

Equalities Impact Assessment: Full Assessment

Before completing this form you should have completed an Equalities Screening Tool and had sign off from your Head of Service and the Fairness and Equality Team.

This Equality Impact Assessment should be completed where the Screening Tool identifies a potentially negative impact on one or more specific groups but it can also be used to highlight positive impacts.

Summary of proposal

Name of proposal	Under 5s Childcare Fee Increase
Reference number (if applicable)	
Service Area	Children's - Early Intervention and Prevention
Date assessment completed	30 November 2022

Before completing the EQIA please read the guidance and FAQs. For further help and advice please contact equalities@islington.gov.uk.

1. Please provide a summary of the proposal.

Please provide:

- Context on how the service currently operates (if relevant) and the scope of suggested changes
- The intended beneficiaries and outcomes of the proposal
- Reference to any savings or income generation

The Council subsidises the cost of childcare in council-run children's centres and council-funded community nurseries for Islington-resident working and studying families. Fees are subsidised on a sliding scale according to income, so that families on the lowest incomes receive the most help with the costs of childcare.

This is a progressive policy which:

- supports low- and middle-income families with the costs of childcare enabling parents, and especially mothers, to take up and sustain work after having children
- ensures a social mix within our high quality nurseries which benefits all children, in particular those who are most disadvantaged
- supports the council to fulfil its statutory duty to secure sufficient childcare for working and studying parents

We use household income (both earned and unearned) to determine childcare fees. There are 11 income bands (plus an out of borough/market rate band), enabling us to set fees which are sensitive to differences in income. In addition, we offer sibling discounts in recognition that where families have multiple children under 5, the cost of childcare can be particularly challenging.

Standard policy has been to increase charges at all income bands by 2% each year in line with inflation.

The proposal is to consult on introducing a graduated increase to childcare charges (where the rate of increase is greater for those households with higher incomes). The increase would be applied from September 2023 and would contribute to the Council's savings targets over a three-year period while protecting low- and middle-income families.

It is proposed to apply an increase as follows:

For new and existing families:

- Bands 1-8 (incomes of less than £90K): 0% increase in year 1; 2% increase in years 2, 3
- Bands 9, 10 and 11 increase by 8% in years 1,2,3

We would continue to support families where there is more than one child under five and where children have disabilities by providing a discount.

Islington is one of only a small number of local authorities which provides additional, local support for the costs of childcare on top of the government entitlements and financial help. Nationally, the government provides financial support for families with the costs of childcare through Universal Credit for low-income families and the Tax-Free Childcare scheme for any families where no one parent earns more than 100k, which gives families up to £2000 per year per child towards childcare costs.

Please provide:

- Context on how the service currently operates (if relevant) and the scope of suggested changes
- The intended beneficiaries and outcomes of the proposal
- Reference to any savings or income generation

2. What impact will this change have on different groups of people?

Please consider:

- Whether the impact will predominantly be external or internal, or both?
- Who will be impacted – residents, service users, local communities, staff, or others?
- Broadly what will the impact be – reduced access to facilities or disruptions to journeys for example?

Residents who currently use LBI nurseries (and whose children will still be nursery age by September 2023) will see an increase to their childcare fees. Households earning less than 90k will be protected from any increases in year 1 and will then see a 2% increase each year thereafter, well below the current rate of inflation.

609 families pay childcare fees at LBI nurseries as at Summer 2022 (with others accessing free entitlement government-funded hours or priority child in need places only). Of these, 36% (217 families) are in bands 9 and above, earning more than £90k per year. Families in this income bracket will see higher proportionate increases under the proposals. 391 families are paying within bands 1-8, with almost half of these (184 families, 30% of the total paying cohort) at band 1, earning less than £24,999.

The increases will be phased in over 3 years, with notice given to parents in May 2023 allowing time for them to prepare.

LBI charges are currently 7% less than the median private sector charge for a baby place. We continue to monitor private sector charges in order to remain competitive.

3. What impact will this change have on people with protected characteristics and/or from disadvantaged groups?

This section of the assessment looks in detail at the likely impacts of the proposed changes on different sections of our diverse community.

3A. What data have you used to assess impacts?

Please provide:

- Details of the evidence used to assess impacts on people with protected characteristics and from disadvantaged groups (see guidance for help)
- A breakdown of service user demographics where possible
- Brief interpretation of findings

We collect detailed information about the household incomes of families using LBI children's centre nurseries, as outlined above. We monitor occupancy on a termly basis and analyse the spread of places taken up in each of the charging bands annually. This proposal protects low- and middle-income households from unaffordable rises and ensure they can continue to work.

The costs of childcare can be prohibitive and this has a disproportionate impact on women who are more likely to take time off work to care for young children. A lack of affordable, flexible childcare is one of the main barriers for parents, and especially mothers, to enter or re-enter the workplace. Research shows that children in low-income households do less well than their peers on a range of developmental outcomes and that household income has a positive causal effect on children's outcomes.

It is possible that some families may reassess their working arrangements as nursery fees increase. We will keep the policy under review.

3B: Assess the impacts on people with protected characteristics and from disadvantaged groups in the table below.

Please first select whether the potential impact is positive, neutral, or negative and then provide details of the impacts and any mitigations or positive actions you will put in place.

Please use the following definitions as a guide:

Neutral – The proposal has no impact on people with the identified protected characteristics

Positive – The proposal has a beneficial and desirable impact on people with the identified protected characteristics

Negative – The proposal has a negative and undesirable impact on people with the identified protected characteristics

Characteristic or group	Positive/Neutral/Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
Age	Choose an item.	Neutral	

Characteristic or group	Positive/Neutral/Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
Disability (include carers)	Choose an item.	Neutral	

Characteristic or group	Positive/Neutral/Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
Race or ethnicity	Choose an item.	Neutral	

Characteristic or group	Positive/Neutral/Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
Religion or belief (include no faith)	Choose an item.	Neutral	

Characteristic or group	Positive/Neutral/Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
Gender and gender reassignment (male, female, or non-binary)		<p>Negative. High childcare fees have a disproportionate negative impact on women's ability to take up and sustain work.</p> <p>It is possible that in two-parent families where there is a disparity in earnings between male and female partners, a fee increase could deter women from remaining in work.</p>	<p>The provision of a local childcare subsidy in addition to national support is part of the Council's response to the link between childcare fees and the ability of women to take up/sustain work and/or re-enter the workplace. We know that where earnings are higher there is a greater incentive to take up/return to work and to purchase childcare as a result, therefore fee increases in the higher income brackets are less likely to be prohibitive.</p> <p>We will review the increases at the start of the second year to determine any impact on take-up at council-funded nurseries.</p> <p>Sibling and disability discounts will continue with no changes to these proposed, further alleviating pressure for families.</p>

Characteristic or group	Positive/Neutral/Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
Maternity or pregnancy	Choose an item.	Neutral	

Characteristic or group	Positive/Neutral/Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
Sex and sexual orientation	Choose an item.	Neutral	
Marriage or civil partnership	Choose an item.	Neutral	

Characteristic or group	Positive/Neutral/Negative	What are the positive and/or negative impacts?	How will potential benefits be enhanced or negative impacts be eliminated or reduced?
<p>Other Age (e.g. elderly) (e.g. people living in poverty, looked after children, people who are homeless or refugees)</p>	<p>Choose an item.</p>	<p>Negative. The proposal sees fees increases for all families in the system over the course of three years, which includes those on the lowest incomes.</p>	<p>We are protecting low-income families from the higher increases and they will see no increase in year 1. Increases in years 2 and 3 at 2% are likely to be significantly below inflation. We will continue to promote and communicate to families the local and national support available with the costs of childcare, including through the Family Information Service and Bright Start. Sibling and disability discounts will continue.</p>

4. How do you plan to mitigate negative impacts?

Please provide:

- An outline of actions and the expected outcomes
- Any governance and funding which will support these actions if relevant

As above we will continue to promote the financial support available to families for the costs of childcare. We actively communicate the childcare bursary, tax free childcare and other schemes via social media and other resident-facing campaigns. Our Family Information Service will continue to provide brokerage and support for parents seeking childcare. Through Bright Start our Family Engagement Workers and other early childhood colleagues will continue to promote the help and support available to parents taking up / returning to work. We are working with subject experts Hempsall's to review our subsidy offer and we expect them to identify ways in which we can make the process of looking for and taking up a place simpler for families, in particular to ensure the fee structure can be easily understood.

5. Please provide details of your consultation and/or engagement plans.

Please provide:

- Details of what steps you have taken or plan to take to consult or engage the whole community or specific groups affected by the proposal
- Who has been or will be consulted or engaged with
- Methods used or that will be used to engage or consult
- Key findings or feedback (if completed)

If the proposals are agreed there will be a 7-week public consultation on fee increases starting in January 2023. The consultation would be promoted directly to parents/carers currently using our centres as well as via social media and on the council website in order to seek a broad range of views.

Please provide:

- Details of what steps you have taken or plan to take to consult or engage the whole community or specific groups affected by the proposal
- Who has been or will be consulted or engaged with
- Methods used or that will be used to engage or consult
- Key findings or feedback (if completed)

We have also committed to reviewing the charges at the start of year 2 for any negative impacts.

6. Once the proposal has been implemented, how will impacts be monitored and reviewed?

Please provide details in the table below.

Action	Responsible team or officer	Deadline
Review at start of year 2	Early Years and Childcare Service	Autumn 2023

Please send the completed EQIA to equalities@islington.gov.uk for quality checking by the Fairness and Equality Team. All Equality Impact Assessments must be attached with any report to a decision-making board and should be made publicly available on request.

This Equality Impact Assessment has been completed in accordance with the guidance and using appropriate evidence.

Member	Name	Signed	Date
Staff member completing this form	Lydia Hutchings		20/10/22
Fairness and Equality Team			
Director or Head of Service			