

ITEM 3

Member signing

On 15 August 2011

Report Title. Children's Centre Childcare Fees

Report of Jan Doust, Deputy Director ,Children's Services

Signed :



Contact Officer : Ngozi Anuforo

Early Years Strategic Manager (x4681)

Wards(s) affected: All

Report for: Key decision

**1. Purpose of the report (That is, the decision required)**

- 1.1. To provide information on the outcome of an Equalities Impact Assessment and Consultation on the Council's proposed increase to children's centre childcare fees from September 2011.
- 1.2. To seek agreement for the recommendations set out at 4.1, 4.2 and 4.3 of this report.

**2. Introduction by Cabinet Member (if necessary)**

- 2.1. [click here to type]

### 3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1. The Local Authority has a statutory duty under the Childcare Act 2006 to secure sufficient high quality childcare for children aged 0-14 (up to 19 for disabled children) to meet the needs of working parents and parents undertaking education or training leading to work.

3.2. The Childcare Act 2006 requires the Council to:

- Secure sufficient high quality childcare for working parents and parents undertaking education or training leading to work, which is affordable, sustainable, inclusive and of sufficient range (Section 6)
- Secure sufficient free early years provision of 15 hours per week for a minimum of 38 weeks per year for all three and four year olds (Section 7)
- Assess the sufficiency of childcare in the local area at least every three years (Section 11)
- Provide information for information, advice and assistance to parents regarding provision of childcare (Section 12)
- Provide information, advice and training to childcare providers (Section 13)

This statutory duty is aligned to a number of key council priorities and reflects the fact that childcare is a driver for the Council fulfilling its early years outcome duties under the Childcare Act 2006 and contributes to the Child Poverty agenda.

3.3. Links to the Children and Young People's Plan 2009 - 2020 priorities set out below;

Priority 1 – to improve health and well-being throughout life

Priority 3 – to improve safeguarding and child protection

Priority 4 – develop positive human relationships and ensure personal safety

Priority 5 – develop sustainable schooling and services with high expectations of young people

Priority 6 – engender lifelong learning for all across a broad range of subjects both in and out of school

Priority 10 – Empower families and communities

3.4. The programme also links with the Council's Sustainable Community Strategy - 2007-2016, in particular the outcomes;

*-Economic vitality and prosperity shared by all*

*-Safer for all*

*-Healthier people with a better quality of life.*

3.5. The programme supports the delivery of the Council's Child Poverty Strategy and Action Plan 2008-2011, with particular respect to;

Objectives 1: Addressing worklessness and increasing parental employment in

sustainable jobs

Objective 2: Improving the take-up of benefits and tax credits

Objective 3: Reducing educational attainment gaps for children in poverty

#### 4. Recommendations

- 4.1. That Cabinet agrees to the introduction of new fee structure for Children's Centres Childcare from September 2011.
- 4.2. That Cabinet asks officers to explore the introduction of differential fee rates in 2012-13 based on ability to pay.
- 4.3. Before agreeing to the recommendations set out above the Cabinet gives due consideration to the outcome of consultation at **Appendix 2** and the Equalities Impact Assessment attached at **Appendix 1**.

#### 5. Background

- 5.1. At the meeting in February 2011, Cabinet approved, in principle, the following;
  - The introduction of a new fee structure for children's centres from September 2011.
  - That officers explore the introduction of differential fee rates in 2012-13 based on an ability to pay.

A final decision on the above matters would follow appropriate consideration of the results of any consultation and with due regard to the Council's duties under the Equality Act 2010. Cabinet delegated the authority to make the final decisions to the Cabinet Member with portfolio responsibility for Children's Services, in consultation with the Director of Children's Services.

The subsequent Cabinet Member signing meeting in May 2011 requested that a full equalities impact assessment of the proposed changes to fee rates be undertaken and the outcome included in a report to the Cabinet Member with portfolio responsibility for Children's Services.

##### 5.2. Childcare in children's centres

As part of the first phase of children's centre development, the Council was required to provide childcare as part of the children centre service offer in those centres located within the 20-30% most deprived super-output areas.

The provision of childcare is seen as a key part of Haringey's Child Poverty strategy through enabling parents to access employment and training, as well as supporting children to benefit academically from access to high quality early education and care in their earliest years.

The fee charged for childcare in children's centres offering full-time (8 am to 6 pm) childcare for 0-4 year olds is currently set at a flat rate of £175. This fee rate was introduced by the Council in September 2007 and, at the time, reflected a level of fee that would enable eligible parents from the lowest income families to claim the maximum childcare element of the Working Families tax credit. The fee level of £175 was also within the averages across London at the time.

The childcare market within Haringey has continued to change. Since 2007, there has been a steady increase in demand for childcare places for children under 3, whilst childcare for 3 and 4 years olds has remained more steady; with fee-paying places being more difficult for providers to fill due to the entitlement of three and four year old children to 15 hours of free early years education per week.

The income generated by centres from a flat fee of £175 for all ages does not meet the direct costs of staffing and resources for the childcare provision. Prior to 2011-12, an annual subsidy of £1, 557,000 was provided within the Dedicated School Grant and £425,000 from Sure Start grant funding to meet this shortfall in income i.e. a total subsidy of £1,982,000.

From April 2011, the Early Intervention Grant replaced Sure Start and other grants as the main source of funding for children's centre and early years provision in Haringey.

As part of the overall budget reductions in the Early Years service the £425,000 subsidy from the previous Sure Start grant has been removed leaving the £1.557m from DSG as the only remaining element of subsidy in 2011-12. In taking this action consideration was given to offsetting the loss of subsidy from an increase in the level of fees levied.

As a result of Ofsted regulations and requirements (e.g. contact ratios), the costs of providing childcare increases for children under 3 and for babies. We are proposing to address this by introducing a range of fees that will differentiate between the age bands, 0-2, 2-3 and 3-4 years.

In addition, the range of household income levels in Haringey suggests that there is less need for subsidised childcare places for our most affluent families and in order to enable the limited subsidy to be used most effectively further consideration of fee levels is proposed.

Since its introduction in 2007, the £175 rate has not been increased either by general inflation or in relation to increased staffing and other service delivery costs.

In 2010, a review of fees was undertaken in order to identify options for a new fee structure for Haringey that could support the delivery of more sustainable childcare across the children's centres. The outcome of the review suggests that

the introduction of differentiated fees rates for children under 2 and over 2 would be in line with many other local authorities and providers in the private and voluntary sectors within Haringey.

## 6. New Charging Proposals

### Cost of Childcare

6.1. Haringey has a mixed market of childcare providers for children aged 0-5 consisting of children centre nurseries, playgroups, private nurseries, independent schools, childminders, nursery classes in maintained primary schools and nursery schools.

The table below shows the range of childcare costs in Haringey.

Childcare Setting	Childcare Costs
Haringey PVI day care weekly costs	Range £159 - £269
Haringey childminders weekly costs	Range £160 – £280
Haringey Children Centres weekly costs	£175
Haringey Playgroups cost per 3 hour session	Range £4.75 - £11.35

Source of Information – Haringey Family Information Service, February 2010 survey

6.2. The demand for childcare places for children aged 0-2 remains high across the borough, whilst demand for childcare places for 3 and 4 year old is much more variable and is often restricted to the 'free entitlement'.

It is proposed to introduce changes to the current fee structure for childcare in Haringey in two stages over a two year period spanning 2011-12 and 2012-13. The first stage from September 2011 will introduce new fee rates for childcare based on the age of the child. The second stage will be to introduce a sliding scale that applies income bands to determine the fee rate payable by parents. The potential income bands will be determined following a review of the impact of the stage one fee increases, the wider impact of changes in Haringey's employment levels over the coming year and any relevant changes to the benefits and tax credit system.

### Childcare Tax Credit (CTC)

6.3. From April 2011, the threshold for eligibility for tax credits was lowered to an annual household income of £40,000. The Government have outlined a further reduction in this threshold to £30,000 in 2012. The impact of this will be that for

many families, their levels of tax credit and childcare tax credit will be reduced at a rate of 41% once they exceed the income thresholds.

Currently the maximum that can be claimed by a parent working 16 hours or more is as follows;

One child: Childcare costs up to a maximum of £175. At the maximum rate of £175, parents can receive up to a maximum of £140 in CTC.

Two children or more: Childcare costs up to a maximum of £300. At the maximum rate of £175, parents can receive up to a maximum of £240 in CTC

Only the lowest income families are likely to be able to claim the maximum childcare tax credits.

#### Charging Proposals

6.4. The recommendation to introduce differentiated fees for the childcare provided within our children's centres reflects the changing demand for childcare in Haringey and our need to improve the self-sustainability of children's centres within current budget constraints.

The tables below outline the current and revised rates being proposed for both weekly and daily users.

#### Weekly Users Current weekly childcare fee rates

\* Based on 50 hour per week provision: 8-6pm per day and 48 weeks per year.

Age Range	Direct cost per hour (£)	Current charge per hour (£)	Cost per week per child (£)	Current charge per week (£)
0-2	6.70	3.50	335	175
2-3	5.35	3.50	267.50	175
3 & 4	5.21	3.50	260	175

#### Proposed weekly child care fee rates

Age Range	Direct cost per	Cost per week per	Proposed new	Proposed 2 <sup>nd</sup> Child

	hour (£)	child (£)	charge per week (£)	discounted rate
0-2	6.70	335	225	170
2-3	5.35	267.50	200	150
3 & 4	5.21	260	175	135

## Daily Users

### Current and proposed daily childcare fee rates

\* Based on 50 hour per week provision: 8-6pm per day and 48 weeks per year.

Age Range	Direct cost per hour (£)	Current charge per hour for a daily rate (£)	Current daily rate per child (£)	Proposed new charge per hour for a daily rate (£)	Proposed daily rate per child (£)	Proposed 2 <sup>nd</sup> Child discounted rate
0-2	6.70	4.25	42.50	5.40	54	40.50
2-3	5.35	4.25	42.50	4.80	48	36.00
3 & 4	5.21	4.25	42.50	4.25	42.50	32.00

## Comparative Fee Rates

6.5. The proposed increases are based on the outcomes of a fee review and information about the typical childcare rates across Haringey. The proposed levels of increase are reflective of the average fees for children under the age of 2 and over the age of 2 in Haringey, as shown below.

### Average costs in Haringey (2010)

Under 2's	£221
Over 2's	£197

6.6. Consideration was also given to the fees charged in our neighbouring boroughs and statistical neighbours.

Local Authority	Age range	Age range	Age range *Excluding the free early education element
	0-2	2-3	*3 & 4
Islington *rates include free early education element	153 -255		87.70-213.20

Hackney	160-200	150-190	150-190
Enfield	212	192	156.92
Waltham Forest	185-197.80	180-197.80	175-183.90
Barnet	235-240	235-240	235-240
<b>Statistical Neighbour</b>			
Lewisham	215-225	195	175

Feedback from the following Councils would appear to indicate that, where there are fee increases proposed, the amounts are relatively small.

Boroughs contacted;

- Islington
- Barnet
- Waltham Forest
- Lambeth
- Lewisham
- Southwark
- Enfield
- Camden
- Hackney

## 7. Equalities Impact Assessment (EqIA)

7.1 The EqIA suggests that where there will be an increase in fees this will have a disproportionate impact on ethnic minority families and women. The full EqIA Assessment is attached at **Appendix 1**.

7.2 As part of our mitigation plan, we will ensure that our most vulnerable and disadvantaged children are able to access high quality, early education through the continued provision of free childcare places for children in need, children with a disability or special educational need (SEN) and vulnerable two year olds. We will also maintain the close partnership working with our partners in health and social care to ensure that we are able to identify children early who may benefit from such provision.

7.3 The impact of the new fee structure will be monitored carefully to ensure that any negative impact on the sustainability of childcare places can be identified early and we are able to track changes in access and use of existing provision.

7.4 Children's centre business planning will be robust and include the monitoring of the take-up of places, income projections and collation of information about unmet needs.

## 8. Other options considered

8.1 An alternative option is to maintain childcare fees at a flat rate for all ages which would recognise anticipated changes to the profile of worklessness in Haringey. This would follow from the current economic climate and the impact of changes to the benefits system. Our judgement however, is that maintaining the current flat fee level is likely to reduce the overall levels of provision available due to the financial constraints on the Council; this is because the level of subsidy required would proportionately increase and would become unaffordable leading to a need to restrict the number of childcare places supported.

8.2 The introduction of a sliding scale for fees would allow a greater degree of differentiation in the fees charged to parents for full-time childcare, depending on their levels of income.

It is recommended, however, that this further change should be considered later and following a review of the following factors which might have an effect;

- The impact on demand of the introduction of increased fees as proposed in this report;
- Allowing the effect of the increased fees in conjunction with changes to the benefits and welfare support system to be evaluated; and
- Changes in the levels of employment in Haringey as a result of the current financial and economic climate.

## 9 Chief Financial Officer Comments

9.1 This report proposes the introduction of differential charges for the provision of child care in the Council's Children Centres. The proposals are based on the relative costs of service provision for different age groups, the level of service demand, current market rates for similar services. Further proposals based on users' ability to pay and reflecting income levels are to follow once the effects of this first stage have been implemented.

9.2 The proposed charging structure is designed to change the balance of funding from subsidy to income. The Council's Medium Term Financial Plan does not include any assumptions relating to additional income from child care. The formula for distributing the subsidy is subject to separate review with relevant settings and this will consider the overall affordability of current childcare levels taking into account the proposed increase in charges.

9.3 In terms of affordability, the report highlights the current uncertain economic climate

and the government's on-going reforms of the benefit system, including child tax credits. This makes it particularly difficult to assess the impact of the proposals on overall income levels.

## **10 Head of Legal Services Comments**

10.1 The Head of Legal Services has been consulted on the content of this report. Paragraph 3.2 sets out the duties on the Council in general terms that arise from the identified provisions of Part 1 of the Childcare Act 2006. Section 10 of the 2006 Act allows a local authority to institute charging arrangements for the provision of childcare. Such a charging arrangement should not apply in respect of early years provision of 15 hours per week for a minimum of 38 weeks per year for all three and four year olds or to childcare provided under Section 18(1) or (5) of the Children Act 1989, where a different statutory regime exists with respect to charging.

10.2 In considering the recommendations set out in this report, the Cabinet Member must take account of the outcome of the consultation set out in Appendix 2 to the report and also must give due regard to the attached Equalities Impact Assessment at Appendix 1. Particular regard must be given to the disproportionate impact outlined in the assessment and summarised at paragraph 7.1 of the report and to the steps proposed to mitigate this impact.

## **11 Head of Procurement Comments – [Required for Procurement Committee]**

11.1 [click here to type]

## **12 Equalities & Community Cohesion Comments**

12.1 The increase in the level of fees charged for childcare in our children's centres is expected to affect families across Haringey. The impact of these changes, as well as the impact of wider economic issues that will affect parent ability to pay for childcare will be monitored.

12.2 We will ensure that our most vulnerable and disadvantaged children are able to access early education through the delivery of the free part-time early education offer for three and four year olds and the continued delivery of a 15 part-time early education offer for some of our most vulnerable two year olds. Through our children's centres, we will provide parents with information and support to access their entitlement to tax credits and Working Families Tax Credits as well as providing access to advice and support around benefits.

## **13 Consultation**

- 13.1 As part of the public consultation on the proposed changes to children's centres, parents and carers were asked their views on proposals to increase childcare fees. We received 349 responses in total. A short summary of responses is provided at **Appendix 2**.
- 13.2 A significant majority of respondents expressed the view that they would find the increases too expensive. The majority of respondents were against an increase to fees, with a small minority expressing the view that the increases proposed were fair (7%). Suggestions made by respondents included; asking higher income families to pay more (9%) and the introduction of means testing for those on lower incomes (7%)
- 13.3 The feedback from the consultation means that there is not general support for an increase to childcare fees; however children centre childcare provision forms a key part of the service offer for many parents and current levels of provision are unlikely to be maintained without increasing fees.
- 13.4 We will continue to listen to the views of parents through our children's centres and through regular audits of sufficiency, tracking the impact of the increase to fees and as we develop a model for differential fee rates based on ability to pay.

#### 14 Service Financial Comments

- 14.1 Please see CFO comments above.

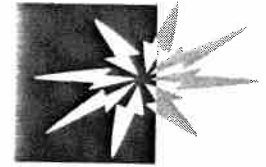
#### 15 Use of appendices /Tables and photographs

- 15.1 Appendix 1 – Equalities Impact Assessment
- 15.2 Appendix 2 – Summary of Responses gathered through public consultation

#### 16 Local Government (Access to Information) Act 1985

- 16.1 [List background documents]
- 16.2 [Also list reasons for exemption or confidentiality (if applicable)]





## EQUALITY IMPACT ASSESSMENT FORM

Service: Children & Young People's Service  
 Directorate: Prevention & Early Intervention  
 Title of Proposal: Children's centre childcare fees  
 Lead Officer (author of the proposal): Ngozi Anuforo  
 Names of other Officers involved: Ros Cooke

**Step 1 - Identify the aims of the policy, service or function**

*State what effects the proposal is intended to achieve and who will benefit from it.*

The provision of childcare is a key part of Haringey's Child Poverty strategy. It enables parents to access employment and training, and supports children to benefit academically from access to high quality early education and care in their earliest years. Haringey has a mixed market of childcare providers for children aged 0-4 consisting of Children's Centre nurseries, playgroups, private nurseries, independent schools, childminders, nursery classes in maintained primary schools and nursery schools.

This Equalities Impact Assessment (EqIA) relates to a proposal to introduce a new fee structure for the under fives childcare offered through Haringey's children's centres. The following centres offer childcare for 0-4 year olds on a 50 hours/week (8am-6pm), 48 weeks/year basis:

- Park Lane
- Triangle
- Woodside
- Stonecroft
- Broadwater Farm
- Pembury House
- Woodlands Park
- Rowland Hill

The current fee level of £175 per week for all ages has been in place since September 2007 with no increases for inflation. This fee level does not generate sufficient income to meet the cost of provision, leaving the shortfall to be subsidised by the Council. Budgetary pressures mean that it will no longer be possible to continue with the current level of subsidy. The current fee structure also does not take into account the variation in cost of provision for different age groups (Ofsted regulations stipulate that there is a higher ratio of staff to children for younger children).

The proposed new fee structure will differentiate between age groups and aims to reduce (but not eliminate) the required level of council subsidy. It is based on the outcomes of a fee review and information about the typical childcare rates across Haringey and in neighbouring boroughs. The proposed fees are as follows:

Age Range	Proposed weekly charge (£)	Proposed weekly 2 <sup>nd</sup> Child discounted rate
0-2	225	168.75
2-3	200	150
3-4	175	131.25

The proposed increases are based on the outcomes of a fee review and information about the typical childcare rates across Haringey. The proposed levels of increase are reflective of the average fees for children under the age of 2 and over the age of 2 in Haringey, as shown below and consideration was also given to the fees charged in our neighbouring boroughs and statistical neighbours.

Average costs in Haringey (2010)	
Under 2's	£221
Over 2's	£197

The proposed fee structure would come into effect from September 2011. Officers are also currently exploring the potential for introducing a 'sliding scale' fee structure based on parents/carers ability to pay, from September 2012. Any such proposal would be based on a review of the impact of the currently proposed fee increases and changes to employment levels and the benefits and tax credit system over the coming year, and would be the subject of a further EqIA.

## Step 2 - Consideration of available data, research and information

You should gather all relevant quantitative and qualitative data that will help you assess whether at presently, there are differential outcomes for the different equalities target groups – diverse ethnic groups, women, men, older people, young people, disabled people, gay men, lesbians and transgender people and faith groups. Identify where there are gaps in data and say how you plug these gaps.

In order to establish whether a group is experiencing disproportionate effects, you should relate the data for each group to its population size. The 2001 Haringey Census data has an equalities profile of the borough and will help you to make comparisons against population sizes.

[http://harinet.haringey.gov.uk/index/news\\_and\\_events/fact\\_file/statistics/census\\_statistics.htm](http://harinet.haringey.gov.uk/index/news_and_events/fact_file/statistics/census_statistics.htm)

*2 a) Using data from equalities monitoring, recent surveys, research, consultation etc. are there group(s) in the community who:*

- *are significantly under/over represented in the use of the service, when compared to their population size?*
- *have raised concerns about access to services or quality of services?*
- *appear to be receiving differential outcomes in comparison to other groups?*

*2 b) What factors (barriers) might account for this under/over representation?*

357 children are currently accessing childcare through the children's centres (note however that this does not include figures from one of the centres). Equalities information relating to these service users is set out below.

The proposed increase in childcare fees will have a negative financial impact for all families currently accessing the service, but the impact will be different for families at different income levels. For families on lower incomes, the fee increase will take up a greater proportion of household income, whilst for middle income earners, the impact of childcare fees taking up a greater proportion of household income will be compounded by changes in eligibility for tax credits introduced by the Government.

CACI produce data on average household incomes at postcode level. Matching this information to the postcodes of service users provides an indication of the household income of children accessing childcare. This information is set out in the table below, and will also be considered in relation to the equalities strands (please note that the bandings used in the following table and in the analysis that follows are not based on any specific definitions of low or middle income).

Household income	Number
Under £20k	21

£20-30k	111
£30-40k	93
£40-50k	61
£50-60k	16
£60-70k	5
£70k+	6
Data not available - no postcode provided	3
Data not available - child lives out of borough	41
Grand Total	357

The increase in fees will also impact upon families where parents/carers are not in work, as increased childcare fees constitute an additional barrier to finding suitable employment for an already disadvantaged group. Data on worklessness is therefore also included in this section.

## Ethnicity

Service use data shows that in relation to the overall Haringey population there is a higher proportion of children of Black ethnicities and lower proportion of White British children accessing childcare through the children's centres. 37.3% of the children accessing childcare are of Black ethnicity compared to 20.1% of the Haringey population. 26.9% of children accessing childcare are of White British ethnicity compared to 45.3% of the Haringey population. There are also a disproportionately high number of children of Mixed backgrounds accessing childcare compared with the Haringey population (13.2% compared to 4.6%), the significant majority of which are of 'Other Mixed' backgrounds.

	All children accessing CC childcare	%	Haringey population (2001 census)
White British	96	26.9%	45.3%
Irish	4	1.1%	4.3%
Other White	45	12.6%	16.1%
White and Black Caribbean	10	2.8%	1.5%
White and Black African	5	1.4%	0.7%
White and Asian	5	1.4%	1.1%
Other Mixed	27	7.6%	1.3%
Indian	3	0.8%	2.9%
Pakistani	1	0.3%	0.9%
Bangladeshi	1	0.3%	1.4%
Other Asian	4	1.1%	1.5%
Caribbean	57	16.0%	9.5%
African	61	17.1%	9.2%
Other Black	15	4.2%	1.4%
Chinese	2	0.6%	1.1%
Other ethnic group	7	2.0%	2.0%
No data provided	14	3.9%	0.0%
<b>Total</b>	<b>357</b>	<b>100.0%</b>	<b>100.0%</b>

Looking specifically at those children accessing children's centres childcare that live in postcodes where average household income is lower than £30k, there is again a higher proportion of children of Black ethnicities and lower proportion of White British children, but the difference between the profile of these children and the overall Haringey profile is more marked. 50% of these children are of Black ethnicities and only 12.1% White British.

	Number of children accessing CC childcare living in postcodes where average household income is under £30k	%	Haringey population (2001 census)

White British	16	12.1%	45.3%
Irish	0	0.0%	4.3%
Other White	19	14.4%	16.1%
White and Black Caribbean	3	2.3%	1.5%
White and Black African	2	1.5%	0.7%
White and Asian	1	0.8%	1.1%
Other Mixed	13	9.8%	1.3%
Indian	1	0.8%	2.9%
Pakistani	0	0.0%	0.9%
Bangladeshi	0	0.0%	1.4%
Other Asian	3	2.3%	1.5%
Caribbean	28	21.2%	9.5%
African	31	23.5%	9.2%
Other Black	7	5.3%	1.4%
Chinese	0	0.0%	1.1%
Other ethnic group	3	2.3%	2.0%
No data provided	5	3.8%	0.0%
<b>Total</b>	<b>132</b>	<b>100.0%</b>	<b>100.0%</b>

For those children accessing children's centres childcare that live in postcodes where average household income is between £30k and £55k, the distribution of ethnicities is much closer to the overall Haringey ethnic profile. However children of mixed ethnicities continue to be overrepresented relative to the Haringey population (13.3% compared to 4.6%).

	Number of children accessing CC childcare living in postcodes where average household income is between £30-55k	%	Haringey population (2001 census)
White British	61	37.2%	45.3%
Irish	3	1.8%	4.3%
Other White	18	11.0%	16.1%
White and Black Caribbean	5	3.0%	1.5%
White and Black African	3	1.8%	0.7%
White and Asian	4	2.4%	1.1%
Other Mixed	10	6.1%	1.3%
Indian	2	1.2%	2.9%
Pakistani	1	0.6%	0.9%
Bangladeshi	0	0.0%	1.4%
Other Asian	1	0.6%	1.5%
Caribbean	21	12.8%	9.5%
African	18	11.0%	9.2%
Other Black	5	3.0%	1.4%
Chinese	1	0.6%	1.1%
Other ethnic group	4	2.4%	2.0%
No data provided	7	4.3%	0.0%
<b>Total</b>	<b>164</b>	<b>100.0%</b>	<b>100.0%</b>

The most recent data on worklessness shows that the 16+ unemployment rate in Haringey is 8.8%, compared to a London average of 8.7%. There is however a significant difference in the rate between white (6.7%) and ethnic minority (12.5%) groups<sup>1</sup>. The rate amongst Black jobseekers is higher still at 15.2%. More detailed ethnicity data is not available therefore it is not possible to identify unemployment rates in specific communities.

<sup>1</sup> Source: <https://www.nomisweb.co.uk/>

The equalities profile of those who responded to the questionnaire on proposed changes to childcare fees shows a proportionately greater representation of Other White and African ethnicities compared to the overall Haringey profile (see 'step 4' for the table). This could indicate that that these groups are particularly concerned about the proposed rise; however as a self-selected sample it is not possible to draw that conclusion with any great confidence.

## Gender

Children attending childcare at the children's centres are quite evenly split between boys and girls.

Female	185
Male	170
Data not provided	2
Grand Total	357

2001 census data showed that 94% of lone parent households in Haringey were headed by a woman<sup>2</sup>. Lone parents as a group are particularly reliant on childcare in order to work. Lone parent households are also much more likely to be in poverty. 42% of households with dependent children in Haringey are lone parent households and 58% are couple households<sup>3</sup>. Yet of the 22,600 children living in poverty (as defined by HMRC) in Haringey, 16,420 (73%) live in lone parent households and only 6,180 (27%) live in couple households<sup>4</sup>. It is not possible to make a direct comparison between these two sets of figures as the first relates to households and the second relates to children, nevertheless they do indicate a correlation between lone parenthood and poverty. The table below sets out the numbers of children in poverty by ward.

	Children in families in receipt of CTC (<60% median income) or IS/JSA	
	Couple	Lone parent
Alexandra	95	215
Bounds Green	235	880
Bruce Grove	450	1,240
Crouch End	75	200
Fortis Green	100	275
Harringay	275	640
Highgate	35	195
Hornsey	250	760
Muswell Hill	70	180
Noel Park	360	1,110
Northumberland Park	540	1,625
St Ann's	450	970
Seven Sisters	775	980
Stroud Green	155	460
Tottenham Green	395	1,280
Tottenham Hale	550	1,520
West Green	420	1,060
White Hart Lane	570	1,815

<sup>2</sup> Source: 2001 census - <http://www.statistics.gov.uk/STATBASE/Expodata/Spreadsheets/D8352.xls>

<sup>3</sup> Source: DCLG household projections 2008 - <http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/householdestimates/livetables-households/>

<sup>4</sup> Source: HMRC Child Poverty data - [http://www.hmrc.gov.uk/stats/personal-tax-credits/child\\_poverty.htm](http://www.hmrc.gov.uk/stats/personal-tax-credits/child_poverty.htm). The HMRC definition of children in poverty is those children living in families in receipt of Child Tax Credit whose reported income is less than 60 per cent of the median income or in receipt of Income Support or Income-Based Jobseekers Allowance.

Woodside	380	1,015
Haringey	6,180	16,420

The most recent data on worklessness shows that the 16+ unemployment rate is 8.6% for males and 9.0% for females – not a significant difference.

Over 90% of respondents to the consultation questionnaire were women. The scale of the differential suggests that the proposed increases are of greater concern to women than to men, though of course some women will have completed the questionnaire on behalf of both themselves and their (male) partner.

## Age

The service is for children aged 6 months-4 years. The age profile of children currently accessing the service is shown below.

Age	Number of children
0	1
1	30
2	86
3	124
4	114
No data provided	2
<b>Grand Total</b>	<b>357</b>

The age profile of those who responded to the questionnaire gives an indication of the age of service users. 71% of respondents were aged 30-44, and 22% were aged 20-29 – see 'step 4' for the full table.

## Disability

8.7% of children accessing childcare have an identified disability or special educational need. 6.2% of respondents to the questionnaire considered themselves to be disabled, compared to 7.6% of the Haringey population.

National labour market data shows that the proportion of people with a work-limiting disability who lack, but want, paid work is much greater than for those without a disability<sup>5</sup>. Furthermore, people with a work-limiting disability who are in work are also more likely to be low paid than those who are not disabled, as the table below sets out<sup>6</sup>.

*Proportion of employees aged 25 to retirement who earn less than £7 an hour*

Group	With a work-limiting disability	With no work-limiting disability
Full-time men	18%	11%
Full-time women	22%	17%
Part-time (men and women combined)	48%	39%

## Pregnancy and Maternity

Equality and Human Rights Commission guidance states that 'protection against maternity discrimination is for 26 weeks after giving birth, including as a result of breastfeeding'. Haringey children's centres offer childcare from the age of 6 months, therefore the proposed increase in fees would not impact on any women falling within this category.

## Religion or belief

<sup>5</sup> Source: <http://www.poverty.org.uk/45/index.shtml>

<sup>6</sup> Source: <http://www.poverty.org.uk/54/index.shtml>

The equalities profile of those who responded to the questionnaire shows a proportionately greater representation of Muslims and of those with no religion compared to the overall Haringey profile.

#### **Other equalities strands**

Service use data on sexual orientation or gender reassignment is not available, and there is also no hard national data e.g. census data for comparison. However, the Council is required to monitor this group for potential discrimination, victimisation or harassment.

National statistics from research conducted by GLA and Stonewall indicate the national LGBT (Lesbian, Gay, Bisexual, Transgender) profile to be 10%. 2% of respondents to the questionnaire identified as bisexual and 1% identified as lesbian. 1.5% of respondents to the questionnaire stated that their gender differs from their birth sex.

### Step 3 - Assessment of Impact

Using the information you have gathered and analysed in step 2, you should assess whether and how the proposal you are putting forward will affect existing barriers and what actions you will take to address any potential negative effects.

*3 a) How will your proposal affect existing barriers? (Please tick below as appropriate)*

Increase barriers? X	Reduce barriers?	No change?
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#### Comment

The proposed increase in childcare fees will have a negative financial impact for all families currently accessing the service. Consideration of the data on service use, income levels and worklessness indicates that the proposed increase in childcare fees may have a disproportionate negative impact on ethnic minorities, women, and parents/carers with disabilities.

- Ethnic minority service users, specifically African and Caribbean groups, are overrepresented in the use of the service and are concentrated in postcodes with relatively lower levels of household income. The unemployment rate for ethnic minority jobseekers is almost double that for white jobseekers.
- 94% of lone parent families in Haringey are headed by a woman. Lone parents are particularly reliant on childcare in order to work. Lone parent households are also much more likely to be in poverty. The overwhelming majority of respondents to the questionnaire on the proposed changes were women.
- National data shows that people with disabilities have more difficulty in finding employment and once in work are more likely to be low-paid than people without disabilities. Parents and carers with disabilities may therefore be harder hit by the proposed increase in fees.

*3 b) What specific actions are you proposing in order to respond to the existing barriers and imbalances you have identified in Step 2?*

The impact of the new fee structure will be monitored carefully to ensure that any negative impact on the sustainability of childcare places can be identified early and we are able to track changes in access and use of existing provision.

One key area of mitigating action is take-up of benefit entitlement. Central Government data suggests that the take up of the childcare element of working tax credit in Haringey as at April 2010 is 15.79%, with the London average being 18.38%. Work is ongoing through our children's centres to support, monitor and increase take up of childcare tax credit in the borough and to understand barriers to take up. We will be looking at ways to improve the information provided for parents from Haringey's diverse ethnic communities to ensure they are better informed about childcare options.

We will ensure that our most vulnerable and disadvantaged children are able to access high quality, early education through the continued provision of free childcare places for children in need, children with a disability or special educational need (SEN) and vulnerable two year olds. We will also maintain the close partnership working with our partners in health and social care to ensure that we are able to identify children early who may benefit from such provision.

We are working closely with the Citizen's Advice Bureau to provide advice and support to parents from within our children's centres, targeting those living in poverty and enabling them to access support around employment and benefits issues.

The introduction of a sliding scale for fees would allow a greater degree of differentiation in the fees charged to parents for full-time childcare, depending on their levels of income. And it has been recommended in the report on Children's Centre Childcare Fees, that this further change should be considered following a review of;

- The impact of the introduction of increased fees,
- Changes to the benefits and welfare support system

- Changes in the levels of employment in Haringey as a result of the current financial and economic climate.

*3 c) If there are barriers that cannot be removed, what groups will be most affected and what Positive Actions are you proposing in order to reduce the adverse impact on those groups?*

In the longer term, officers are exploring the potential for introducing a 'sliding scale' fee structure based on parents/carers ability to pay, from September 2012.

The Early Years service will also work closely with other services within the Council and outside of the Council to identify opportunities to support the delivery of affordable childcare and to enable the most disadvantaged families to access support and advice about their childcare options and any financial support that may be available to them based on their circumstances.

Section 6 of the Childcare Act 2006 requires the Council to secure sufficient high quality childcare for working parents and parents undertaking education or training leading to work, which is affordable, sustainable, inclusive and of sufficient range. As part of fulfilling this duty, Haringey carried out a detailed Childcare Sufficiency Assessment. For more information, see [www.haringey.gov.uk/csa](http://www.haringey.gov.uk/csa). A Childcare Sufficiency Action Plan will be produced and will include actions relating to the accessibility and affordability of childcare in Haringey.

#### Step 4 - Consult on the proposal

Consultation is an essential part of impact assessment. If there has been recent consultation which has highlighted the issues you have identified in Steps 2 and 3, use it to inform your assessment. If there has been no consultation relating to the issues, then you may have to carry out consultation to assist your assessment.

Make sure you reach all those who are likely to be affected by the proposal, ensuring that you cover all the equalities strands. Do not forget to give feedback to the people you have consulted, stating how you have responded to the issues and concerns they have raised.

#### 4 a) Who have you consulted on your proposal and what were the main issues and concerns from the consultation?

As part of the public consultation on proposed changes to children's centres, parents and carers were also asked for their comments on the proposed increase in childcare fees. 349 (45%) parents and carers responded to this question. The following tables set out the equalities profile of the respondents who answered the question on childcare.

	Questionnaire respondents	Haringey population
White British	31.8%	45.3%
Irish	2.2%	4.3%
Other White	25.8%	16.1%
White and Black Caribbean	3.0%	1.5%
White and Black African	0.8%	0.7%
White and Asian	1.4%	1.1%
Other Mixed	0.5%	1.3%
Indian	0.8%	2.9%
Pakistani	2.2%	0.9%
Bangladeshi	1.1%	1.4%
Other Asian	0.3%	1.5%
Caribbean	7.9%	9.5%
African	12.3%	9.2%
Other Black	1.9%	1.4%
Chinese	2.2%	1.1%
Other ethnic group	5.8%	2.0%

Man	9%
Woman	91%

	Questionnaire respondents	Haringey population
Under 19	1%	23%
20-24	5%	9%
25-29	17%	13%
30-44	71%	28%
45-59	6%	15%
60-64	0%	3%
65-74	1%	5%
75+	0%	4%
Total		

	Questionnaire respondents	Haringey population
No religion	28%	20%
Christian	46%	50%

Buddhist	2%	1%
Hindu	0%	2%
Jewish	1%	3%
Muslim	18%	11%
Sikh	0%	0%
Other	6%	1%
Data Not Provided	0%	12%

<b>Do you consider yourself to be a disabled person?</b>		
	<b>Questionnaire respondents</b>	<b>Haringey population</b>
Yes	6.2%	7.6%
No	93.8%	92.4%

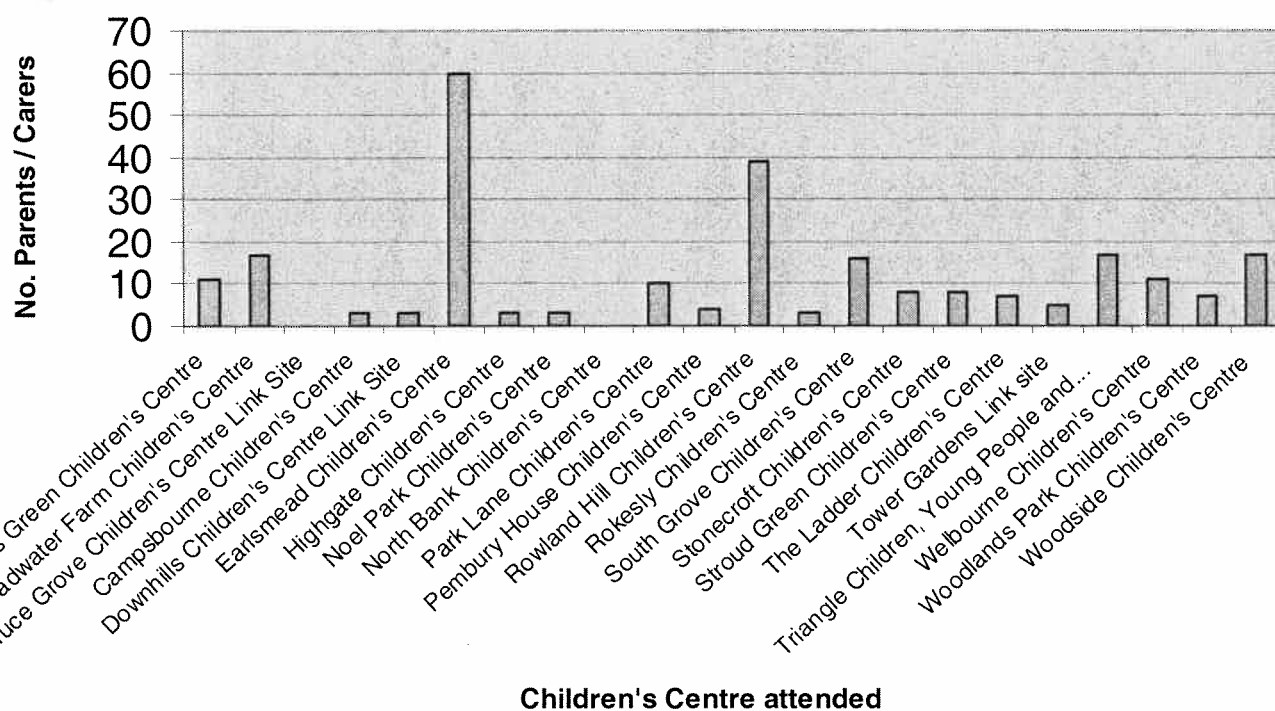
<b>Does your gender differ from your birth sex?</b>	
Yes	1.5%
No	98.5%

<b>How would you describe your sexual orientation?</b>	
Heterosexual	97%
Bisexual	2%
Gay	0%
Lesbian	1%

The majority of respondents were against the proposed increase in fees.

- 72% of all 349 respondents commented that the increase in fees is too expensive or that they are against the increase. 1% also said that the increase in fees was too fast. Many parents commented that they were already facing a reduction in benefits and rises in many other areas and that this would be compounded by an increase in fees. Respondents also commented that an increase would act as a further barrier to parents trying to return to work or maintain employment. Many parents / carers felt this would likely increase the number of parents claiming income support and staying at home to care for their children instead of working. Parents with more than one child were particularly concerned that they would not be able to meet the increase and a number of respondents said that factors such as increasing childcare fees meant they could not afford to have a second child.

### Response to increase in childcare fees: Too expensive / against the increase



- 9% of all 349 respondents suggested that higher income families should pay more and a further 7% supported some form of means testing for those on lower incomes, such as a sliding scale or two tiered fees. Parents and carers within this category generally acknowledged the need for an increase in fees. However those that stated they were on lower incomes felt that they would struggle to pay the increase. Those stating they were on higher incomes generally felt they could accommodate the increase but that parents who could not afford it should not be penalised.
- 7% of all 349 respondents commented that the increase is fair and 1% stated that the fees are still relatively low when compared with private sector provision and could be higher. Many respondents in this category stated that the increase would affect them financially but that they understood it was necessary and that they would prefer an increase to a service closure.
- Some parents and carers stated that they were unable to get a childcare place and that the number of places should be increased as well.
- Some parents and carers raised concerns relating to maintaining the quality of care provided.

#### 4 b) How, in your proposal have you responded to the issues and concerns from consultation?

We are very aware of the issues around affordability of childcare which have been confirmed through the consultation responses from parents and carers. The actions identified to mitigate the impact of the proposed rise in fees set out in section 3 above may go some way to addressing the concerns expressed though it is likely that a majority would still oppose an increase in fees.

#### 4 c) How have you informed the public and the people you consulted about the results of the consultation and what actions you are proposing in order to address the concerns raised?

The summary of the results of consultation was published as part of the report on Children's Centres and service users have received letters informing them of the proposed rise in fees. We will contact them again should the proposal be approved.

The issues you have identified during the assessment and consultation may be new to you or your staff, which means you will need to raise awareness of them among your staff, which may even training. You should identify those issues and plan how and when you will raise them with your staff.

*Do you envisage the need to train staff or raise awareness of the issues arising from any aspects of your proposal and as a result of the impact assessment, and if so, what plans have you made?*

We will ensure that all childcare staff are informed about and kept up to date with developments in tax credits and other benefits so that they can support parents and carers to take up what they are entitled to.

## Step 6 - Monitoring Arrangements

If the proposal is adopted there is a legal duty to monitor and publish its actual effects on people. Monitoring should cover all the six equality strands. The purpose of equalities monitoring is to see how the policy is working in practice and to identify if and where it is producing disproportionate adverse effects and to take steps to address the effects. You should use the Council's equal opportunities monitoring form which can be downloaded from Harinet. Generally, equalities monitoring data should be gathered, analysed and report quarterly, in the first instance to your DMT and then to the Equalities Team.

- *What arrangements do you have or will put in place to monitor, report, publish and disseminate information on how your proposal is working and whether or not it is producing the intended equalities outcomes?*

We are mindful of our sufficiency duty and therefore will be closely monitoring the impact of the rise in fees on the vacancy and occupancy rates at the eight centres providing childcare.

- *Who will be responsible for monitoring?*

The Early Years Senior Management team.

- *What indicators and targets will be used to monitor and evaluate the effectiveness of the policy/service/function and its equalities impact?*

Vacancy, occupancy rates, and equalities information

- *Are there monitoring procedures already in place which will generate this information?*

Yes

- *Where will this information be reported and how often?*

To the Early Years Senior Management team, 6 times a year.

### Step 7 - Summarise impacts identified

In the table below, summarise for each diversity strand the impacts you have identified in your assessment

Age	Disability	Race	Sex	Religion or Belief	Sexual Orientation	Gender Reassignment	Marriage and Civil Partnership	Pregnancy and Maternity
Children accessing the service are aged 0-4. Data on age of parents/carers not available	Impact will be greater on parents/carers with disabilities as it presents an additional barrier to obtaining suitable employment, whilst those in work are more likely to have low income.	Greater impact on ethnic minority groups as they are disproportionately represented in the use of the service and also have higher rate of unemployment	Impact will be greater on lone parents (who are predominantly women) as they are more reliant on childcare in order to work and more likely to have low income.	No impact identified	No impact identified	No impact identified	No impact identified	No impact identified

**Step 8 - Summarise the actions to be implemented**

s impact assessment.

Please:

Issue	Action required	Lead person	Timescale	Resource implications
Impact of fee increases on low & middle income families	Explore introduction of differential fee rates in 2012-13	Early Years Strategic Manager	March 2012	
Impact of fee increases on low & middle income families	Monitor and track take-up of childcare places	Childcare Coordinator	March 2012	
Impact of fee increases on low & middle income families	Introduce feedback questionnaire for childcare leavers	Childcare Coordinator	March 2012	
Reduced access to childcare for women, children and parents with disabilities and parents from ethnic minority communities	Ensure CC staff aware and able to advise parents of benefits they may be eligible for.	Commissioned externally	On-going	
Reduced access to childcare for women, children and parents with disabilities and parents from ethnic minority communities	Provision of advice and support on employment and benefit issues	Early Years Strategic Manager	On-going	
Possible reduced access to early education for most disadvantaged children	Continued provision of targeted free places for children in need and children with SEN/disabilities	EY Lead for Vulnerable Children	On-going	

**Step 9 - Publication and sign off**

There is a legal duty to publish the results of impact assessments. The reason is not simply to comply with the law but also to make the whole process and its outcome transparent and have a wider community ownership. You should summarise the results of the assessment and intended actions and publish them. You should consider in what formats you will publish in order to ensure that you reach all sections of the community.

*When and where do you intend to publish the results of your assessment, and in what formats?*

The assessment will be published on the Haringey website.

**Assessed by (Author of the proposal):**

Name: Ngozi Anuforo

Designation: Early Years Strategic Manager

Signature:

Date:

**Quality checked by (Equality Team):**

Name: Arleen Brown

Designation: Senior Equalities Officer

Signature:

Date:

**Sign off by Directorate Management Team:**

Name:

Designation:

Signature:

Date:



## APPENDIX 2

### Summary of responses gathered through public consultation

As part of the public consultation on proposed changes to children's centres, parents and carers were also asked for their comments on the proposed increase in childcare fees. 349 (45%) parents and carers responded to this question. The following tables set out the equalities profile of the respondents who answered the question on childcare.

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Total		

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Other	6%	1%
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No	93.8%	92.4%

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No	98.5%

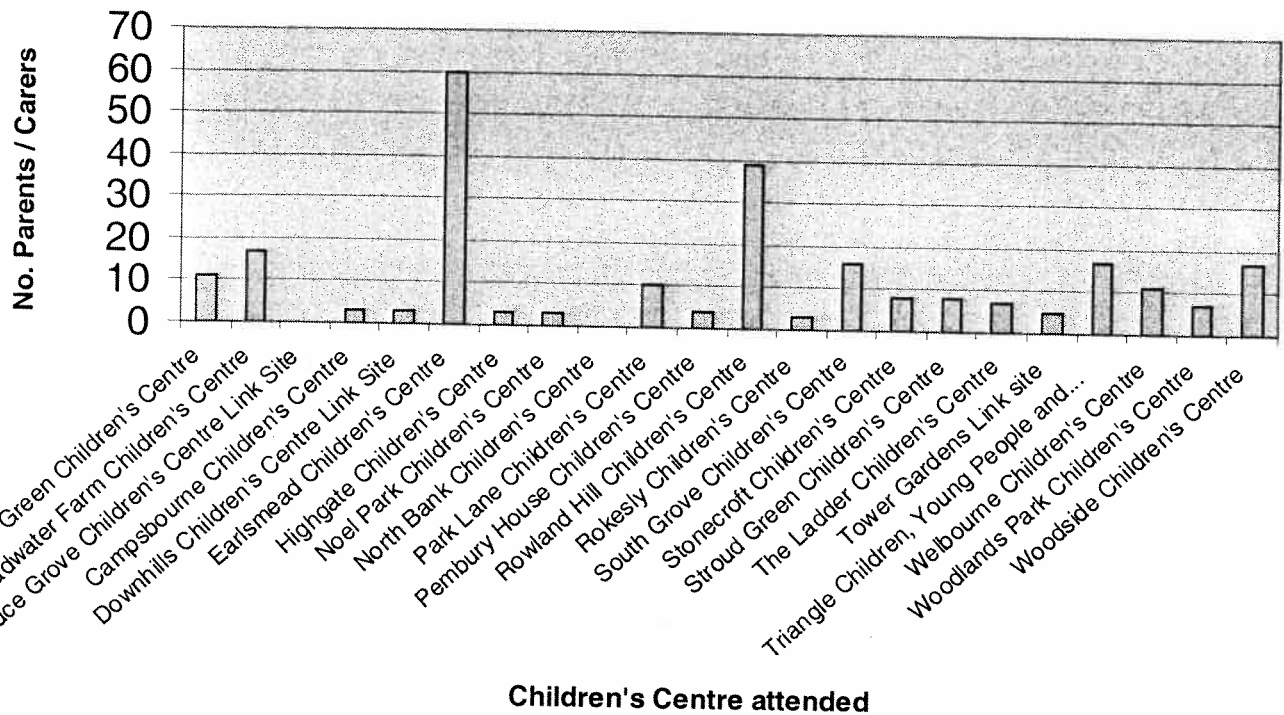
**How would you describe your sexual orientation?**

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