got to pay the childminder more money to look after your kids while you are working.'* Anna

**Childcare before and after school.** Concerns were also raised about being able to pick up children before and after school. Although parents were aware of breakfast and after-school provision, as discussed above, this was seen as expensive for working parents:

*'The same thing, you have to pay... It is £1.60 a day or something like that, maybe more now.'* Desiree

Better after-school provision was seen by some parents as a good option for additional support, but it was stressed that this needed to be good quality provision:

*'This is very far thinking but why could they not open the schools and have another set of staff moving in and looking after the children in the same kind of environment from four till seven? That is proper childcare, keep the mainstream schools open. Not the whole building, maybe a part of it and parents who are going to finish at seven can have their child...'* Jo

*'Just talking about the aftercare, the after-school things that they do. Maybe there is a quick win about bringing in homework into those, the quality that they offer there, ensuring that parents feel they are not just leaving their children to run riot with a few adults watching, but actually there is time set aside for actually accomplishing something.'* Anna

In this context, some parents also stressed the importance of spending time with children:

*'You still want to spend time with them as well. You don't just want to completely fob them off with school, after-school clubs, you still need that time with them. I think for mums, even for dads it is easy, you get a job, they go to work. For a mum they have to think about a whole load of other things. Are they happy in the setting they are and...'* Ava

**Childcare while training.** One specific gap to emerge was around childcare during periods of training. Many parents felt that this was either not available, or only available for parents who were doing basic level courses:

*'I went there and they said they would give me a place in college, but from the college it's from nine till half four and then I still can't do it because my daughter finishes at three. So for me to try and get that, that means for me to try and get someone to pick her up, her dad lives so far away so it's not possible. I can't get childcare... there's no support... you have to do it by yourself, that's exactly what it is.'* Rebecca

*'Also it used to be with the colleges, I know I did my college as well on top of that. So my daughter was coming to this nursery, but when I was at the end of the funding, the government funding there was this cap or something in the company. So my daughter got only three months' payment for this nursery, but it was stopped and they said, 'Sorry there is*

*no money, you have to take your child out.' I said, 'How can I pay?' So I managed to talk to the teachers and one day my friend looked after my daughter and another day another friend, so that I could complete the training, but it was very hard because there was simply no money.'* Donna

*'Another thing is my college starts in September, but there was an enrolment for April. If you do a childcare course there's usually a crèche facility available, any other course there is nothing. Anything for IT, if you say you want to do a career rather than just a job, do anything past that and there is no childcare facilities.'* Leah

*'I don't have nothing to do with the jobcentre because my partner works, but he is only on a low income so I was looking to go back into work, but you can't get any help with childcare unless it is actual work. If I wanted to go and do a college course first they won't fund that, so they say they want to get all these people into work but then they don't help you to do that.'*  
Sarah

### **Employment preferences**

Parents' employment preferences both reflected and fed into their views on the availability and affordability of childcare. Many parents said that an ideal job would be within a school, enabling their hours to coincide with those of their children:

*'We are all going for the same jobs as well, we are all looking for part-time work, mums, to fit around the school, we all want to work in schools and be dinner ladies or assistants and things like that.'* Cara

*'Everyone is trying to get teacher assistant jobs and things so they are there for their children in the holidays and things like that. That is actually a worry when I do go back to work, I have always done accounts and it is not really a job for part-time work, it is more of a full-time job. When I did actually have my child and got put onto part time, I actually eventually got made redundant, one of the first ones to get made redundant because...'* Sophie

While many parents expressed a preference for part-time work, some were worried that this would be incompatible with having a 'career' rather than just a 'job':

*'If you want to change your career and you want to actually have a career and not just a job, the options are that part-time work isn't going to do it. You need to be full-time employable because you're not going to get on that career ladder if you are just there part time.'*

Rebecca

*'Or work in the school or be a receptionist or something like that, you couldn't have a proper career.'* June

Alongside the issue of working hours, employer attitudes were thought to play an important role in making employment a realistic possibility:

*'Basically I'm a single mum; I didn't choose to be a single mum. My partner passed away two years ago and also my mother passed away and the other grandmother is in another country. So basically I'm with no other support of the family, no one, and because I am receiving income support I don't have enough money to pay for the childcare. That's not the issue actually that was the explanation, but if I got a job would the employer be flexible to when my child falls poorly to get me out of the work in hours of notice?'* Moira

*'I came across a friend who had young children and she was going to go and work for a well-known retailer... They said to her that she had to work a couple of evenings, knowing full well that she was a mother and everything but they said, 'That is our policy, every staff has to have a couple of evenings and any weekend training'... Surely they could have different policies for...' Jo*

*'This is what puts me off as well. I was trying retail and the hours, you have to be very flexible. I can't do it, my mother is not around, I don't have anyone to look after them during the weekends. Maybe weekdays I can manage one or two hours but weekend I can't. There are jobs around that don't suit me.'* Jo

### **Support with returning for work**

We asked in the focus groups about where parents could go for support with and advice about returning to training and paid work. One parent reported a positive experience with the jobcentre, but other parents reported that they had received very little support, or that support was not available because they had a partner. Several parents had sought support and advice from children's

centres, and some had taken up training courses as a result, but, in general, there was a perceived lack of support in this area:

*'You've got the Prince's Trust, you've got all these things that are there for the young people, there is nothing there for the people that are in the prime of their life that are actually like, 'I know what I want to do, I just want some help and support', there's nothing there.'* Rebecca

Parents were clear about the need for tailored support and advice, and that a prolonged absence from employment after having children could mean a lack of confidence about returning to work and negotiating childcare:

*'That is what scares me the most about going back into work, the childcare. I get scared if something goes wrong because I have got no one else to call. It really worries me, I think they should help you more. I think a lot of mums and dads get scared of getting everything together to get back to work.'* Nina

*'The confidence, for me I have been off work for maybe five years now and I have got the skill of retail and customer services, but because I was not working for a certain amount of time I find it difficult to express myself. I can do this job, it is going there and going for that, I have been to some meetings as well, but you feel like you have been pulled back because you are not working and that amount of time. Maybe I am not good enough or something has changed.'* Fiona

Other parents were worried that they may be discriminated against in the labour market because of their age and relative lack of employment experience.

When asked about recommendations to the leader of the Council, there was significant enthusiasm for a service that might provide tailored support to parents, with many parents seeing volunteering as a potential part of a route back to employment:

*'I think just looking at Anita's situation, I think for people in that situation that have a baby and they want to either go into work, she might not even want to go into work, she might just be doing it because she needs to financially. That there should be like a personal service, maybe like a personal system that would actually sit down and work with the client for*

*maybe over a year or 18 months and so help them find the path that is best for them and not them compromising just because they need a bit of money...'* Roxanna

*'We have got a few advisory places, there is the jobcentre, there is Connexions for under-25s, West Euston Park [partnership], I don't know if a lot of people know about one stop shop, they do careers advice over there.'* Ava

*'There is not a place for mums actually trying to get back into work. That would be good.'*  
Sarah

*'There is Mums Like Us, I have not been there, but I have also been given the number for them. I think they are oversubscribed really. There is not enough workers to be helping the parents get back into work.'* Ava

*'It would be to identify organisations that are mother friendly, parent friendly, so that they would be aware of childcare. You know, you get apprenticeships, they are really geared towards having and empowering and employing parents... know about term times and things like that.'* Jane

*'I think something such as apprenticeships or something that suit the hours of schools. Like volunteering that gives you a pathway into work and a specific career that people want to head in.'* Alice

*'I think they should advertise more to mums, even dads as well because some dads are in this situation. They should advertise more volunteering work and it is all flexible and people would be not just be sitting at home or whatever they are doing.'* Ella

*'Have a scheme for single parents so that they can be helped to get back into work and when they go to their employer they can see that they have been doing something for the last 18 months or year or whatever.'* June

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<sup>1</sup> Family and Parenting Institute/Daycare Trust, *Childcare Costs Survey 2013*, 2013

<sup>2</sup> T Huskinson, J Pye, K Medien, S Dobie, C Ferguson and C Gardner, with N Gilby, M Littlewood and J D'Souza, *Childcare and Early Years Survey of Parents 2011*, Department for Education, 2013, available at <http://media.education.gov.uk/assets/files/pdf/m/sfr08-2013.pdf>

<sup>3</sup> J Rutter and B Evans, *Informal Childcare: choice or chance?* Daycare Trust, 2011

<sup>4</sup> Under Camden's current childcare offer it is no longer the case that non-working parents on benefits receive subsidised after-school places for their children. Changes were made to the eligibility criteria for subsidised places from September 2012 so that low-income working parents are able to access subsidised places. The cost of breakfast clubs is at the discretion of individual schools and their priorities.

Five

### **Options for local authorities**

We know that local authorities face declining budgets and therefore difficult choices about where best to invest scarce resources. Additional pressure will be placed on local authority budgets by the requirement to roll out free places for disadvantaged two-year-olds, with a budget that (as discussed above) the Daycare Trust and London Councils believe to be inadequate to secure good quality provision within London.<sup>1</sup>

However, local authorities still have significant choices to make about how to spend their budgets and a key leadership role in supporting employers and public sector partner agencies to adapt their policies/practice to meet families' needs. This piece of work aimed to identify where that spending and local leadership role could most make a difference to parental employment prospects, and therefore to a reduction in child poverty.

In analysing the options for local government around childcare, several constraints need to be borne in mind:

- The overall level of funding for childcare provision – whether through the procurement of free places, or the provision of demand-side subsidies through tax credits or vouchers – is controlled by central government.
- Investment in childcare for working parents may result in savings for central government rather than parents or the local authority. Parents who are eligible for working tax credit at present can claim back 70 per cent of childcare costs through the childcare element, and this scheme will broadly continue under universal credit. However, the burden that meeting 30 per cent of costs can place on family budgets should not be underestimated, and parents may well benefit from proposals that seek to reduce this.
- Central government is increasingly keen to limit the role of local government in regulating and shaping childcare, and is currently consulting on new regulations to limit local authorities' decision making in this area.<sup>2</sup>

These constraints do not mean that local authorities should retreat from childcare as an area of policy. For local authorities who want to improve the chances of families within their area, childcare remains a critical policy tool.

CPAG believes that there is much that local authorities can do. We recommend the following.

**Local authorities should consider following Camden's example and expand the hours during which free childcare is provided for three- and four-year-olds.**

From September 2013, parents of three- and four-year-olds in Camden will be able to access 25 hours of nursery education (10 hours more than the statutory offer of 15 hours) for two years and subject to review thereafter. This should enable parents to do more than 'have a cup of tea' during the hours in which childcare is available, and make entry to part-time work a more realistic option.

**In addition to investing in childcare, local authorities should provide bespoke support to parents looking to access employment, offering advice on training, volunteering, childcare and financial options, and negotiating working hours.**

This could include one-to-one support from a dedicated parental employment adviser.

Previous programmes attempting to help parents access employment have found that dedicated support from a personal adviser is critical to their success. A meta-analysis of employment programmes published by the Department for Work and Pensions in 2007 found that:<sup>3</sup>

One of the strongest conclusions to be drawn from evaluation evidence is the perception that P[ersonal] A[dviser]s are critical to the success or otherwise of interventions. This is not just a technical matter of how well a service is delivered but also a matter of how well the PA is able to engender a desire to seek and accept employment amongst customers and to build on the initial engagement by providing support and encouragement of an appropriate type. The evidence suggests that the greater the flexibility given to PAs, the better they are able to fulfil their role and to meet the specific needs of the individual customer. Where customers feel coerced into participation in provision that does not meet their needs, motivation and engagement can quickly be undermined.

Rigorous evaluation of the New Deal for Lone Parents, a voluntary programme run under the last government which provided lone parents with support from a personal adviser based in Jobcentre Plus, found that lone parents who participated in the programme were 14 per cent more likely to move into employment.<sup>4</sup>

At present, there is no national scheme to support parents who want to go back to work (as our focus groups made clear). The New Deal for Lone Parents is no longer operating in jobcentres, and lone parents accessing jobseeker's allowance must normally wait a year before gaining access to the Work Programme. Parents who have partners who are either employed or looking for work do not have access to any form of support.

We suggest that an offer of personal support to parents is targeted at those accessing the disadvantaged two-year-old offer, and those whose children are starting school. Parents should be able to have one clear point of information about accessing support, with one dedicated adviser who will help them navigate employment, childcare, training and volunteering opportunities.

Some local authorities are already actively pursuing this type of service, with Islington running a parental employment scheme, and Newham offering a dedicated one stop shop for all forms of back-to-work support.<sup>5</sup>

**Local authorities should review current childcare support and, where possible, prioritise childcare support for parents wishing to undertake an employment-focused course.**

Childcare during training was identified as a key gap by parents attending our focus groups, and a lack of access to higher level vocational courses has frequently been identified in other research with parents.

We also know that participating in training can be linked to returning to work. Department for Work and Pensions research published in 2010 found that, although the impact of training on wage progression was relatively small, training does seem to be strongly linked to labour market transitions – that is, undergoing a period of training seems to increase the rate of returning to work, and decreases the likelihood of job exit.<sup>6</sup> Providing a guarantee of childcare during training would, in many cases, involve the employment adviser negotiating parents' access to existing funding, whether through Jobcentre Plus flexible support funds, college childcare support or other discretionary funds, or funding available through the childcare grant for parents in higher education. However, local authorities could provide a guarantee of funding for parents who were unable to access support through these funds. Appendix 3 sets out existing forms of childcare support available to parents to allow them to enter training.

**Local authorities should prioritise extending the provision of before- and after-school childcare at an affordable rate (eg, £1 an hour) to working parents whose children attend local schools.**

We believe that providing additional affordable before- and after-school provision to working parents whose children attend local schools will support parental employment. As a starting point, investment could take the Resolution Foundation's model of £1 an hour childcare as a model, although it should be noted that for a parent with two children using an hour of before- and after-school childcare a day, this could still amount to £40 a month.

We suggest this because:

- we know that parents with school-age children are more likely to be considering a return to employment (see below);
- breakfast clubs in schools may have a double benefit, providing not only childcare support, but the ability for children to have a healthy breakfast, with potential gains for their health and attainment;<sup>7</sup>
- a significant amount of the additional costs of childcare in London are due to the cost of premises. Providing additional childcare in schools may be a cost-effective way of expanding childcare supply.

We suggest that elements two and three of this enhanced offer could be targeted at two groups of parents:

- Parents accessing the offer of childcare for disadvantaged two-year-olds. This intervention offers a valuable moment to engage with parents, who will already have been identified as particularly in need of support. Lone parents within this group will also not be yet subject to Jobcentre Plus conditionality, giving time for them to engage in a longer term journey to employment, potentially involving training or volunteering. Local authorities should set an ambition of ensuring that no parent who accesses the disadvantaged two-year-old offer remains 'disadvantaged' by the time that their child reaches school age.
- Parents whose children are starting school. We know that children starting school is a point at which many parents consider a return to work, a point that was often raised in our focus groups (although Department for work and Pensions analysis found that parents' work patterns at this point experience a gradual, rather than dramatic, change

when their last child enters school<sup>8</sup>). The point of school entry also offers a valuable chance to engage with parents. The offer of tailored employment advice at this point, alongside a guarantee of wrap-around childcare could provide many parents with the additional support needed to return to employment.

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<sup>1</sup> J Rutter, B Evans and R Singler, *Supporting London Local Government to Deliver Free Early Education for Disadvantaged Two-year-olds*, London Councils, 2013

<sup>2</sup> Department for Education, *Consultation on Proposed Changes to the Role of the Local Authority in Early Education and Childcare*, 2013. The consultation closes on 6 May 2013.

<sup>3</sup> C Hasluck and AE Green, *What Works for Whom? A review of evidence and meta-analysis for the Department for Work and Pensions*, Department for Work and Pensions, 2007

<sup>4</sup> P Dolton, J Pazevedo and J Smith, *The Econometric Evaluation of the New Deal for Lone Parents*, Department for Work and Pensions, 2006

<sup>5</sup> See K Bell (ed), *We Can Work It Out: parental employment in London*, CPAG, 2012

<sup>6</sup> S Y Cheung and S McKay, *Training and Progression in the Labour Market*, Department for Work and Pensions, 2010, available at

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/214451/rrep680.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214451/rrep680.pdf)

<sup>7</sup> See, for example, L Stevens, N Oldfield, L Wood and M Nelson, *The Impact of Primary School Breakfast Clubs in Deprived Areas of London*, School Food Trust, 2008, which found that: 'Key Stage 2 results were better in primary schools in deprived areas of London one year after introducing breakfast clubs compared with the results of a comparable group of schools without breakfast clubs.'

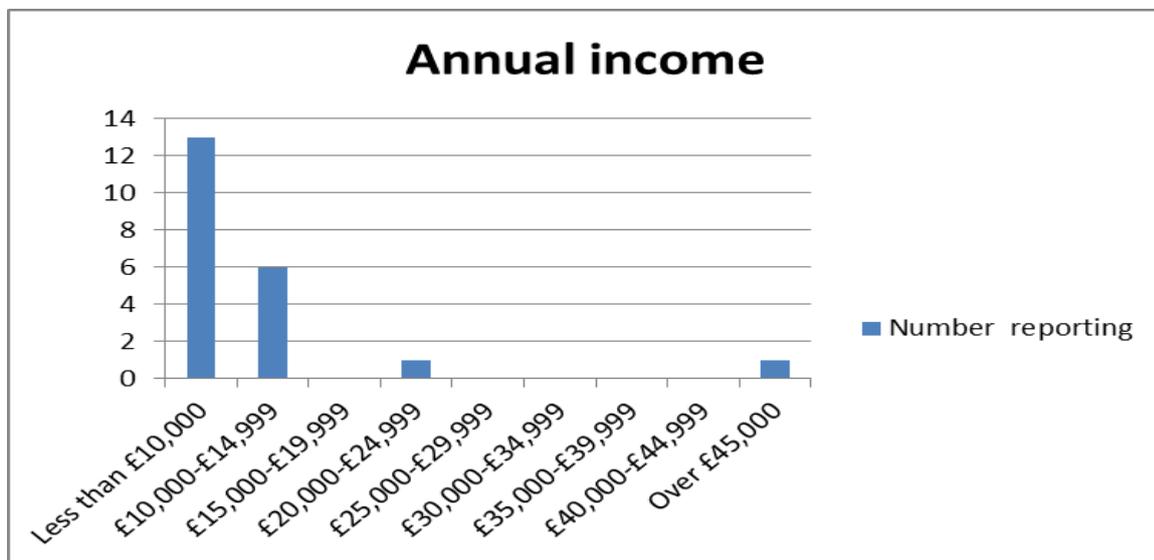
<sup>8</sup> M Brewer and G Paull, *New Borns and New Schools: critical times in women's employment*, Department for Work and Pensions, 2006

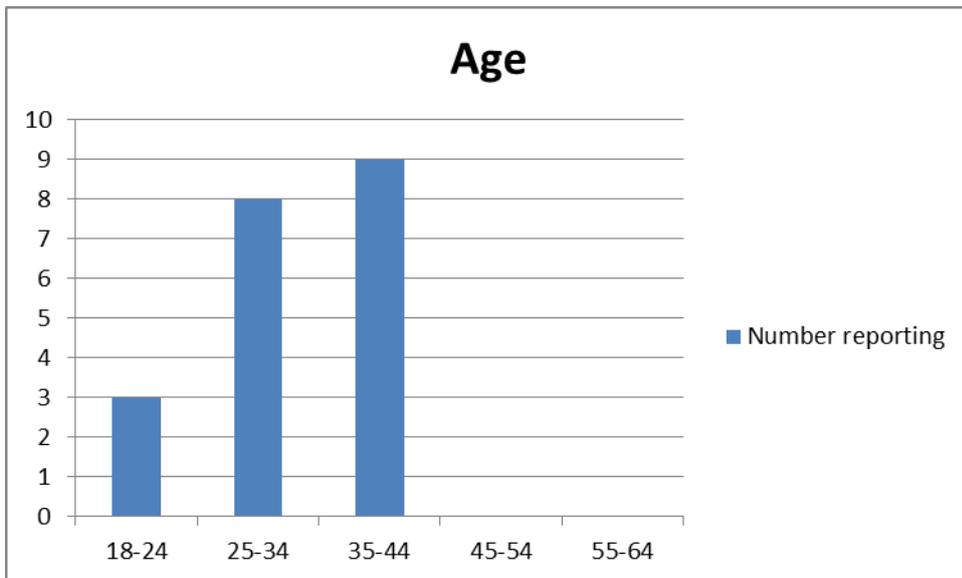
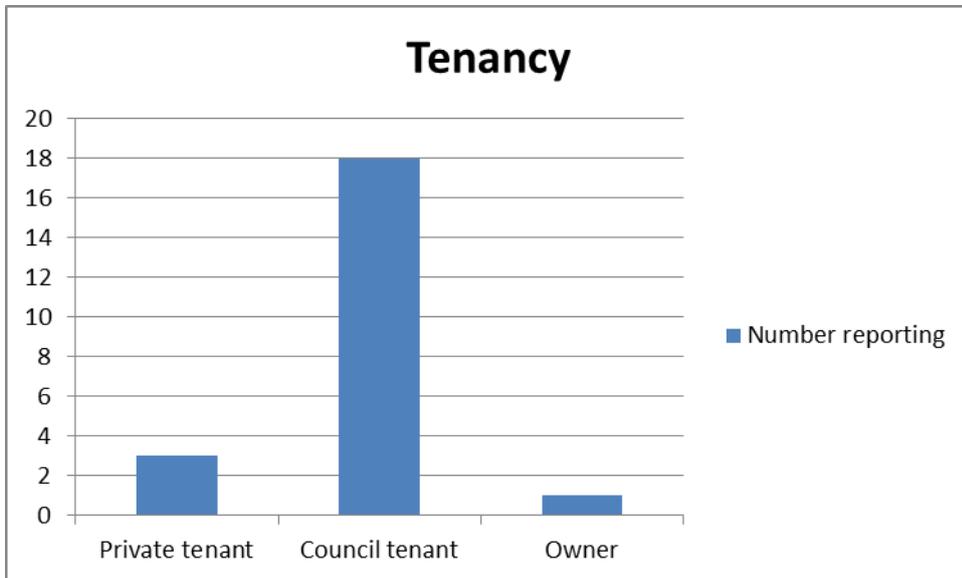
## **Conclusion**

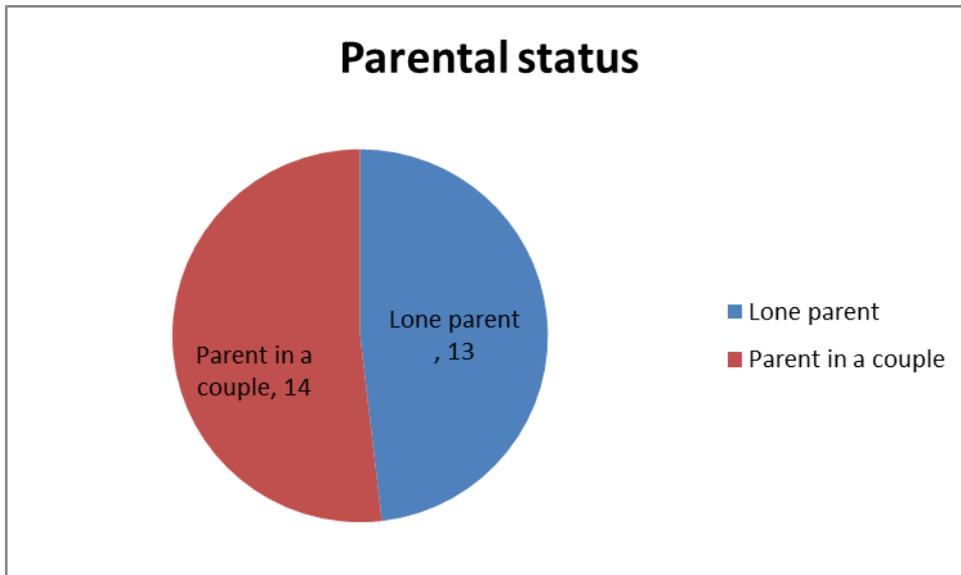
Childcare has risen up the policy agenda in recent years and is now widely recognised as a key part of the policy mix for ensuring that parents are able to access employment, and prevent their families from falling into poverty. Local authorities have a unique opportunity to pioneer new approaches in this area, showing the way for national government. In London, where the child poverty rate remains shockingly high, the need to take up this opportunity is even greater. This report aims to set out practical steps that local authorities can take now to help families and children. We hope that local decision makers will rise to the challenge.

Appendix one

Demographics of parents taking part in focus groups

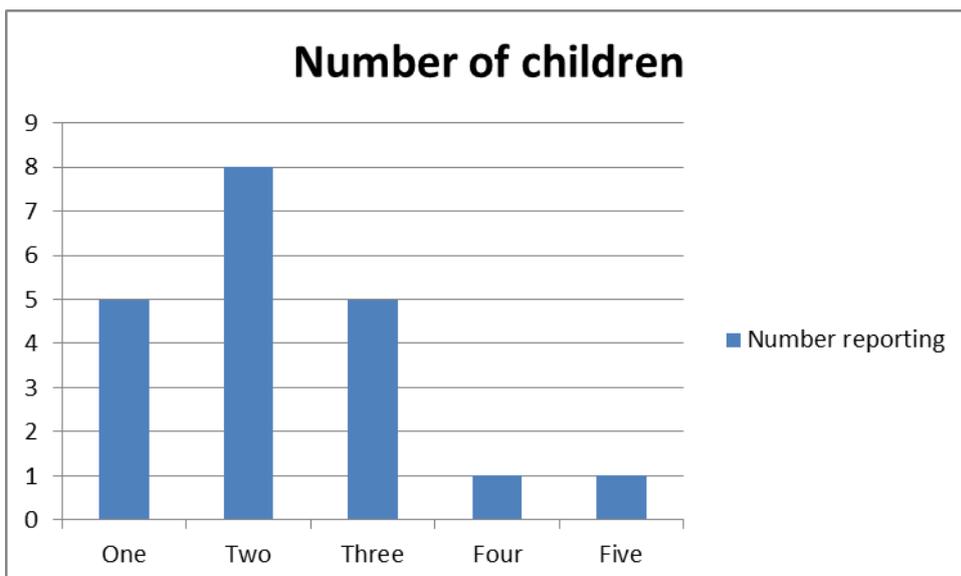


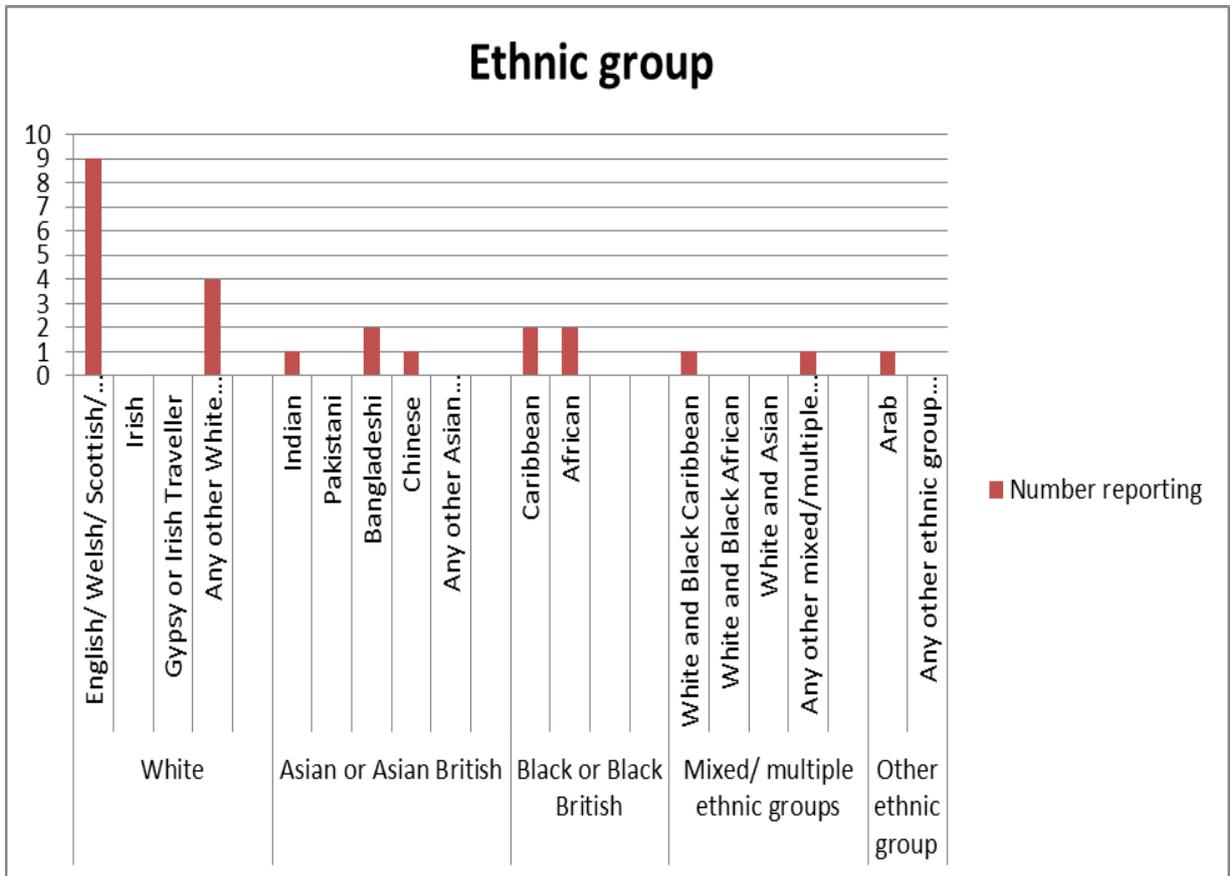




### Employment status

Of the lone parents who reported their employment status, two were working and eight were not working. Of couples who reported their employment status, one was working and 10 were not working. Six reported having a working partner. Fifteen of those who reported their children's ages had at least one child under five.





## Appendix two

### Topic guide for focus groups

- Introduce self.
- Ground rules for focus groups:
  - No right or wrong answers – want to know what you think and know that people have different opinions
  - Treat everyone with respect – and one person talking at a time!
  - Confidentiality
- Ask people to introduce themselves, names, age of children, what they are doing now.
- Talk about hypothetical example of a parent: Nita is a lone parent with two children, aged three and six. She has been out of work since the three-year-old was born, and before that she worked in retail. She's thinking about going back to work – what kind of things do you think she'd want to take into consideration? (Maybe get people to write post-it notes and then group and discuss them)
  - Probe childcare – cost, convenience, flexibility, quality
  - Probe – better off in work issues – concerns about benefits
  - Probe – skills, confidence, other barriers
  - How easy do you think it would be for Nita to go back to work in this local area?
  - What would make it easier for her to go back to work?
  - What would your advice to her be?
- Next hypothetical example: Sian is a lone parent with one child, aged four. Sian dropped out of college when her child was born, and hasn't got much work experience. She's interested in eventually getting a job as a midwife, and is thinking about this, but she knows she's got to start looking for work at the jobcentre when her eldest child is five. What kind of things do you think might influence Sian's decision?
  - Probe childcare – cost, convenience, flexibility, quality
  - Probe – better off in work issues – concerns about benefits
  - Probe – skills, confidence, other barriers
  - How easy do you think it would be for Nita to go back to work in this local area?
  - What would make it easier for her to go back to work?
  - What would your advice to her be?

- Want you to imagine you're Nita. She's now got a job in Camden, working from 2pm to 4pm every day in Waitrose. What kind of childcare do you think she'd need to make this work?
- We're thinking about how we can make it easier for parents to get paid work in Camden. If you could tell the leader of the Council one thing that you think would make a difference, what would it be?
- Is there anything else you'd like to tell us?

## Appendix three

### **Existing forms of childcare while training**

Parents may use the free entitlement to take up training places, but the 15 hours for which this is available are unlikely to co-ordinate exactly with times of training courses.

Parents aged under 20 can claim childcare costs while studying under the Care to Learn scheme (up to a maximum of £160 a week or £175 in London).

For parents in further education, colleges may offer support via discretionary learner support funds.

Jobcentre Plus has some discretion to provide support via their flexible support fund (although parents claiming jobseeker's allowance cannot study for more than 16 hours a week, as they must be available for work).

Parents in higher education can get support via a childcare grant with 85 per cent of childcare costs up to a maximum of £148.75 a week for one child, or £255 a week for two or more children.