

Childcare recommendations for the London Anchor Institutions' Network (LAIN) – Cover Note to Steering Committee

Background

This paper provides an overview of work undertaken by the Childcare Task and Finish Group to identify opportunities and recommended actions for the London Anchor Institutions' Network (LAIN) to address childcare issues that are creating barriers to the employment, progression and retention of (primarily) women in the workforce.

The Group was established following February's Steering Committee meeting in which members agreed to explore childcare as a potential new work area that responds to pertinent key issues faced by Londoners and aligns to LAIN's existing strategic priorities of creating more inclusive workplaces and getting more Londoners into good work.

The paper outlines:

- discussion and decision points for the LAIN Steering Committee
- the process undertaken to develop the recommendations, including stakeholder engagement and testing
- the business case for LAIN to take action
- the recommended approach to progressing work in this area, aligned to ways of working across LAIN's existing working groups
- key opportunities for the network and priority recommendations based on gaps and existing practice.

Discussion and decision points for the upcoming steering committee

The LAIN Steering Committee is invited to share reflections from their respective organisations on the opportunities and priority recommendations detailed in this paper.

In particular, the Steering Committee is asked to:

- **Agree** whether LAIN should progress a new focus area on childcare, considering resourcing implications, current programme delivery across LAIN, respective organisational priorities and expected impact.

And (if agreed):

- **Agree** on the approach to progressing a work programme on childcare and next steps.
- **Discuss** interest and capacity across their respective organisations for establishing, driving and participating in a new LAIN working group on childcare.
- **Discuss** (with a view to agreeing) whether there is sufficient interest and capacity for LAIN to consider new types of activity – notably lobbying central government, to maximise members' collective influence and ensure the needs of the early years sector to deliver quality and affordable provision are met.
- **Discuss** recommendations of particular interest across their respective organisations with a view to identifying some key focus areas to progress within the list of priority recommendations set out below.

Process undertaken to develop recommendations:

Supported by the GLA and Bloomberg Associates, the recommendations in this paper were prepared by the Childcare Task and Finish Group involving representatives nominated by

LAIN Steering Committee members. These members brought a range of relevant expertise and insights spanning policy, research, HR, equality, diversity and inclusion.

The group included representatives from: Thames Water, King's College London, Newham College, Camden Council, London Chamber of Commerce and Industry, Nuffield Trust, Greater London Authority and Birkbeck, University of London.

Over a series of workshops, the group explored childcare issues faced by Londoners and opportunities for LAIN to make a positive difference, with an emphasis on supporting LAIN's potential and existing workforces.

Recognising that many childcare issues creating barriers to the employment, career progression and retention of (primarily) women stem from and/or are connected to challenges faced by the early years sector, the group also explored issues affecting the sector's ability to deliver quality and more affordable early years education, and therefore opportunities for LAIN to support the broader communities in which anchor institutions are based.

Additional expert input was provided by the GLA's policy and intelligence leads for early years, the [London Early Years Foundation](#) (LEYF) which runs 40 nurseries across multiple boroughs, and [Timewise](#), which works with employers to develop innovative flexible working practices. This enabled group members to gain a broader understanding of issues and opportunities, new and upcoming policy developments, and examples of effective responses beyond LAIN.

The group prioritised recommendations based on their expected impact (particularly on the most disadvantaged groups given LAIN's focus on tackling structural inequalities), as well as the time, practicality and cost to implement.

Priority recommendations are included in this paper, with the longlist of recommendations developed and considered by the Task and Finish Group provided in **Appendix A: Opportunities and Recommendations**, alongside greater insights on challenges, gaps and opportunities, and good practice within the network.

Almost all recommendations are rooted in existing good practice demonstrated by LAIN members that can be extended across the network and/or enhanced.

A baseline view of parental benefits and support currently provided by a selection of members, used to inform the group's recommendations and any potential future work, is provided in **Appendix B: Summary of LAIN Support – Childcare**.

Recommendations have also been more widely tested with Chief People Officers, HR Directors and workforce leads amongst LAIN members that were not represented on the group, including Transport for London, London Fire Brigade, the NHS and the University of London, who provided a broadly positive and supportive response.

Throughout this process, LAIN members have demonstrated high levels of interest in developing more supportive parental policies for their employees and learning from other anchor institutions. This is reinforced by live work already underway by members including London Fire Brigade, London Chamber of Commerce and Industry, Transport for London, Thames Water and the University of London to ensure they remain attractive places to work in the context of new ways of working post-pandemic.

To note: LAIN member BusinessLDN in partnership with KPMG and Central District Alliance is also carrying out research to develop recommendations for both government and employers to address childcare issues. The LAIN team is linked in with BusinessLDN on this project to ensure learnings from both sides can be shared and to foster collaboration if opportunities arise.

Business case

There is a strong business case for LAIN members taking collective action to address childcare issues:

- Access to quality and affordable childcare is crucial to ensuring parents (and primarily mothers) can enter and stay in the labour market, with childcare issues widely reported as a key barrier for the employment, career progression and retention of women¹.
- Organisations across London, including LAIN members, are experiencing record vacancies and skills shortages, with economic inactivity cited as a key and rising contributing factor².
- Research shows that 'people looking after family and home' are one of the main economically inactive groups, with the number of women aged 24-35 who have left work to look after family rising 13% in the last year and maternal employment rates in London remaining the lowest in the UK³.
- Childcare arrangements are a critical factor for parents when making career decisions, with over 75% of parents carefully considering their childcare arrangements before accepting a new job or promotion⁴.
- There is significant evidence demonstrating the impact of developing and effectively implementing family-friendly policies, such as flexible working and enhanced parental entitlements, on:
 - delivering against EDI objectives (gender equality and inclusion outcomes)
 - attraction and retention rates⁵
 - organisational reputation
 - employee satisfaction.
- Enabling more parents to work should they wish to through ensuring greater access to quality early years education and more supportive parental policies would not only address skills shortages across the city, ensure LAIN members remain attractive places to work and improve the economy, but would support families to meet the rising cost of living and address structural inequalities by helping to close the gender pay gap and reduce the attainment gap between the richest and poorest children, improving outcomes and the need for interventions later in life.
- The urgency of addressing childcare barriers that are preventing (primarily) women from entering and returning to work and contributing to the economy is reflected in the government's decision to prioritise investment in the childcare and early education system in its Spring 2023 budget.
- However, the government's announcements have generated widespread concerns amongst the early years sector and families that changes may exacerbate the growing shortfall of childcare places caused by current funding rates and nationwide workforce challenges⁶, and have implications for the quality of care.
- Similarly, it is widely reported that disadvantaged groups will be excluded from proposed new entitlements including, for example, disabled parents whose working hours may be limited or those in training.
- Given LAIN members are already independently progressing work in this area and demonstrating good practice, there is a clear rationale for collaboration to benefit from shared learnings and peer support and maximise outcomes.

¹ As an example, the Women's Budget Group shared in its 'Autumn Budget 2021: Childcare, gender and Covid-19' report that 1.7 million women were prevented from taking on more paid hours of work because of the cost of childcare [which has since increased].

² The State of London report, Greater London Authority, January 2023

³ [March of The Mummies Demands - Pregnant Then Screwed](#)

⁴ Modern Families Index 2022

⁵ Organisations with more progressive policies on, e.g. flexible working, have noted a significant increase in applications for roles and the number of women in senior positions. E.g. [Zurich sees leap in women applying for senior roles | Zurich UK](#)

⁶ [WBG's response to the Spring Statement 2023 - Womens Budget Group](#)

Recommended approach to the work programme

Should the Steering Committee agree to LAIN progressing a new focus area on childcare, it is recommended that a new LAIN working group is established that would enable best practice sharing, peer support and pursuing joint initiatives where advantageous to do so.

In line with the current approach across LAIN, this would involve members self-selecting to (co-)chair or join the group and agreeing on a resourcing model.

Aligned to existing ways of working across the network, it is recommended that:

- members of the group agree on a focused set of common goals and deliverables to progress as a collective based on the recommendations.
- to maximise outcomes - and recognising that members have different starting points and capacity - individual members or a subset of members may also take on additional deliverables that contribute to their own organisational aims as well as the overall goals of the group and can be shared back to members.
- members of the group agree on related metrics for target-setting and reporting progress.

It is recommended that the group works closely with the Hiring and Skills working group, given comparable themes of EDI, recruitment and retention, and further develops relevant recommendations in consultation with trade unions in line with existing practice within their organisations.

Executive summary of opportunities and priority recommendations

Opportunities:

Key gaps and opportunities for LAIN members to support their potential and existing workforces with childcare issues as well as the early years sector itself include:

- Providing direct support to help early years providers manage and reduce costs – namely through transferring apprenticeship levy underspend and repurposing underutilised spaces across members' estates to be offered at discounted rates.
- Raising the standard of parental policies and entitlements in London to support parents to balance their work and care responsibilities more easily.
- Increasing the number of flexible working opportunities for members' staff, in particular part-time roles, to better meet the demand amongst parents for work.
- Creating a positive culture around flexible working to ensure staff, and in particular men, feel empowered to put entitlements into practice, helping to redress gender inequalities in caring responsibilities.
- Using LAIN's strong collective voice to influence central government to respond to the needs of the early years sector and ensure the availability of quality early years education.
- Improving communications of available parental support to raise awareness of employee benefits internally **and** externally and support existing and potential employees to navigate a complex governmental support system for families.

Recommendations:

Recommendations for action fall into **two categories**, reflected in the structure of Appendix A: Opportunities and Recommendations:

- 1) Supporting **the early years sector and broader communities** in which anchor institutions are based.
- 2) Supporting **existing and prospective employees** of members of LAIN.

A summary of priority recommendations identified by the Task and Finish Group can be found below.

1) Sector support

Direct support

- a. Members to explore opportunities to offer suitable underused space across their estates to early years providers at discounted rates to reduce funding pressures.
- b. Members to transfer unspent apprenticeship levy funds to providers of early years education, special needs education, holiday clubs and activity centres to facilitate much-needed workforce development and respond to growing concerns about the availability of staff to deliver new entitlements being introduced by the government.

Influencing government (new ground for LAIN)

- c. LAIN to collectively lobby central government for:
 - i) Increased funding for the early years sector to reduce closures and ensure sufficiency of childcare provision across the city.
 - ii) Discounts or exemptions from business rates for early years providers to reduce funding pressures and reduce risks of closures.

2) Support for LAIN members' existing and prospective employees

In line with key issues faced by parents, the recommendations below span five themes:

- Flexible working
- Financial support
- Parental leave
- Pastoral support
- On-site or local provision

Before considering new offers and initiatives, it is recommended that:

- a. Members test the impact of parental benefits currently provided, particularly amongst under-represented groups, and use these findings to prioritise new proposals.
- b. Particular consideration is given to addressing the needs of underrepresented groups, including parents of children with additional needs who face unique challenges.

Priority recommendations

- c. Members to carry out an initial stocktake of flexible working in practice across their respective organisations, and implement regular monitoring thereafter, to better understand how flexible working is being applied both formally and informally, what's working well and areas for improvement.
- d. Members to consider all options for how each role could be made flexible, such as through term-time only hours, compressed hours, part-time, job-share etc, during job design and creation, as part of a commitment to increase the number of flexible - and especially part-time - roles available.

- e. Members to promote a positive culture towards flexible working and improve capability to implement arrangements by:
 - i) Establishing flexible working as the default for all roles, unless managers can provide a clear rationale as to why this is not possible and requiring managers to flag resource requirements for roles to be made flexible if needed (this inverts the current model used by most organisations in which employees must justify their case for flexible working)
 - ii) Encouraging more male employees to take up flexible working opportunities
 - iii) Encouraging senior leaders to role-model flexible working
 - iv) Improving managers' capability to manage requests and implement flexible working through consistent messaging, training and performance reviews to ensure managers are held accountable for the effective implementation of flexible working requests.
- f. For roles that are typically inflexible such as shift or site-based work, members to trial new practice, for example, increasing workers' input into their working patterns / team-based rostering to increase their flexibility.
- g. Members to consider establishing partnerships with (on-site, local or pan-London) early years providers that enable costs savings for employees and address current shortfalls in provision for local communities (including students of LAIN members that are higher education institutions).
- h. Members to review the leave entitlements they offer including eligibility requirements against best practice within the network and more broadly, with a view to improving and aligning to more competitive and supportive practice including 'Day 1 eligibility' to enhanced pay.
- i. Members to consider how male employees can be better encouraged to take up shared parental leave.
- j. Members to review their peer-led parent and carer networks to ensure they have executive support and establish peer support networks where these are not already in place.
- k. Members to develop and implement guidance and support (e.g., training for line managers) to better support their staff through their journey as parents.
- l. Members to create dedicated and easily accessible materials such as guides or dedicated intranet/internet pages for both prospective and existing staff to support parents to understand all related support and entitlements, as well as signpost to external tools and information for existing staff.

To note: Some of the recommendations listed in this paper align to criteria for achieving the Mayor's [Good Work Standard](#) (GWS). Accreditation to the GWS is an existing metric for the Hiring and Skills working group, with a number of members having already achieved accreditation.

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