

CHILDREN AND YOUNG PEOPLE'S SCRUTINY COMMITTEE 4 JANUARY 2021

CHILDCARE SUFFICIENCY ASSESSMENT, 2020-21

SUMMARY REPORT

Purpose of the Report

1. The purpose of this report is to inform members of the findings of the 2020-21 Childcare Sufficiency Review.

Summary

2. The Department for Education's *Early Education and Childcare Statutory Guidance for Local Authorities, June 2018* requires local authorities to 'secure sufficient childcare, so far as is reasonably practicable, for working parents, or parents who are studying or training for employment, for children aged 0-14 or up to 18 for disabled children'. In carrying out this requirement local authorities should 'report annually to elected council members on how they are meeting their duty to secure sufficient childcare and to make this report available and accessible to parents'.
3. The childcare market in Darlington is made up of private day nurseries, pre-schools, childminders, out of school clubs, nursery schools and nursery units. Before March 2020, Darlington's childcare market was fairly stable and the parental take-up rate of the various entitlements was predictable.
4. As a result of the pandemic, the first national lockdown, and providers only being able to care for children of key workers and vulnerable children, by 24th April 2020, 52% of the private and voluntary sector providers had closed. There were 142 pre-school children in attendance. From 1st June, the number of open providers increased and the number of children accessing a place rose. It is worth noting that a higher proportion of early years providers remained open in Darlington than nationally. By 11th June, 93% of private and voluntary providers and 67% of childminders were open in Darlington. In total, 71% of settings were open in Darlington compared to 53% nationally on 11th June and 61% of settings nationally as at 2nd July.
5. By 29th September 2020, all providers temporarily closed had re-opened and 1,089 children were accessing an early years entitlements place: this figure equates to 69% of the number of children accessing a funded place in Autumn 2019.
6. During this pandemic, support has been provided to the childcare sector via: regular guidance up-dates; virtual network meetings; public health provider briefings, the delivery of PPE; weekly Q & A sessions with public health; an early years strategy group; a group for early years leads in schools; virtual inclusion

panels and individualised support around transitions.

7. Additionally, a childcare sufficiency task group was established which includes colleagues from Economic Growth, SENDIASS, DAD, Jobcentre Plus, Learning and Skills, Darlington Families' Information Service and Children's Centres. An easily accessible business health survey was also distributed to the private and voluntary sector providers.
8. Parental views regarding the childcare sector have been sought via the task group and 643 parents responded. Even during this difficult period, there continues to be general parental satisfaction with childcare in the borough and parental feedback continues to be that childcare is of a good quality. Parents have indicated that there are some potential areas of dissatisfaction: the cost and flexibility of childcare; and access to childcare for school aged children and young people with disabilities. The uncertainties created by the pandemic have made childcare demand more difficult to predict. Consequently, more targeted research is needed to establish, from spring onwards, what requirements are not being met from the market for children with disabilities and for parents requiring flexibility such as shift workers.
9. It is clear that economic conditions nationally are highly fluid. Providers are facing uncertainty with regard to childcare demand, early years entitlements and parent paid income as families' circumstances change. Indicators show that there has been sufficient capacity to meet demand throughout this period, nevertheless, unmet demand will need to be continually monitored to ensure that parents are able to access training and work in the coming months and years.

Recommendation

10. It is recommended that members note for information the findings of the 2020-21 Childcare Sufficiency Review.

JAMES STROYAN
ACTING DIRECTOR OF CHILDREN AND ADULT SERVICES

Background Papers

The following papers were used in this report:

DfE Summer and Autumn 2020 funding guidance
2020-21 Childcare Sufficiency Assessment
2020 Childcare Parental Survey
Simple Provider Business Health Survey

Nicola Davies: Extension 6010

S17 Crime and Disorder	The report is about the 2020-21 Childcare Sufficiency Review and will not impinge on the duty on the authority to prevent crime and disorder in the Borough.
Health and Wellbeing	Good quality early education and childcare for children from birth to 14 years old, and 18 years old for those young people with a disability, will assist in improving the health and wellbeing of Darlington's 0 to 14/18 population and assists working families.
Carbon Impact and Climate Change	There are no carbon impact or climate change implications in this report.
Diversity	There are no specific proposals within the report that impact on diversity issues. All providers must meet their duties under the Equality Act 2010 when delivering education and childcare.
Wards Affected	All wards are affected.
Groups Affected	All children aged 0 to 14 years/18 years for those young people with a disability will benefit from being able to access high quality education and childcare in the Borough.
Budget and Policy Framework	This decision does not represent a change to the budget and policy framework.
Key Decision	This is a key decision as it affects all wards in the Borough.
Urgent Decision	A delay in the information being reported to elected Council Members will delay the report becoming available to parents as required by the Department for Education's <i>Early Education and Childcare Statutory Guidance for Local Authorities, June 2018</i> .
One Darlington: Perfectly Placed	Access to high quality, affordable and reliable education and childcare will improve the quality of life and the health and wellbeing of children and young people in the Borough and will also enable their parents to access or maintain training or work opportunities.
Efficiency	There are no specific proposals within the report that impact on efficiency.
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers.

MAIN REPORT

Information and Analysis

The Pandemic

11. On 23rd March 2020, the government instructed the country to lockdown as a response to the pandemic. Schools and childcare settings were asked to remain open for children of key workers and vulnerable children. As a result of much reduced demand, by 24th April, 48% of the private and voluntary settings remained open (including 24 childminders with vacancies) and both nursery schools and nursery units were also open. Providers tried to remain open wherever possible. There were 142 pre-school children in attendance.

Support for Providers

12. Local authorities were responsible for monitoring demand and capacity and working with families to provide places in alternative settings, if necessary. Open and closed settings worked with social workers, health and other professionals, as appropriate, to keep in touch with children and families, particularly vulnerable children. During this period, the Education Partnerships team liaised with all settings, including childminders, to remind them of their safeguarding responsibilities, regardless of their current operational status. Settings shared information regarding vulnerable children, and attendance of all groups of children at this time was monitored daily. Information sharing was particularly vital for those children who were in childcare but were not attending their usual setting. Childcare staff were encouraged and supported to maintain contact with parents, in order to reduce parental feelings of isolation and anxiety.
13. From late March, various provider support systems were established. Regular virtual health briefings by Darlington's Public Health Team were set up, to explain the latest health guidance and answer provider queries. These sessions were very well attended. Following these meetings, appropriate Personal Protective Equipment (PPE) was provided by Public Health free of charge to those settings who did not already have PPE. Providers and schools were sent up-dated links to DfE pandemic guidance on a daily basis. The provider networks for the private and voluntary sector and childminders continued virtually. To enable a shared understanding of the evolving local picture of available childcare places and the difficulties faced by parents and providers, the Local Authority convened a strategy group to consider issues and ways to deal with them. The group consists of group care providers, childminders and Local Authority officers.
14. The childcare sector was also able to pose questions to the DfE and the Regional Schools' Commissioner via daily meetings which took place with the Local Authority's Head of Education and Inclusion and the Head of Education Partnerships. Individualised work to support transitions has also been undertaken by the Inclusion Team which has facilitated input by a range of professionals, including headteachers and health professionals. In addition, the Early Years Inclusion Panel still took place virtually in June, awarding funding for the Autumn 2020 term to children with emerging and significant SEND.

Financial Support for Providers

15. On 19th March 2020, the government announced a package of support for businesses which included the Coronavirus Job Retention Scheme. This scheme was available to settings while a proportion of the early entitlements funding via local authorities continued to be paid. Also, a Self-employment Income Support Scheme, which was established for those who are self-employed and have lost income due to the pandemic, was available to childminders.
16. During the Summer 2020 term, in accordance with DfE guidance, both open and closed settings were funded at pre-pandemic levels. In addition, Darlington Borough Council funded a small number of places with childminders who had received no up-front summer payments but were unexpectedly caring for funded children from other settings which had closed.
17. On 20th July, the DfE released its early education funding guidance for the Autumn 2020 term. The DfE recognised that the number of children attending childcare may not have returned to normal levels by early January 2021. Local authorities were instructed to continue to fund providers who were open at pre-pandemic levels.

Early Years Entitlements take-up

18. From 1st June, children whose parents were not key workers or vulnerable children could return to settings. Although the number of children attending childcare steadily rose, numbers were below pre-pandemic levels by the end of the Summer 2020 term. For example, the Summer 2019 term headcount showed there were 373 funded 2-year-olds, 1088 3- and 4-year-olds accessing Universal Entitlement and 876 3- and 4- year-olds accessing the Extended Entitlement: a total of 2,337 funded children. The number of children in a funded place in early July 2020 is set out in table 1 below.

Table 1 - Summer 2020 (July) headcount

	Funded Places for 2-Year-Olds	Universal Entitlement for 3- & 4- Year-Olds	30 Hours Childcare for 3- & 4- Year-Olds	Termly Totals
Private Day Nurseries	83	109	205	397
Pre-Schools	9	29	38	76
Childminders & Out of School Clubs	7	11	26	44
Private & Voluntary Sector Totals	99	149	269	517
Nursery Schools	46	98	55	199
Nursery Units	46	498	119	663
School Totals	92	596	174	862

Childcare Market Totals	191	745	443	1,379
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19. Data was collected to assess occupancy of Local Authority funded places on 29th September 2020.

Table 2 – Autumn 2019 and Autumn 2020 (September) take-up

	Autumn 2019				Autumn 2020			
	Funded Places for 2 Year-Olds	Universal Entitlement for 3- & 4-Year-Olds	30 Hours Childcare for 3- & 4-Year-Olds	Termly Totals	Funded Places for 2-Year-Olds	Universal Entitlement for 3- & 4-Year-Olds	30 Hours Childcare for 3- & 4-Year-Olds	Termly Totals
Private Day Nurseries	232	189	324	745	123	127	208	458
Pre-Schools	27	49	66	142	18	23	50	91
Out of School Clubs	-	-	32	32	-	-	0	0
Childminders	11	4	28	43	5	7	14	26
Private & Voluntary Sector Totals	270	242	450	962	146	157	272	575
Nursery Schools	21	80	32	133	27	45	25	97
Nursery Units	30	365	97	492	59	244	114	417
School Totals	51	445	129	625	86	289	139	514
Childcare Market Totals	321	687	579	1,587	232	446	411	1,089

20. Table 2 shows that in Autumn 2019 there were 498 more children across the 2 to 4 years age range accessing a Local Authority funded place than there were in Autumn 2020. When looking at the private and voluntary sector providers, apart from in the case of children accessing the Universal Entitlement with childminders (where the additional numbers concerned are very low), there is a decrease in take up in Autumn 2020 for all entitlements across the differing types of provision. Across the private and voluntary sector, there is a loss of 387 funded children; this means that the private and voluntary sector have incurred 78% of the total loss of funded places. With regard to nursery schools and units, there has been an increase of 35 funded 2-year-olds and 10 funded 3- and 4-year-olds accessing the 30 hours Extended Entitlement. As a whole, the private and voluntary sector is at 60% take-up compared to Autumn 2019 and the school sector is at 82% take up, giving a total of 69% take up compared to Autumn 2019 across the childcare market.

21. Across Darlington, there is a mixed supply of holiday and out of school provision. As well as full day care services and childminders who offer this service, there are a small number of standalone organisations, including Darlington Association on Disability’s holiday playschemes, DASH, who cater solely for children with special educational needs and disabilities. During the first half of the Autumn 2020 term, most out of school provision reported similar take-up to the equivalent period last year. However, due to pandemic restrictions, some providers have limited their out of school numbers or are not running at all. In general, holiday numbers during the October half term have been significantly lower than usual. In some cases, numbers were as low as 50% of normal occupancy.
22. The Local Authority established a childcare sufficiency task group to meet regularly and monitor childcare demand and supply, as well as the health of the local childcare sector. In addition to officers, the group includes representation from the Darlington Families’ Information Service, SENDIASS (Special Educational Needs and Disabilities Information Advice and Support Service), Darlington Association on Disability, Jobcentre Plus, Children’s Centres, Economic Growth and Learning and Skills. The group cross references with the Early Years Strategy Group.

Provider profile

23. Table 3 - The number of settings in Darlington pre-March 2020 and November 2020

	Pre-March 2020	November 2020
Nursery schools	2	2
Nursery units	17	17
Private & Voluntary	34	31
Childminders	80	71

Table 3 shows that between March and November 2020 three nurseries in Darlington permanently closed. In each case all children were successfully accommodated in other childcare settings. Two of these nurseries were owned by providers who had more than one setting and had places available at their other sites located in Darlington.

The views of parents

24. During early September to mid October 2020, an on-line parental survey was carried out via providers, schools, Jobcentre Plus contacts, Darlington library, health visitors, Children’s Centres, Darlington Association on Disability, the Local Authority staff bulletin, the Local Authority business e-newsletter, CAMHS and various other parental social media groups. The return rate was relatively high at 643 responses. This compares with a return rate of just over 220 parents in 2019. Of the 643 responses, 68% were from two parent/ carer families who were both working; 20% were from single parent/carer families who were working; and 3% were from non-working families. 72% of respondents said they needed childcare for 5 to 11-year-olds; 25% needed childcare for 0 to 2-year olds; 20% required care for 3- to 4-year-olds; and 5% of respondents needed care for 15- to 18-year-olds.

25. 71 respondents or 11% were completing the survey on behalf of a child or a young person with a disability and 68% of special educational needs were classed as 'Speech and language / communication needs (including Autism Spectrum Disorder)'. 22 respondents with a child or young person with a disability said they had some concerns about accessing childcare from the Autumn 2020 term. These concerns included cost, location, flexibility and pandemic related issues. Many of these themes were echoed by parents who did not have a child or young person with a disability.
26. When parents were asked what they take into consideration when choosing formal childcare, 77% said they look at the location of the provider, for example, close to their work or home; and 70% of respondents said that the cost of childcare was an important factor. 58% of respondents considered the safety and security of a provider; 56% looked at the flexibility of opening and closing times; and 52% considered the quality of care and education. Comments from respondents indicate some lack of flexibility to accommodate parents who work changing shift patterns. When compared with the results from the 2019 parental survey, the results are similar. In 2019, 82% of parents were most interested in provider location; 70% considered costs/charges to be an important consideration; 67% considered the safety and security of provision; and 55% looked at the flexibility of opening and closing times.
27. Respondents were asked whether the pandemic had changed their childcare arrangements and if so, how. 32% of respondents said they would carry on accessing childcare at the same levels as before March 2020. 12% of respondents said that they had accessed childcare before the pandemic but would be accessing less childcare over the coming year; 10% said that they had accessed childcare before the pandemic and would be accessing more childcare over the coming year and 7% said they had accessed childcare before the pandemic but would not be accessing childcare over the following year. When asked to explain why childcare usage had changed since April 2020, 32% of respondents said they had experienced a change in employment circumstances (for example, a change of job, unemployment or a change in working hours); and 32% said they had had a change in family circumstances (for example, working from home or more flexible working patterns).
28. When asked what type of childcare families will be using over the following year, 42% of respondents said breakfast clubs and after school clubs; 33% said full day care; and 23% said holiday clubs. Of the funded entitlements, the 30 hours Extended Entitlement is the one which will be most utilised over the following year at 21% of respondents. 37% of respondents require childcare from 7:30am followed by 25% who need childcare from 8:00am and 36% of respondents need childcare up to 6:00pm, followed by 16% who need childcare up to 5:30pm. This mirrors the feedback in 2019 which showed that the most required times were for childcare to start at 7:30am and finish at 6pm. 64% of parents said they would need childcare during the summer holidays, closely followed by 55% at summer half term; 54% during the Easter holidays; 52% during spring half term; and 51% during autumn half term.
29. Parents/carers were asked whether they had stopped using childcare, reduced the amount of childcare they use or were unhappy with their formal childcare

provision and if any of this was the case, what was the reason. The costs or charges were cited by 24% of respondents; 11% said the lack of flexibility around opening and closing times of provision; and 11% said that parents/carers, family or friends were able to provide childcare. Parental satisfaction with the quality of provision remains high across both the 2019 and 2020 surveys.

30. Finally, when asked to anticipate whether childcare arrangements may change in the Spring 2021 term, 44% of respondents said their current arrangements would not change; 21% said they would be accessing more childcare in Spring 2021 than in Autumn 2020. Only 3% said they currently access childcare but would not be accessing childcare in Spring 2021 and 4% said they will be accessing less childcare in Spring 2021. This is of course intent and is dependent upon developments regarding the pandemic.
31. Previous employer surveys have investigated the use of family friendly employment practices and explored the extent to which childcare supply meets the needs of businesses, and have reported that the number of businesses frequently experiencing problems due to childcare issues is relatively low; however, many found childcare was an occasional problem. Anecdotal evidence from the Childcare Sufficiency Task Group is that some businesses have recognised this and have introduced working patterns that fit in with school hours to encourage more women in particular to apply for roles and to open up recruitment to those who are unable to work full-time hours due to a lack of available childcare.

Provider feedback

32. As well as experiencing a reduction in the number of early years entitlements children since March 2020, some settings have experienced a reduction in the occupancy of baby places, non-Local Authority funded places for 2-year-olds and wrap-around and holiday care for school age children, leading to a loss of parent paid income.
33. A survey of providers was undertaken in October. Providers were asked whether they expect their income from parent paid places to be lower in the Autumn 2020 term than in the Autumn 2019 term. 4 respondents said that their Autumn 2020 parent paid income was higher than their Autumn 2019 parent paid income. However, 17 respondents said that they expected their parent paid income to be lower than in Autumn 2019. These 17 respondents were then asked to estimate the size of this parent paid reduction in income in comparison to Autumn 2019 levels of funding. The size of the reduction in income ranged from 10% to 60% in the private sector and from 20% to 64% in the voluntary sector. When asked which type of places would be most affected by a loss of income, by far the most common responses were 2-year-old places; wrap-around childcare for 3- and 4-year-olds and older children, in some cases up to age 11, and holiday places.
34. All respondents stated that they estimated they would still be operating by July 2021. However, issues of market sustainability were raised.
35. Finally, providers were asked to estimate, before March 2020, what proportion of their total income was from parent paid places. In the private sector this ranged from 31% to 70% and in the voluntary sector the range was from 10% to 54%.

36. Childminders were also sent the business health survey. 7 childminders returned the survey. All of the respondents said that the pandemic had negatively affected their business, particularly in the 0 to 2 years age range and regarding wraparound care. Some of the childminders that responded were unsure whether they will still be operating by July 2021.

Additional information

37. Table 4 shows that in recent years the number of birth registrations in Darlington has declined. This may have market implications for providers.

Table 4 - The number of births registered in Darlington

Year of Birth (Sep-Aug)	Number of Births
2009/10	1,359
2010/11	1,324
2011/12	1,336
2012/13	1,284
2013/14	1,220
2014/15	1,231
2015/16	1,187
2016/17	1,107
2017/18	1,138
2018/19	1,048

Source: Office for National Statistics Birth Registrations

Outcome of Consultation

38. The LA intends to undertake further monitoring and evaluation of the market position. The LA intends to develop an action plan with the Early Years Strategy Group to establish what support is required for the remainder of the academic year.

Conclusion

39. The pandemic has impacted on the financial stability of some settings. Our consultation with parents demonstrates the need for local childcare to be affordable and flexible, to be available to meet existing or new working patterns and where required, the need for accessible, affordable, inclusive holiday childcare. The Local Authority is engaging with providers to ensure sufficiency of places over the coming months and work the sector to assist with sustainability.

How will this work in Darlington?

40. 2020 Childcare Sufficiency unmet demand data will be presented to the childcare market and to schools in Spring 2021, to enable them to develop services to 'plug any childcare gaps'.

41. The priorities for the Local Authority continue to be to:

- (a) assist childcare providers/activities to be as sustainable as possible during the pandemic;
- (b) work with settings and other interested stakeholders to continually improve the quality of care and make settings/activities more inclusive;
- (c) provide parents with up-to-date information about financial assistance towards childcare costs, including any available tax credits.