

An aerial photograph of the London skyline at dusk or dawn. The Gherkin building is the central focus, with its distinctive diamond-patterned glass facade. To its right is another modern skyscraper with a blue-tinted glass facade. The River Thames flows through the city in the background, with the London Bridge visible. The sky is a mix of soft orange and blue. Large green curved shapes are overlaid on the left and bottom right corners of the image.

LAIN Steering Committee

21 February 2023

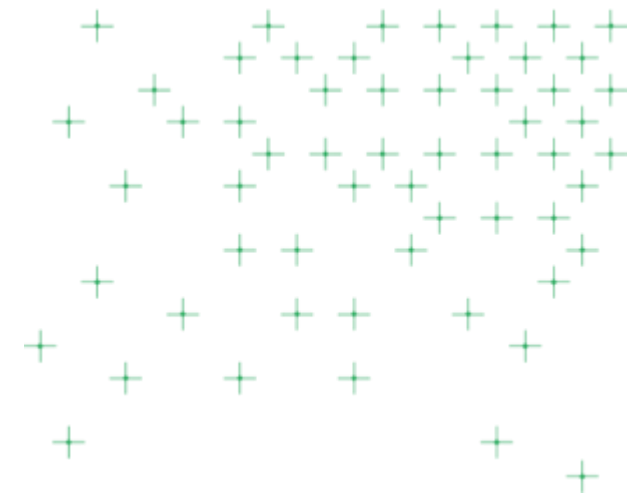


London
Anchor
Institutions'
Network

Why is childcare so important?

“The benefits of accessible, good quality childcare are clear all round - parents will be able to return to work, children will have more access to quality early years education, and employers will be able to reap the benefits of having skilled and eager parents back in the workplace.”

Sadiq Khan, Mayor of London



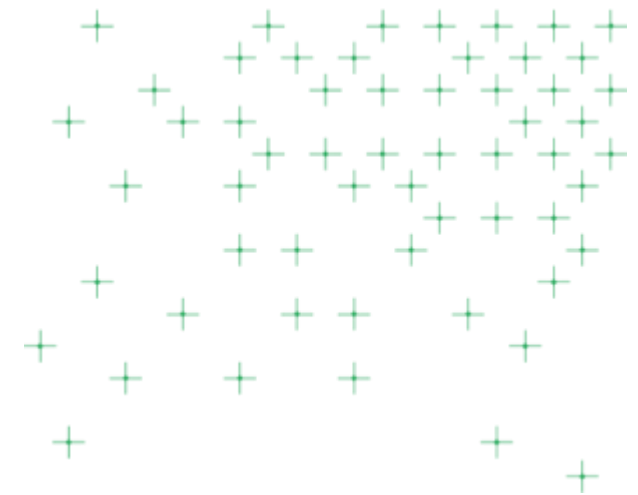
Access to high-quality early education and childcare underpins London’s economic recovery and is essential for parents, and especially mothers, who wish to return to work and training.



What's more, access to early education and childcare:

- promotes social cohesion amongst London's communities
- improves school readiness for children
- helps narrow inequalities in both health and education for children from poorer backgrounds and improves life chances

Quality childcare is good for all of us: parents and carers, employers, communities and, of course, children.



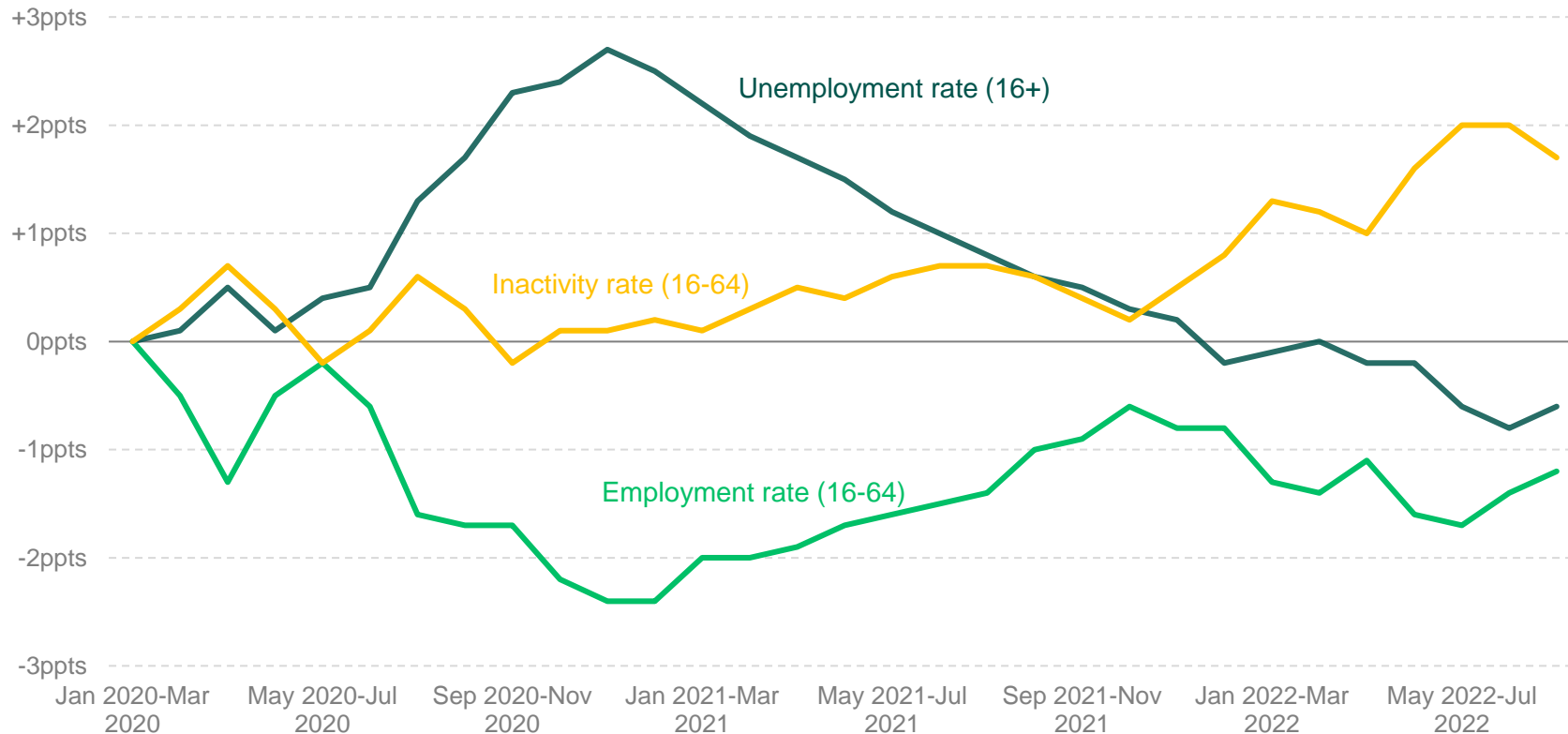
What do we know?

- London lags behind the rest of the country when it comes to take up of free early education entitlements
- **Maternal employment rates are historically lower** in London than elsewhere, with the most recent ONS figures showing that **70.1% of mothers are in paid work**, compared to the 76.6% across England
- **75%** of parents carefully consider their childcare before accepting a new job or promotion
- Inflexible or otherwise non-family friendly working arrangements have a significant detrimental impact on the no. of women who will return to work
- Flexible working opportunities have been proven to dramatically increase applications for roles more generally and the number of women in senior positions

Economic inactivity is a significant issue in London's labour market

Change in labour market status since Jan-Mar 2020

London residents, latest data for period Jul-Sep 2022



Economically inactive people are those without a job who are not seeking work and/or are not available to start work in the next two weeks.

The main economically inactive groups are students, people **looking after family and home**, long term sick and disabled, temporarily sick and disabled, retired people and discouraged workers.

What are the barriers preventing families from accessing childcare?

Childcare is prohibitively expensive and complicated for many London families.

- **Cost:** London is consistently amongst the most expensive regions in the country for childcare. Parents face higher costs for housing, commuting etc, and often less family support with childcare than other regions
- **Complex support offers:** various offers and entitlements exist to support parents with childcare costs (see [Childcare Choices](#)), but they're complicated, meaning many parents don't know what they're entitled to or how to access it
- **Limited support offers:** many families don't qualify for existing support offers e.g. there is no universal support until the age of three

What are the barriers preventing families from accessing childcare?



- **Complex childcare system:** confusion around statutory school age, various types of providers e.g. schools, maintained nursery schools, private nurseries, childminders
- Limited awareness of **the value of early education**
- **Limited and/or inconsistent funding for services to support parents** e.g. Family Information Services
- **Complexities of London's population:** new arrivals, transient population, poverty, families for whom English is not their first language
- **Lack of knowledge and/or support from employers**

Sector challenges

This is also a precarious time for the early education and childcare sector and many nurseries fear closure, particularly those based in more disadvantaged areas, due to:

- **Long-term chronic underfunding**, exacerbated by the pandemic and cost of living crisis
- **A nationwide workforce crisis:** failure to attract men, low pay, lack of status and recognition for workers, ageing workforce, unclear routes for career progression, stress and burnout during the pandemic
- **Changes to demand**, as a result of the pandemic e.g. changes to work patterns

The impact of these challenges on the sustainability of the sector and availability of high-quality childcare could be hugely detrimental, and will hit vulnerable families hardest.

Mayoral support for employers

- **Childcare Deposit Loan Scheme** – The Mayor encourages employers to implement an interest-free deposit loan scheme to support parents with expensive upfront costs of childcare. A free toolkit is available to help with setup.
- **London Early Years Campaign** – this online campaign ran from December 2021 to July 2022 to support families to better understand, explore and take-up existing childcare support offers for under 5s.
- As part of the campaign we created an [employer toolkit](#), which offers a guide to employers to help working parents understand childcare offers

Opportunities for LAIN

We know that the Network holds huge potential to support tens of thousands of Londoners through these widespread challenges, creating a more inclusive economy whilst addressing members' own workforce issues.

There is a great opportunity for anchors to collaborate on how they can:

- alleviate pressures felt by their employees in respect to childcare affordability and navigation of offers
- provide more family-friendly work opportunities for parents and carers who would prefer to be in paid work, and therefore reduce inactivity amongst mothers in particular
- support the sustainability of the early years sector to ensure childcare can be accessed by families as needed (e.g. apprenticeship levy transfers to early years providers)
- set a new elevated standard for parental policies and example to businesses across the capital.

