

# 1: Ensuring Young Londoners Get The Best Start In Life

The early years of life are critical to a child's development and provide the foundations for their future.<sup>30</sup> Whilst the quality of the home environment experienced by a child is paramount, early years provision can exert profound influence, with high quality education and care having both short and longer-term effects on a child.<sup>31</sup>

Inequality is evident in children's performance even at this stage. Addressing inequality early has significant implications for outcomes of vulnerable groups later in life. In addition to improving later outcomes high quality provision frees up parental time which may be used to enter or extend employment.<sup>32</sup>

This section considers the cost and quality of early years provision in London and the outcomes that children achieve.

## Cost and quality of childcare

**Childcare costs are far higher in London than in any other English region and have been increasing quickly.**<sup>33</sup> These higher costs are caused by the higher costs of delivery in London, due to higher staff wages and expenditure on rent.<sup>34</sup>

The difference between London and the average across England is widening. In 2011 a part-time nursery place for a child under 2 years old was nearly 23 per cent higher in London than the England average; by 2016 this difference had increased to nearly 36 per cent.<sup>35</sup> It is a similar story for part-time care with a childminder.

**Cost of a part-time nursery place for a child under the age of 2 years:**  
**£152** in London  
**£117** across England  
**For a child over the age of 2 years:**  
**£141** in London  
**£112** across England

**The vast majority of childcare places in London are of a high quality, but the proportion rated by Ofsted as good or outstanding (86.0 per cent) is marginally below the national average.**<sup>36</sup>

The quality of provision tends to vary by type and location, and this has implications for who accesses it. Childminders are less likely to be rated as good or outstanding than domestic or non-domestic settings and there is variation in quality across London, ranging from 78 per cent rated good or outstanding in Newham to 92 per cent in Richmond.<sup>37</sup>

## Take-up of childcare by the most disadvantaged

**Recent research has suggested that it is children from disadvantaged families in London that are disproportionately missing out on high quality childcare, often having no provision at all.**<sup>38</sup>

**London is far behind other regions in England in terms of take-up of state-funded early years provision, particularly amongst disadvantaged 2 year-olds.**<sup>39</sup> There are cultural reasons affecting take-up in London, related to large communities in London that choose not to place a two year-old in childcare even if it is free and locally accessible; in turn, this is reflected in London's low maternal employment rates (10 points lower than for England as a whole).<sup>40</sup>

In September 2013, the government introduced 15 hours per week of free early years provision for the 20 per cent most disadvantaged 2 year-olds in England; this was subsequently extended to cover the 40 per cent most disadvantaged 2 year-olds in September 2014. Across England, the take-up of this entitlement stood at 58 per cent at the start of 2015 and increased to 68 per cent by the start of 2016. Take-up in London also increased, from 46 per cent to 57 per cent, but London remains the region with the lowest take-up rates for 2 year-olds in England.<sup>41</sup>

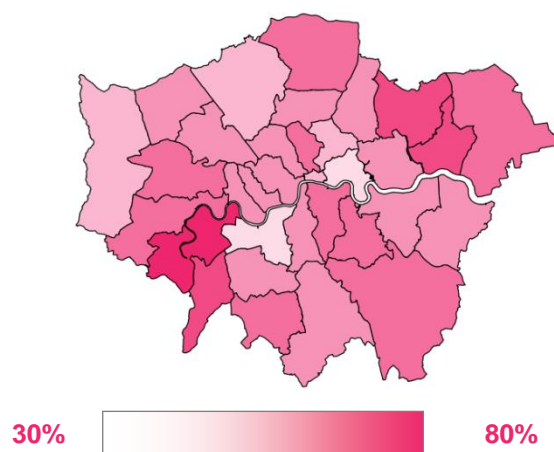
**Within London, take-up rates vary substantially, from 80 per cent in Richmond-upon-Thames to just 34 per cent in Tower Hamlets**<sup>42</sup>, despite a slight narrowing during 2015

(Figure 1.1). Take-up is much higher for 3 and 4 year-olds than amongst disadvantaged 2 year-olds. However, London is below all other regions amongst this older age group – 86 per cent, compared with a national average of 95 per cent. This represents a fall of 4 percentage points over the year.

Some areas, such as Richmond-upon-Thames and Redbridge, have high take-up rates amongst both disadvantaged 2 year-olds and amongst 3 and 4 year-olds. However, for many boroughs relative performance on take-up rates varies between the two age groups. In Hillingdon, for example, 94 per cent of 3 and 4 year-olds are in funded early years provision, but only 49 per cent of disadvantaged 2 year-olds, according to data from early 2016.

**If the attainment gap between disadvantaged pupils and their peers is to be eliminated then it should be addressed in the early years. The relatively low rate of take-up of childcare for disadvantaged 2 year-olds is therefore concerning and may hinder this ambition.**

**Figure 1.1: Take-up of free early years provision for disadvantaged 2 year-olds across London 2016<sup>43</sup>**



### **Case Study: Providing quality early years for disadvantaged children - Vanessa Pre-School**

Vanessa Nursery School is a maintained nursery school situated in Shepherds Bush, sitting in an area of deprivation surrounded by significant affluence. The nursery school also oversees a pre-school and a children's centre. It is held in high esteem; particularly for its innovative approach to working with children from the most deprived backgrounds, its whole school approach to inclusive education and its strong focus on wellbeing and resilience.

Vanessa Pre-School needed to expand to deliver the government's early years entitlement for disadvantaged 2 year olds. They devised a business plan to achieve this by:

- Capitalising on existing resources
- Using an apprenticeship programme to ensure high quality staff
- Being flexible in approach and developing alternative revenue streams

#### **Capitalising on existing resources**

They identified a potential space in an underused room in their children's centre building. This minor adjustment allowed for eighteen additional places for 2 year olds.

#### **Using an apprenticeship programme to ensure high quality staff**

A high quality workforce is central to good provision. To ensure they have a constant supply, Vanessa Nursery developed their apprenticeship programme to incorporate more students. This also provides the children with a higher adult/child ratio.

#### **Being flexible in approach and developing alternative revenue streams**

Due to initial uncertainty around the numbers that would take up the 2 year old 15 hour offer, they employed staff through an agency to allow for a flexible workforce. Meeting the needs of local parents was a priority for the nursery. They identified there was demand for additional day-care to support parents back into work. These adjustments made management of the finances easier and enabled provision to become more sustainable.

#### **Outcomes**

Within four weeks the nursery was fully subscribed offering places to 32 disadvantaged children, and was thus able to hire two permanent teaching assistants, alongside the level 3 qualified early years educators. The next step is to offer all year round childcare places so that children accessing the 2 year old 15 hour offer will learn alongside children whose parents are paying for childcare, which has been identified as being beneficial for social integration.

## Policy changes in 2017

Two key policy changes are planned for the early years in 2017: the introduction of the 30-hour entitlement and the implementation of the early years national funding formula (EYNFF). Both of these will have significant implications for the provision of high quality early education and care in London.

**From September 2017, the entitlement to free childcare for 3 and 4 year-olds will be doubled for working parents from 15 to 30 hours per week.** In order to qualify for this entitlement, per parent income must be at least equivalent to working 16 hours per week at the national living wage, but must not exceed £100,000 per year.<sup>44</sup> It has been estimated that 42 per cent of 3 and 4 year-olds will be eligible for this extended entitlement, although this proportion will clearly vary at the local level.<sup>45</sup> The 30-hour entitlement is being introduced explicitly as a measure to incentivise parents to enter employment or increase their working hours.<sup>46</sup>

There are sector concerns that a potentially adverse consequence of the new EYNFF's introduction from April 2017 is that places may be 'lost' in a number of London boroughs which currently provide full-time places, usually for children from the most disadvantaged families or those with SEND. This may be the result of local authorities no longer having a considerable amount of flexibility as to how they use their funding allocation.

'Widening the Gap' research in 2016 found that expanding the hours will likely stretch providers serving the most disadvantaged and decrease quality for this cohort.<sup>47</sup> With eligibility requirements for the 30 hours entitlement based on income, those on lower incomes or zero hours contracts may miss out on provision despite high need. Capacity issues means there is a strong likelihood that the policy will subsidise those already working 30 hours or more at the expense of those claiming only the 15 hours, who are the group that might benefit more.

Evidence relating to the optimum amount of time for 3 and 4 year-olds to spend in an early years setting is mixed.<sup>48</sup> It is therefore not clear whether those children who do not qualify for the additional hours may face a relative educational disadvantage compared to their peers who do receive the extended entitlement.<sup>49</sup> Consequently, these changes may worsen the situation highlighted by the Family and Childcare Trust that there are:

*"significant limits to social mixing in London's early years settings, with very different patterns of use by children living in more and less deprived areas, from different ethnic backgrounds, and with and without disabilities"*<sup>50</sup>

Roll-out of the policy also involves a number of substantial practical challenges. The National Audit Office has estimated that nationally an additional 45,000 15-hour places will be required in order to accommodate increased demand for childcare under the new policy.<sup>51</sup> Across England, 59 local authorities reported that in 2016 they would lack sufficient childcare places and/or have very limited scope for further expansion.<sup>52</sup> In London in particular, limitations on available space are often very severe. Individual settings may be unable to build or rent additional rooms to accommodate more children due to their position in densely built-up areas.

Procuring buildings for new settings at an affordable cost is likely to be very difficult in such a competitive property market.<sup>53</sup>

### Outcomes in the early years

Child development by age 5 is measured through the Early Years Foundation Stage Profile. Children are assessed against a range of early learning goals (covering cognitive, physical, social and emotional development), primarily via ongoing observation of pupils by the practitioner. The main headline benchmark for the early years is attainment of a 'good' level of development.<sup>54</sup>

**The proportion of London's 5 year-olds achieving a good level of development has been increasing rapidly in recent years and now nearly three-quarters (71.2 per cent) of children achieve this threshold** – above the average for England (69.3 per cent) and the second highest overall, slightly behind the South East.<sup>55</sup>

Within London, the proportion of children achieving a good level of development varies by almost 16 percentage points between local authorities, from 65.1 per cent in Camden to 78.7 in Greenwich in 2016. Nine local authority areas are below the national average on the EYFSP.<sup>56</sup>

There are still over **31,000** children in London who do not achieve a good level of development at age 5.

Even if all local authorities could be brought up to the rates seen in the highest achieving areas, there would still be **23,000** 5 year-olds failing to achieve this standard.

There is no correlation at borough level between the proportion of children who achieved a good level of development in the EYFSP and the percentage of registered childcare places rated good or outstanding by Ofsted.<sup>57</sup>

### London's key challenges

Take-up of the two year old offer varies across London. Ensuring disadvantaged children are making the most of the offer is essential and will benefit primary schools, as children will have improved levels of school readiness.

The sector also needs to maintain the current quality of provision whilst increasing places, which is challenging with London's high premises' costs. New models of delivery with a range of partners need to be tested.

In order to continue to improve quality and achieve better parity of outcomes for the Early Years Foundation Stage across the city, professional development needs to be maintained and enhanced. The success of London's schools needs to be shared with the early years sector.