

**CHILDCARE SUFFICIENCY ASSESSMENT**

**To:** Children and Young People Committee

**Meeting Date:** 3 June 2014

**From:** Childcare Sufficiency Manager: Learning

**Electoral division(s):** All

**Forward Plan ref:** N/a **Key decision:** No

**Purpose:** To inform the Committee of the key findings from the Authority's most recent Childcare Sufficiency Assessment, undertaken in the autumn of 2013.

**Recommendation:** The Committee is asked to note and comment on the content of the Childcare Sufficiency Assessment report and approve the attached action plan for implementation with immediate effect.

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## 1. BACKGROUND

- 1.1 The Childcare Act 2006 sets out in legislation the role of local authorities in facilitating the childcare market, first laid out in the Childcare Act 2004.
- 1.2 Section 6 of the 2006 Act places a duty on local authorities to secure, so far as is reasonably practicable, sufficient childcare for working parents or parents wishing to undertake training leading to work. This applies to childcare for children aged 0-14 years and up to 18 years for children with disabilities.
- 1.3 Section 7 places a duty on local authorities to secure free early education provision. At present, the entitlement is 15 hours per week, term time for all 3- and 4-year-olds and the most vulnerable 2-year-olds.
- 1.4 Section 8(1) gives local authorities the power to assist any person providing, or proposing to provide, childcare and to make arrangements for the provision of childcare. Section 8(2) specifies that the assistance local authorities may give includes financial support.
- 1.5 Section 11 places a duty on local authorities to assess the supply and demand for childcare provision in their areas of responsibility. Following on from the childcare sufficiency assessment, local authorities have a duty to secure sufficient accessible, flexible, affordable childcare to meet parents' needs.
- 1.6 Section 12 places a duty on the local authority to provide information to parents, and Section 13 places a parallel duty to provide information, advice and training to providers.
- 1.7 In January 2013, the Department for Education (DfE) published More Great Childcare, which set out plans to improve the quality of childcare. This was followed by More Affordable Childcare in July 2013, which outlined the Government's vision to help families meet the cost of childcare, increase the amount of affordable provision and give parents the right information so they could make informed choices.
- 1.8 The Early Education and Childcare Statutory Guidance (September 2013) outlines those aspects which local authorities must have regard to in meeting the duties laid out in the Childcare Act 2006. It sets out some significant changes to the local authority's role:
- Measures have been introduced in the Children and Families Bill to repeal the requirement to formally assess, and publish a report on, the sufficiency of childcare in their area.<sup>1</sup>
  - The need to focus on championing parents and ensuring access to services for vulnerable groups.
  - By reforming early years qualifications, introducing Childminder Agencies

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<sup>1</sup> This legislation is still before Parliament. The revised statutory guidance and other policy documentation sets out the replacement of this duty with a requirement to report to elected members on the state of supply and demand for childcare on an annual basis.

and strengthening the inspection regime, to make the Office for Standards in Education (Ofsted) the sole arbiter of quality.

## **2. MAIN ISSUES**

2.1 The Childcare Sufficiency Assessment gives key insights into the state of the market and offers pointers to parent and provider behaviour. It also assists the local authority in evidencing that it is meeting its statutory duties on childcare.

2.2 During Autumn 2013, research was carried out to establish the supply and demand for early years and childcare places across Cambridgeshire. This involved online surveys with childcare providers, parents and other stakeholders including Councillors, Children's Centres and children.

### **Key objectives of the assessment**

- To ensure supply for childcare matches demand
- To ensure the supply of childcare meets the needs of specific groups of people
- Families know where to access information about childcare.

2.3 On the balance of the evidence, the Authority is meeting its statutory duties across many areas of the County. However, challenges remain in respect of the following:

- Availability of suitable / specialist provision for children with special educational needs and disabilities (SEND)
- Early education and childcare places in the following localities
  - Ely, Littleport & Witchford
  - St Neots
  - St Ives
  - Sawston & Linton
  - Cambridge City (North and South)
  - March and Chatteris
- Sustainability of provision in the more isolated rural areas and in localities where there has been a decline in child population.

2.4 The principal actions arising from the assessment are listed below, under five key objectives:

1. Improve availability of sufficient early years and childcare places across Cambridgeshire
2. Increase availability of early years and childcare provision for shift workers
3. Ensure early years and childcare provision has a suitably qualified workforce
4. Ensure families are informed (or know where to access information) about childcare availability and affordability
5. Ensure children with SEND have access to suitable early years and childcare provision.

2.5 In addition, the resulting action plan will refocus activity on areas where there are significant demographic or other challenges. This will entail:

- Publishing information to the wider market about where opportunities exist due to a shortage of childcare (Market Position Statement)
- Undertaking specific commissioning activity to create new provision where opportunities arise (usually where a building is available)
- Working with existing providers to support new development /expansion
- Supporting the future sustainability and subsequently the continuation of places in areas of demand
- Responding to changes in the legislative framework and the market conditions.

2.6 The findings of the research are detailed in the final report (**Appendix 1**), and an action plan (**Appendix 2**) has been developed to address the identified gaps.

2.7 The Childcare Sufficiency Assessment and the associated action plan will be key tools for communicating priorities more widely and raising awareness of need, including amongst providers and families.

### **3. ALIGNMENT WITH CORPORATE PRIORITIES**

#### **3.1 Developing the local economy for the benefit of all**

3.1.1 Availability and access to childcare enables parents to take up employment or training that may lead to employment, thus supporting families to be less reliant on Welfare Benefits. The local economy benefits from a working community and a broad workforce.

#### **3.2 Helping people live healthy and independent lives**

3.2.1 Early education and childcare supports children in their learning to be healthy and independent.

#### **3.3 Supporting and protecting vulnerable people**

3.3.1 Early identification of vulnerable children in childcare settings helps with earlier intervention and support that improve outcomes for the child and family.

### **4. SIGNIFICANT IMPLICATIONS**

#### **4.1 Resource Implications**

4.1.1 The responsibility for the work required rests with 0-19 Planning Places Service in the Learning Directorate. The team are already in post. A revenue budget of £100,000 is identified to support providers to deliver places for 2014/15 together with £2.9m has been made in the Children, Families and Adults five-year rolling capital programme to invest in accommodation changes to support the targeted development of new places.

## **4.2 Statutory, Risk and Legal Implications**

4.2.1 Local authorities have a statutory duty to secure sufficient childcare places including free early education for all three and four year olds and the most vulnerable two year olds.

## **4.3 Equality and Diversity Implications**

4.3.1 Take up of free early education for two, three and four year olds supports school readiness on entry to statutory education (Reception) and contributes to improved outcomes for children. Free early education for two year olds is targeted at families on low incomes, Looked After Children and Forces children.

## **4.4 Engagement and Consultation Implications**

4.4.1 There will be a need for ongoing engagement with childcare providers to secure places in areas identified in the action plan. Further consultation with parents is likely on a localised basis and in relation to specific projects.

Wider consultation with parents and providers at a county level will happen in preparation of the next Childcare Sufficiency Assessment.

## **4.5 Public Health Implications**

4.5.1 Early education and childcare provides a good start in the early years and will support future health and wellbeing.

## **4.6 Localism and Local Member Involvement**

4.6.1 The Authority works proactively with existing and new providers to meet identified need across the County. Through its commissioning role, it ensures that those providers who tender to establish and run new provision understand the local context in which they will operate, should they be successful in being awarded the contract. Local Members are kept informed of planned changes to provision in their wards and their views sought on emerging issues and actions to be taken to address these.

<b>Source Documents</b>	<b>Location</b>
Early Education and Childcare Statutory Guidance (September 2013)	<a href="https://www.gov.uk/government/publications/early-education-and-childcare">https://www.gov.uk/government/publications/early-education-and-childcare</a> <a href="https://www.gov.uk/government/publications/more-great-childcare-raising-quality-and-giving-parents-more-choice">https://www.gov.uk/government/publications/more-great-childcare-raising-quality-and-giving-parents-more-choice</a>

More Great Childcare	<a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212671/More_Affordable_Childcare.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212671/More_Affordable_Childcare.pdf</a>
More Affordable Childcare	<a href="http://www.legislation.gov.uk/ukpga/2006/21/contents">http://www.legislation.gov.uk/ukpga/2006/21/contents</a>
Childcare Act 2006	

## **APPENDIX 1 CHILDCARE SUFFICIENCY ASSESSMENT (CSA) 2014 - FINAL REPORT**

### **Purpose to Childcare Act 2006 and the overall Responsibilities**

Under the Childcare Act 2006 (s6 to13) local authorities have a statutory duty to manage the early education and childcare market by

- Securing early education (free entitlement) for specified two year olds
- Securing early education places (free entitlement) for 3 & 4 year olds
- Securing sufficient childcare for working parents and those accessing training for employment
- Preparing assessments of the sufficiency of childcare provision in the area and reporting annually to the elected council members
- Providing information, advice and assistance to parents and prospective parents on the provision of childcare
- Securing information, advice and training for childcare providers in the area, to meet the needs of providers judged less than good by Ofsted

This report outlines the findings, recommendations and actions of the most recent CSA.

### **What does sufficient childcare mean?**

Local authorities should take into account

- What is reasonably practicable, when assessing what sufficient childcare means;
- the state of the local childcare market, including the demand for specific types of providers, in a particular locality and the amount and type of supply that currently exists;
- the state of the labour market;
- the quality and capacity of childcare providers, including their funding, staff, premises, experience and expertise.

Securing sufficiency does not mean local authorities provide childcare themselves. The Childcare Act 2006 sets the local authority role as one of market facilitation and support across the sector.

### **How we assessed sufficiency**

During autumn 2013, research was carried out to establish the supply and demand for early years and childcare places across the County. This involved online surveys with childcare providers and parents. Feedback regarding childcare availability and demand was also obtained from Councillors, Children's Centres and children.

A total of 700 parents responded, the majority through the online survey, although some face to face interviews were also conducted. Whilst this represents only around 1% of all parents with dependent children<sup>2</sup>, it still provides a rich source of data that helps identify countywide and local issues.

The survey captured a range of different provision used by parents. A total of 600 parents were using some kind of childcare.

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<sup>2</sup> There are just over 72,000 families with dependent children in Cambridgeshire (ONS, 2011 Census Data)

Childcare used	Childminders (Nanny/ Au pair)	Early Years Providers	Out of School Providers
588 parents	106 (12)	319	163
85% of all parent respondents	15% (1.7%)	45%	23%

Childcare in Cambridgeshire is made up of a wide range of provision, with over 2,200 distinct providers (based on Ofsted registrations). 818 providers responded to the survey.

Total	Childminders	Early Years Providers	Out of School Providers
818 providers	360	269	189
% of all providers of this type	38% of all childminders	71% of all early years settings	66% of all out of school provision <sup>3</sup>
% of all survey respondents	44	32	23

### **What has changed since the last assessment (CSA 2010)?**

There has been an increase in the number of childminders, day nurseries, pre-schools and out of school clubs since the last CSA in 2010.

<b>Provision type</b>	<b>2010</b>	<b>2014</b>
Childminder	873	950
Day Nursery	92	108
Pre-school	118	206
Out of School Club	152	161
Nannies (registered with Ofsted)	*	502
Holiday schemes	120	114

\* not previously collated

There has been a drop in the number of holiday schemes operating in the County. However many Out of School Clubs offer holiday care and so may not be listed specifically as a holiday scheme.

New government policy has required local authorities to provide 15 hours of free early education to the most vulnerable two year olds. Providers across Cambridgeshire have responded to this by opening in excess of 1,000 places specifically for these children with a further 1,000 places planned from September 2014.

Changes to the details recorded by Ofsted in relation to the number of registered places at any one setting means that this information is no longer available to compare with the previous registered places published in the last CSA.

<sup>3</sup> Based on Breakfast Clubs and Out of School Clubs. Where such a provision also operates holiday care, this may be listed as a separate provision for childcare classification purposes.

In order to support families to access free entitlements (for 2, 3 & 4 year olds), an enhancement to the early years funding provided by the local authority was introduced. This supported providers to offer hours in a more flexible way so parents could condense free entitlements into fewer days to support part time working or to stretch the hours across the year to support working and easier budgeting of childcare costs.

Better use of demographic and termly sufficiency data from providers has enabled Cambridgeshire to assess the likely demand for early years places and build capacity ahead of the demand coming through. The result of this means provision is available in line with the demand.

## **KEY FINDINGS FROM CSA 2014**

### **Parental feedback**

The majority of parents/carers who responded were satisfied with the quality (67%) and flexibility (53%) of provision they used.

16% of the 700 respondents were looking for childcare. Lack of availability of places across Cambridge City, Ely, Littleport & Witchford and Sawston and Linton was cited as a barrier to accessing childcare.

The need for unusual hours to cover shift working was required in Huntingdon, Sawston and Linton, Cambridge North and Bottisham, Burwell and Soham. 92% of the shift workers were struggling to find formal childcare to cover the working hours. This parental feedback correlates with the provider feedback for Huntingdon, Cambridge North, Bottisham, Burwell and Soham. However the feedback from providers for Sawston and Linton does show an increase in this type of demand. Parent feedback for Wisbech did not indicate a higher demand for these sorts of hours but the provider feedback did.

Affordability of childcare is still an issue for many parents/carers, with only 46% of respondents being satisfied with the cost. 2.4% of parents were using informal childcare (family and friends) and 76% of those did so due to the cost of formal childcare.

Affordability was cited as a barrier to accessing a place in Cambridge City, Ely, Littleport and Witchford, Huntingdon, Sawston and Linton.

Take up of tax credits is low across the County with only 45% of those earning less than £39,999 per annum (p.a.) claiming this additional financial support.

Of those parents earning above £40,000 p.a. only 7% were accessing support with childcare costs through a salary sacrifice scheme.

In relation to free entitlements, of the 700 respondents 35% had a child aged between 2 and 4 years old.

Of those families earning less than £10,000 per year (26 respondents), ten had a child aged 2, but only five of these were accessing the free entitlement for two year olds.

13 respondents had a child who was eligible for the free entitlement for three and four year olds - only six of these were accessing the free entitlement.

19 respondents had an income of under £14,999 per year; two of these had a child aged 2 and four had a child aged 3 or 4. Only one respondent was accessing the free entitlement for two year olds and four respondents were taking up the free entitlement for three and four year olds.

Information regarding childcare was mainly sought through recommendations from other parents, with web searches being the second most popular.

Issues and concerns were raised by families coming from overseas who did not know where to access information.

7% of respondents had a child with a disability and of these 35%, have found it difficult to find childcare, for the following reasons.

Lack of suitable / specialist childcare	Too expensive	Lack of transport	No childcare locally
83%	27%	11%	22%

### **Childcare provider feedback**

There is availability of places in the Fenland localities and Ramsey, Sawtry and Yaxley, however there is less availability in the following localities.

- Ely, Littleport & Witchford
- St Neots
- St Ives
- Sawston & Linton
- Cambridge City (North and South).

Providers have seen an increase in demand for unsociable hours to support shift working. This has been most common in Huntingdon, Cambridge City and Wisbech. Amongst those providers who had seen more requests for unsociable hours 70% were early years providers, 19% were childminders and 9% were out of school providers.

18% of providers in the Ramsey, Sawtry and Yaxley locality had seen a decrease in the amount of hours being used by parents due to job losses and affordability.

Providers have seen an increase in demand for places as a result of housing growth. The areas most affected by this are Cambridge South, Littleport, Ely and Witchford, Bottisham, Burwell and Soham, St Ives and St Neots.

This correlates with parents who were struggling to find childcare.

Providers are not always willing or able to expand the number of places they provide, or change their flexibility offer due to external barriers such as

- Planning applications declined due to change of use/parking issues
- Cost of changing premises to adapt to meet the needs
- Rental charged

13% of providers claimed that the cost of delivering places had increased, 39% of these were early years providers, 31% out of school clubs and 33% childminders. Only 2% of providers felt that the cost of delivering places has reduced. Only one early years provider indicated that it was cheaper to deliver places.

### **Children's feedback**

Two schools and two pre-schools in Cambridgeshire took part in the survey, resulting in a sample of 24 children from a variety of age groups. The school age children were asked to respond to 10 questions. The pre-school children were asked to complete a picture showing what they liked best about pre-school. Dressing up and painting were the popular activities chosen by the younger children.

The key findings for school age children:

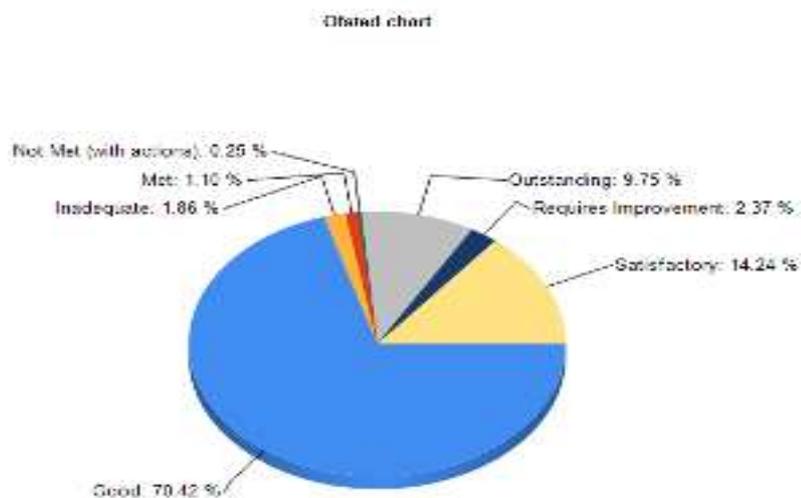
- Most accessing formal childcare are using after school care rather than a breakfast club.
- Most children attend childcare because their parents work, or train, though some are there for social reasons.
- A diverse variety of activities is needed to meet the needs of pupils using out of school care.
- More attention should be given to accessible outdoor play, both before and after school.
- Children liked adults who play games with them and prepare good food

### **Early Years and Childcare Workforce**

Recruitment of suitable staff is an issue for many providers across the County and across the different types of childcare. 36% of provider's who responded, carry out recruitment activities at least once a year, with 4% carrying out this type of activity 3 times or more a year.

### **Ofsted Judgements on Quality for Cambridgeshire Providers**

Ofsted is a Government Office responsible for the inspection and regulation of day care in England and Wales. The chart below shows the Ofsted judgments for all types of providers in Cambridgeshire.



### **Priorities for Cambridgeshire**

- Improve childcare options for children with disabilities / SEND including access to specialist support.
- Improve access to information about childcare and the affordability of childcare through Tax Credits, Free Entitlements and the new Tax Free Childcare Scheme (due to be launched autumn 2014).
- Increase take up of free entitlements for two, three and four year olds in particular with families on lower incomes thus supporting the Accelerating Achievement Strategy.
- Increase provision to meet the needs of shift workers specifically in Huntingdon, Cambridge North and Bottisham, Burwell and Soham.
- Explore the need for hours to cover shift patterns further in Sawston and Linton and Wisbech.
- Monitor availability of places where supply and demand are generally balanced.
- Increase provision across all age ranges in areas of continued growth across some areas of the County.
- Ensure planning requests for housing growth consider the impact on existing provision and the need for increased places to meet new demand.
- Increase availability of places to support the first families arriving in new communities through commissioning of new schools and early years provision.

- Continue to monitor and support sustainability of provision in rural areas and areas where child population is declining.
- Monitor and support providers with business modelling in light of any further changes to the Early Years Funding Formula.
- Monitor the impact on availability of early years places where providers change their business model to meet the challenges of funding changes.
- Actively promote childcare as a career and develop a recruitment website to support the recruitment of suitable childcare practitioners.
- Increase information to support providers with local planning processes to enable provision to be expanded in areas of demand and in line with planning conditions.
- Ensure all providers of early years and childcare have the relevant legislative information to support the delivery of places.

### **Next Steps**

The priorities above inform an action plan (**appendix 2**) that will support the supply and demand of early years and childcare provision.