

Islington Childcare Bursary Scheme: Update April 2024

1. Synopsis

This report provides an update on the Enhanced Childcare Bursary, spend to date, impact of the changes which were implemented June 2023 and anticipated impact of future changes to government policy and legislation.

2. Context

The original Islington bursary programme was designed to support residents with a range of costs related to the transition into /back to work, but this support ceased when the Enhanced Childcare bursary scheme was introduced.

In November 2023 we agreed to extend the childcare bursary programme to again cover these ad hoc costs, up to a total of £20,000. Although this has been barely spent in 23/24, we believe this is because the approval to broaden the spend was only received in November and that we can achieve full spend against the nominated £20,000, based on the approach outlined below.

We launched our work to support refugee communities fully in January this year, and we anticipate at least £5000 p/a being spent on interpreting and other specific support, in addition to the needs of other residents being supported by our service.

We would also like the flexibility to offer a bursary to residents with multiple barriers to employment, to incentivise them to take up work experience placements brokered by our teams. This would be primarily for care experienced young people, young offenders, or those at risk of gang involvement, and for refugees and residents with disabilities where employers need to experience their talents directly to be encouraged to consider offering adjusted waged employment opportunities.

It is worth noting that employees at Islington council do not benefit from the bursary unless they are Islington residents. Spend would be increased if the scheme were opened to new employees, and employees returning from maternity leave, from any London borough.

3. Spend to date.

Based on increased flexibilities agreed July 2023, allocation of a resource to administer the bursary, and an allocation offered direct to Adult and Community learning, current spend for 23/24 is as follows .

Budget allocations	Actual	Item	Comment
£80,000	£81182	Bursary applications	See section 5 below
£20,000	£7120	ACL creches	Develop action plan to increase use
£20,626	£15000	administration costs	Recruitment delayed to June 23
£20,000	£1189	General Discretionary budget	Only agreed at end November 23, so take up not representative of a full year
£20,000	£0	To be allocated	
£160000	£104719	Actual spend to date	
	£ 55281	Forecast underspend	This should be fully utilised next year as administration costs increase, ACL improve take up,

			members share proposals for the use of the £20,000, and the employment services are enabled to support remove other barriers for residents wishing to enter work
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4. Impact of Bursary

This report is just ahead of the year end, but we anticipate the bursary will have supported 68 parents, plus any supported by Adult Community Learning ACL.

- Over 80% of recipients are non-white, with over 90% being lone parents.
- 40% of applicants had more than one child, and only 30% were educated below level 4; educational attainment was high, in relation to iWork clients. Most of these applicants came via their childcare providers, directly from the council's website, or were referred by FIS.
- At least 70% applied because they were starting work – of these around 50 % were returning from maternity leave. The others were entering education.
- 100 % of those supported into work, have reported they are still in work a year later, when we checked, and all have reported that the bursary was extremely helpful.

ACL have not fully used their funding this year because not all their curriculum teams had realised it was available. This year, the funding has been used by the ESOL team to provide childcare facilities for parents who would otherwise have no access to learning. The service will promote the childcare bursary more clearly at termly and weekly enrolment sessions and include it on promotional material where relevant so that more residents can take advantage of the offer.

5. Recommendations.

- Maintain Bursary at £160,000 per annum.
- Continue to allocate £20,000 to cover other costs associated with the transition into work, for all residents.
- Use the remaining £20,000 for items identified by members following feedback from lead member.

Appendix A - Impact of Policy Changes

Further insights into the impact of changes to policy around benefits, job centre Flexible Support Fund (FSF)

- To be eligible to receive a payment from FSF the claimant must:
- Have taken or be due to take up an offer of work.
- Have increased or be due to increase their hours of work.

This means that many of the parents we have been supporting, would not be able to gain support via FSF as the funding will still not support:

- Parents on training courses.
- Parents returning from Maternity leave.
- Parents who are looking for support with after school care or holiday play scheme costs
- It still only covers 85% of early childcare costs, leaving 15% for parents to pay.

Accessing the improved offer, is dependent on efficient processing at the local Job Centre. The Council's Family Information team have encountered many incidences of inefficiencies or lack of knowledge at the Job Centre, that they are now offering training to JCP staff around the bursary .

The DWP offer is only for one month of childcare costs and does not consider the need for a paid settling in period prior to the parent actually starting work. From April 1st 2024 all parents of children over two, and from September 20th 2024 , parents of children 9 months or older will be entitled to 30 hours of free childcare .The funding is only available the term after the child turns the relevant age and an access code must be applied for to give to childcare providers.

The scheme is difficult for parents returning from maternity leave as they cannot apply for the code earlier than 31 days before they return to work. This means that some nurseries are asking for assurance that they will take up a place by requesting a deposit which they are entitled to do because parents cannot yet show them a code.

Another scenario relates to parents on zero hour contracts where their salary fluctuates. When they apply for their code, or when they come to renew every 3 months. If their last 3 months income does not meet the earning threshold, they could be denied a code or find that they cannot renew their code until they are back in a period of higher earnings.