

**CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE
27 FEBRUARY 2022**

CHILDCARE SUFFICIENCY REVIEW 2022-23

SUMMARY REPORT

Purpose of the Report

1. The purpose of this report is to inform Members of the findings of the 2022-23 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. However, since the pandemic the picture has become more complex and less predictable. Cases of unmet demand are gathered using various methods: from providers through the monthly attendance returns, by analysing parental enquiries via the Families' Information Service, via the unmet demand list and from any parental complaints to the local authority. Using the most up-to-date census data, the total supply of pre-school places (FTE) in the borough in Spring 2022 was 2,476 and the demand for pre-school places (number of children) was 1,719. There is no overall lack of childcare sufficiency in the borough.
4. Typically, childcare providers draw of funding from two sources: Early Years Entitlement places for 2 to 4 year olds which are funded by the local authority (from funding provided by the Department for Education) and places across the whole age range which are paid for by parents. By the Summer 2021 term take-up of Early Years Entitlement places was back to pre-pandemic levels, however, this take-up has since declined. By the Autumn 2022 term, 1,431 children were accessing an Early Years Entitlement place: this figure compares with 1,587 children accessing a place in Autumn 2019 and 1,696 in Autumn 2021.
5. Anecdotal feedback from the childcare sector is that registered holiday provision (not run by schools) is experiencing a decline in take-up. It is unclear yet whether hybrid working is affecting take-up. There has been a slight increase in the number of school registered out of school and breakfast clubs. The number of registered childminders has declined by 19%

since Autumn 2021. From Spring 2022, some private day nurseries have reported an increase in demand for baby places. There was a drop in the take-up rate for 2 year olds accessing an Early Years Entitlement place in the Summer 2022 term and a decline in children accessing a Universal Entitlement place in Autumn 2022. One school has introduced Early Years Entitlement places for 2 year olds.

6. By the Autumn 2022, regarding the supply side, there have been no reports of substantial rent rises but some providers are reporting that as the cost of food, consumables and staffing costs rise they have increased their fees marginally. On the demand side, there have been no reports from parents of substantial increases in childcare charges. The sector is facing recruitment and retention issues, nationally and locally. Of the 13 day nurseries and pre-schools in the borough that have received a funding audit from Spring 2022, 2 providers have reported having to limit numbers of children attending their setting due to staff shortages. Providers are encouraged to sign-post parents to the Families' Information Service so that alternative provision can be sourced although parents/carers can, if they wish, remain on the provider waiting list until a vacancy is available. Providers report that staff are leaving to go to better paid jobs with less responsibility in sectors such as retail. The Early Years Team attended the Darlington Jobs Fair in Autumn 2022 to promote childcare as a career and promote Early Years Entitlements and will be attending in February 2023. Links have been made with the secondary schools' Careers Leads and Teesside University.
7. The local authority has continued to work with the sector through the Early Years Education Strategy Group. Support has continued to be provided to the childcare sector via: regular guidance up-dates, virtual and face to face network meetings, public health provider briefings, monthly drop in sessions with public health, a group for early years leads in schools, virtual inclusion panels and individualised support around transitions, setting link officers and an Early Years newsletter.
8. Additionally, a childcare sufficiency task group meets regularly which includes colleagues from Economic Growth, the Special Educational Needs and Disability Information, Advice and Support Service (SENDIASS), Darlington Association on Disability (DAD), Jobcentre Plus, Learning & Skills, Darlington Families' Information Service and Children's Centres. The continued uncertainties created by the pandemic and current market forces make childcare demand and business sustainability more difficult to predict. Work is on-going to promote assistance with the cost of childcare, such as Tax Free Childcare and the Early Years Entitlements.
9. In Autumn 2022, a parental childcare survey was released asking parents/carers who are currently using registered childcare provision in Darlington questions about the cost of childcare and the use of Tax Free Childcare. 78% of respondents said that they used childcare to enable them to work. 36% of parents said that they paid for all of the childcare they use themselves and 26% of respondents said they accessed Tax Free Childcare. When asked whether they expect their childcare costs to rise over the next 6 months, 40% said that they did expect costs to rise and 37% of respondents replied that they did not know. When parents were asked how much of their family income they spent on childcare, compared to the situation in Autumn 2021, 38% said they spent a larger proportion of their income on childcare. Parents were asked what the reason(s) were for the proportion of their family income they spend on childcare changing since Autumn 2021 and 30% reported that their childcare fees have increased.

10. Additionally, a mini survey about holiday childcare was disseminated to parents/carers at Beaumont Hill Academy. Parents were asked whether they used any form of childcare or registered activities during the summer holidays; 22% of respondents said that they do and 78% said that they do not. Those parents who do use childcare tend to use DASH, the Darlington Association on Disability (D.A.D.) playscheme. Parents were asked if they have heard of schemes to support with childcare costs, such as Tax Free Childcare or the Universal Credit Childcare Offer. 62% of respondents said that they had not and 38% of respondents said that they had. Work is on-going to promote assistance with the cost of childcare, such as Tax Free Childcare.
11. Indicators show that there has been sufficient overall capacity to meet demand throughout the period of this review, nevertheless, any 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

12. It is recommended that members note for information the findings of the 2022-23 Childcare Sufficiency Review.

James Stroyan
Group Director of People

Background Papers

The following papers were used in this report:

- (i) 2022-23 Childcare Sufficiency Review
- (ii) 2022 Parental Childcare Survey

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| S17 Crime and Disorder | The report is about the 2022-23 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 Early Education and Childcare Statutory Guidance for Local Authorities, June 2018. |
| Council Plan | 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 | Access to good quality early education and childcare places in the borough improves the life chances of 2 to 4 year olds who are Looked After Children or who have left care and also, provides support to families. |

MAIN REPORT

Information and Analysis

Post-pandemic

1. By the Summer 2021 term 2 to 4 year olds take-up of Early Years Entitlements places was back to pre-pandemic levels. The overall number of pre-school children in provision had risen from 263 at the end of the Summer 2020 term to 1,117 by the end of December 2021.
2. Anecdotal feedback from the childcare sector is that post-pandemic, registered holiday provision (not run by schools) is experiencing a decline in take-up to the extent that one club has closed and other clubs are reporting having to offer fewer days to remain financially viable. It is unclear yet whether hybrid working is affecting take-up. There has been a slight increase in the number of school registered out of school and breakfast clubs. The number of registered childminders has declined by 19% since Autumn 2021. From Spring 2022, some private day nurseries have reported an increase in demand for baby places. There also appears to have been a drop in the take-up rate for 2 year olds accessing an Early Years Entitlements place in the Summer 2022 term and a decline in children accessing a Universal Entitlement place in Autumn 2022. One school has introduced Early Years Entitlement places for 2 year olds.
3. By the Autumn 2022, some providers are reporting that as the cost of food, consumables and staffing costs increases they have increased their fees marginally. On the demand side, there have been no reports from parents of substantial increases in childcare charges. The sector is facing recruitment and retention issues, nationally and locally. A small number of providers have reported having to limit numbers of children attending their setting due to staff shortages and one provider would like to extend the business to meet demand but is restrained by the possibility of not attracting sufficient staff. Providers report that staff are leaving to go to better paid jobs with less responsibility in sectors, such as retail and office work.

Support for Providers

4. The Early Years Education Strategy Group has continued to meet termly and is consulted regarding local issues. Support for the sector has continued over the last year with termly Private and Voluntary Provider and Childminder Network briefings which include regular updates from the Education Safeguarding Officer. The Early Years Leads meeting for schools continues to meet termly. Schools and providers have been able to access a monthly drop-in session with Darlington's Public Health Team. Providers also have a dedicated Early Years in box. Knowledgeable and experienced officers provide individual and bespoke support on a wide range of areas including quality improvement, funding and sustainability. A half termly Early Years newsletter is also produced. Officers meet with the regional DfE representative every 6 weeks and attend regional DfE events where issues regarding the local childcare sector are reported back to the DfE.
5. Targeted work to support transitions has continued to be undertaken by the Inclusion Team which has facilitated input by a range of professionals, including headteachers and health professionals. The Early Years Inclusion Panel meets termly, awarding funding for children with emerging and significant Special Education Needs and Disabilities (SEND).

Funding and Sustainability Support for Providers

6. During Summer 2022, local authorities were informed by the Department for Education, that nationally, there are around 800,000 families who are eligible to receive Tax Free Childcare but have not yet applied for it. Tax Free Childcare enables working families, including the self-employed, to claim up to 20% of their childcare costs from the government (up to £2,000 per child per year or up to £4,000 per child per year for a child with a disability). Childcare costs can be claimed for children aged 0-11 years or up to 16 years for young people with a disability where families are not in receipt of Tax Credits, Universal Credit or childcare vouchers. Childcare must be accessed via Ofsted registered providers and childminders who have activated their Tax Free Childcare accounts. The Early Years Team has produced Tax Free Childcare fliers, distributed via schools, childcare providers and other interested stakeholders to parents. The fliers have also been distributed via the business e-newsletter to local businesses. Information about Tax Free Childcare has been included in 'One Darlington', on the Council and Housing Facebook pages and has been linked to the Council's money advice pages. Information has also been in the Early Years Autumn '22 newsletter, in the School Bulletin, in the Council staff briefing and has been discussed at provider network meetings, the Autumn SENCO Network and at a meeting with First Stop, Darlington. Attendance at a JobCentre Plus Job Coach team meeting, to discuss the Early Years Entitlements and help with the cost of childcare is planned. Officers will also continue to share information about the Early Years Entitlements, including a recording produced for professionals, with interested stakeholders.
7. In Summer 2022 the Early Years Team undertook Hemsalls Business Map training which supports the childcare sector to monitor the health and sustainability of their business and adapt in an agile, timely manner, to meet any changing demand. During the training plan cycle this training and toolkit will be cascaded to providers. Providers regularly receive DfE up-dates from the local authority which may assist their business sustainability. These up-dates can range from DfE extensions to funded places eligibility criteria to up-dates on the Energy Bill Relief Scheme, explaining the discounts on wholesale gas and electricity prices for non-domestic customers.

Provider Training

8. Settings have been supported by the Early Years Team through regular virtual and in person briefings for all group settings and evening sessions for childminders. Regular virtual drop-in sessions with Public Health have been offered with the option of sending a question via the Early Years Team if providers are unable to attend.
9. A nationally recognised Early Years consultant has continued to support the local early years sector in understanding and implementing the Early Years Foundation Stage reforms, this has taken the form of virtual training and online surgeries. Good practice meetings have continued to run which provide an opportunity for private settings and schools to come together and share good practice both virtually and face to face.
10. The government is providing a package of workforce training and qualifications for the early years sector to address the impact of the pandemic on the youngest and most disadvantaged children called the Early Years Education Recovery Programme. The local authority has accessed part of this package called 'Experts and Mentors' and were part of

the pilot phase. In mid-autumn the pilot finished and the next phase has now started with 3 private day nurseries and 2 pre-schools from Darlington receiving support.

11. The local authority was also part of the Early Years Professional Development Programme (EYPDP) funded by the Department for Education. The local authority was selected to be part of phase 2 of this support, whereby practitioners were able to access an online course with a focus on Communication and Language, Personal, Social and Emotional Development and early maths. 10 practitioners from 6 settings took part in phase 2 of EYPDP and the programme is now entering the 3rd phase, which will see a national rollout. The local authority supports with promoting the programme and liaising with the delivery partner.
12. Providers are also able to choose from a training offer which includes Oral Health, Physical Development training from Tees Valley Sport, Child Development for babies and 2- to 3-year-olds, training on the 0 to 5 Education, Health and Care Plan process and starting out in Early Years Foundation Stage. Training for practitioners regarding English as an Additional Language is being developed and settings are made aware of Early Education training. Details of the Early Years Special Educational Needs Co-ordinator Award has been shared with the sector and practitioners are also able to benefit from the Early Bird and Early Bird Plus Programmes for families who have a child with an Autism Spectrum Condition. Settings also have the opportunity to take part in the Basket of Opportunities (BOO) programme which is an early intervention programme whereby settings invite parents to participate, with a focus on raising awareness of supporting children's development at home.
13. During Summer 2022 the Early Years Team undertook Hemsalls Business Map training which supports the childcare sector to monitor the health and sustainability of their business and adapt in an agile, timely manner, to meet any changing demand. During the training plan cycle this training and toolkit will be cascaded to providers. Additionally, the local authority is introducing a Liquid Logic software package to assist with the termly collection of early years headcount data and making provider payments. Providers will be supported through this software introduction in early 2024.

Early Years Entitlements take-up

14. In Autumn 2020 the DfE re-started the collection of national data for the funded 2 year olds termly take-up score cards. In the Autumn 2020 term 55% of Darlington's eligible 2 year olds were accessing an Early Years Entitlements 2 year old place. By Autumn 2021 this take-up figure had increased to 80% and by the Spring 2022 was back to pre-pandemic take-up levels at 86%. In Summer 2022 the take-up rate dipped to 78% (the national average was 72%) but by Autumn 2022 it was 89%. The availability of Early Years Entitlement places is advertised via health visitors, Children's Centres, Jobcentre Plus, Learning and Skills, in the 'One Darlington' magazine and on local authority, Housing and Health Facebook pages. In addition, an Early Years Entitlements webinar has been produced by the team for professionals and officers have attended social care team meetings, to present and answer questions about the funded entitlements. Finally, an Early Years Entitlements webinar for parents/carers has been produced.
15. Looking at actual take up, the number of children accessing Early Years Entitlement places in the Autumn 2022 term was: 319 funded 2-year-olds; 523 3- and 4-year-olds accessing

Universal Entitlement; and 589 3- and 4- year-olds accessing the Extended Entitlement; a total of 1,431 funded children. Please see **Table 1**.

16. Table 1 shows that the difference between the number of 2 to 4 year olds accessing an Early Years Entitlements place between Autumn 2019 and Autumn 2021 was 109 additional children. However, when Autumn 2019 data is compared with Autumn 2022 data, there are 156 less children accessing an Early Years Entitlements place in Autumn 2022. When comparing Autumn 2019 with Autumn 2022, looking at the private and voluntary sector providers, there was a decrease of 130 funded children. Take-up has increased in pre-schools only. However, there has been a decrease of 121 children in private day nurseries, 32 in out of school clubs and 3 with childminders. When comparing Autumn 2019 data to that of Autumn 2022, with regard to nursery schools and units, there has been an increase of 46 funded 2-year-olds, a decrease of 126 funded 3- and 4-year-olds accessing the Universal Entitlement and an additional 54 children accessing the 30 Hours Extended Entitlement. In Autumn 2022, the total number of funded children in the private and voluntary sector is at 86% of the take-up in Autumn 2019 and the number of funded children in the school sector is at 96% of the take-up in Autumn 2019.

Table 1 – Autumn 2019, Autumn 2021 and Autumn 2022 Early Years Entitlements take-up

| | Autumn 2019 | | | | Autumn 2021 | | | | Autumn 2022 | | | |
|-----------------------------------|-------------------------------|-------------------------------|---|---------------|-------------------------------|-------------------------------|---|---------------|-------------------------------|-------------------------------|---|---------------|
| | Funded Places for 2 Year-Olds | 15 Hours for 3- & 4-Year-Olds | 30 Hours Childcare for 3- & 4-Year-Olds | Termly Totals | Funded Places for 2-Year-Olds | 15 Hours for 3- & 4-Year-Olds | 30 Hours Childcare for 3- & 4-Year-Olds | Termly Totals | Funded Places for 2-Year-Olds | 15 Hours for 3- & 4-Year-Olds | 30 Hours Childcare for 3- & 4-Year-Olds | Termly Totals |
| Private Day Nurseries | 232 | 189 | 324 | 745 | 215 | 164 | 278 | 657 | 180 | 138 | 306 | 624 |
| Pre-Schools | 27 | 49 | 66 | 142 | 32 | 60 | 85 | 177 | 34 | 57 | 77 | 168 |
| Out of School Clubs | - | - | 32 | 32 | - | - | 11 | 11 | - | - | - | - |
| Child minders | 11 | 4 | 28 | 43 | 13 | 4 | 28 | 45 | 8 | 9 | 23 | 40 |
| Private & Voluntary Sector Totals | 270 | 242 | 450 | 962 | 260 | 228 | 402 | 890 | 222 | 204 | 406 | 832 |
| Nursery Schools | 21 | 80 | 32 | 133 | 46 | 94 | 44 | 184 | 33 | 74 | 38 | 145 |
| Nursery Units | 30 | 365 | 97 | 492 | 48 | 441 | 133 | 622 | 64 | 245 | 145 | 454 |
| School Totals | 51 | 445 | 129 | 625 | 94 | 535 | 177 | 806 | 97 | 319 | 183 | 599 |
| Childcare Market Totals | 321 | 687 | 579 | 1,587 | 354 | 763 | 579 | 1,696 | 319 | 523 | 589 | 1,431 |

Unmet Childcare Demand in 2022

17. 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, which caters solely for children with special educational needs and disabilities. Cases of unmet demand are gathered using various methods: from providers through the monthly attendance returns, by analysing parental enquiries via the Families' Information Service, via the unmet demand list and from any parental complaints to the local authority. The Families' Information Service received 64 childcare related enquiries between April 2022 to December 2022. There have been no recorded cases of parental unmet demand.
18. Attendance during the Summer 2022 holidays was surveyed. Out of 37 registered childminders who are active during the holidays, 22 returned the survey and out of 11 group settings who offer holiday care, 4 returned. Across the sector, occupancy was as follows: 173 4-8 year olds, 31 9-11 year olds, 1 12-14 year old and 0 15-18 year olds with a disability. In total, 205 children and young people accessed holiday childcare, compared with 229 in Summer 2021. Unmet demand was recorded as zero amongst the childminders. 2 group settings stated that over 4 days demand was so low, the provision of care was financially unviable.
19. Attendance during the Autumn 2022 half term was also surveyed. Of the providers who offer holiday childcare, 26 childminders and 7 group settings submitted returns. Across the sector, occupancy was as follows: 68 4-8 year olds, 12 9-11 year olds, 0 12-14 year olds and 0 15-18 year olds with a disability. In total, 80 children and young people accessed holiday childcare. There were no reports of unmet demand. 4 childminders reported closing during this holiday as they had had no requests for holiday care. 1 group setting explained that due to low demand on Thursday and Friday, it became financially unviable for them to stay open so they closed. Demand for holiday care needs to continue to be monitored.
20. The Local Authority has established a childcare sufficiency task group which meets regularly and monitors 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 & Skills. The group cross references with the Early Years Education Strategy Group.

Provider profile

Table 2 - The number of settings in Darlington pre-March 2020, November 2020, November 2021 and November 2022

| | Pre-March 2020 | November 2020 | November 2021 | November 2022 |
|---------------------|-----------------------|----------------------|----------------------|----------------------|
| Nursery schools | 2 | 2 | 2 | 2 |
| Nursery units | 17 | 17 | 17 | 17 |
| Private & Voluntary | 34 | 31 | 31 | 32 |
| Childminders | 80 | 71 | 63 | 51 |

Table 2 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. In late December 2022, one private day nursery closed as a result of the owner’s health issues. The business consisted of two nurseries and most children were relocated to the other nursery. During the last year 12 childminders have de-registered. Of those who have provided a reason for leaving childcare, 3 childminders have retired and 7 have left to work in other sectors of the economy. These de-registrations are not concentrated in any particular geographical area of the borough. 3 prospective childminders are currently undergoing training. The Rydal Academy has introduced funded places for 2 year olds in its nursery unit.

The views of parents

21. During early September to early November 2022, an on-line parental survey was carried out via providers, schools, Jobcentre Plus contacts, Darlington library, health visitors, Children’s Centres, the Parent Carer Forum, Darlington Association on Disability, the Local Authority staff bulletin, the Local Authority business e-newsletter and various other parental social media groups. The survey was aimed at parents who are currently using registered childcare provision in Darlington and asked questions about the cost of childcare and use of Tax Free Childcare. The return rate was high at 157 responses.
22. When asked which type of childcare provider(s) parents used: 34% said they used a standalone nursery school, 23% used a childminder, 22% a registered breakfast and/or after school club, 18% a private day nursery, 13% a pre-school, 8% a registered holiday club and 7% used a nursery unit attached to a primary school. When asked what the age was of the child(ren) accessing childcare: 44% of children were aged 3 to 4 years, 43% were 1 to 2 years old, 23% were 5 to 8 years old, 12% were 9 to 11 years old, 5% were babies aged under 1 and 1% were 12 to 14 years old. There were no responses relating to young people aged 15 to 17 years with special educational needs and disabilities.
23. Parents/carers were asked to tell us the reason(s) why they use childcare. 78% of parents used childcare to enable them to work; 53% said they use childcare to enable their children

to access opportunities to develop and grow; 43% said childcare is used to enable their children to get ready to go in to school; 42% to enable their children to make friends; 8% to give them a break from caring and 7% of parents used childcare to enable them to access training opportunities. Parents were also asked when they use childcare: 58% of parents used childcare during term-time only, 40% during term-time and school holidays and 2% used childcare only during school holidays.

24. Parents were then asked how they pay for childcare. 36% of parents paid for all of the childcare they use themselves; 21% had a 2, 3 or 4 year old child who accessed 15 funded hours a week only; 6% had a 2, 3 or 4 year old child who accessed 15 funded hours a week and additional hours paid for by parents; 18% had a 3 or 4 year old child who accessed 30 funded hours a week only, and 10% had a 3 or 4 year old who accessed 30 funded hours a week and additional hours paid for by parents. 26% of respondents said they accessed Tax Free Childcare. 6% used Childcare Vouchers and 5% of parents said that they accessed an employer support/childcare scheme. Parents were asked whether they expect their childcare costs to rise over the next 6 months. 40% of respondents said that they did expect costs to rise and 23% said that they did not. 37% of respondents replied that they did not know.
25. Parents were asked how much of their family income they spent on childcare, compared to the situation in Autumn 2021. 38% said they spent a larger proportion of their income on childcare. 14% said this was a smaller proportion; 17% said they spent about the same proportion on childcare and 31% said that they did not pay for childcare as they only accessed funded places. Parents were asked what the reason(s) were for the proportion of their family income they spend on childcare changing since Autumn 2021. 30% of parents reported that their childcare fees have increased; 16% said that they are now working more hours and so need to access more childcare and 12% said that they have more children accessing childcare. 10% said that their family income had decreased; 6% said that they are working less hours; 6% said that they are now using family and/or friends as informal childcare; 5% said that they have less children accessing childcare; 3% said that their childcare fees have decreased and 2% said that they have had an increase in family income.
26. Parents were asked whether they thought their childcare provider may have to make changes to current arrangements for users in the next 6 months. 11% of respondents said yes; 16% said no; and 73% said that they did not know. Parents were asked whether the increase in the cost of living would result in changes in access to childcare. 70% of parents said that they did not think there would be a change in the amount of childcare they use; 14% said that they would use less childcare a week; 14% said that they would use family and/or friends as informal childcare; and 6% said that they would stop using childcare altogether.
27. Parents were asked whether they had heard of Tax Free Childcare. 69% said that they had and 31% said that they had not heard of it. Parents were asked how they heard of Tax Free Childcare. 68% said by word of mouth from parents, family members or friends; 33% said that their childcare provider had told them about it; 4% had found out about it on social media and 2% had heard about it on T.V. or the radio. The source of information which was mentioned most in the narrative was the Government website 'Childcare Choices'. Parents were asked whether their childcare provider had informed them of Tax Free Childcare when they registered. 74% said that they had and 26% said that they had not.

28. Parents were asked if they had accessed Tax Free Childcare (TFC). 63% said that they had and 37% said that they had not. 89% of parents were currently accessing TFC and 11% had accessed TFC in the past. Respondents were asked what information they thought parents needed to know about TFC to help them to decide whether to apply. 81% said that what the potential financial benefits are was important; 76% said that information on how to apply would help. 68% of respondents said that information on who can apply would help; 58% said that it would be helpful to know which childcare providers were registered on the scheme and 52% said that it would help to know the age range of eligible children.
29. Parents were asked how easy it was to sign up to the TFC scheme. 45% said that it was easy to sign up; 27% said that it was very easy; 23% said that it was neither easy nor difficult; 5% said that it was difficult to sign up; and no respondents said that it was very difficult. When asked whether they would recommend the TFC scheme, 100% of parents/carers said that they would.

Children with Special Educational Needs and Disabilities

30. In the Autumn 2022 term, local authority officers met with senior leaders from Beaumont Hill Academy. The school runs a weekly parents/carers group and they had been sent a mini survey about holiday childcare to consider and discuss at the group. The purpose of the meeting was to gather survey feedback from the group via school staff. Parents were asked whether they used any form of childcare or registered activities during the summer holidays. Those parents who do use childcare tend to use DASH, the Darlington Association on Disability (D.A.D.) playscheme. During the Summer 2022 holidays, 85 children and young people resident in Darlington attended the DASH schemes. Feedback from D.A.D. via the Childcare Sufficiency group is that, like the rest of the childcare sector, they are experiencing some difficulties with recruitment.
31. Following the meeting the mini survey questions were distributed online to all parents/carers at Beaumont Hill Academy. There were 27 returns. Parents/carers were asked if they use holiday childcare or registered activities during the school holidays: 22% said that they do and 78% said that they do not. Parents were asked if they access the D.A.D. playscheme DASH: 15% said that they do and 85% said that they do not. Parents were asked if they have accessed any other type of childcare provisions, other than DASH: 4% said that they had and 96% said that they had not. Parents who accessed childcare generally were asked whether they did this because they work: 13% said that they did use childcare because they work and 87% said they used childcare for other reasons. Parents were asked if they have heard of schemes to support with childcare costs, such as, Tax Free Childcare or the Universal Credit Childcare Offer: 62% of respondents said that they had not and 38% of respondents said that they had.

Provider feedback

32. In October 2021 a Childcare Recruitment and Retention survey of local providers was undertaken and 59% of returning providers stated they were experiencing issues with recruitment and retention. As a result, a discussion about recruitment and retention is included within provider funding audits.

33. During 2022 early years funding audits have taken place with 13 of the 27 day nurseries and pre-schools in the borough. When managers are asked whether they have any difficulties affecting their business, the overwhelming response is that of recruitment and retention. Of the 13 settings audited, 9 are private or community association day nurseries and 4 are pre-schools. All of the audited day nurseries commented that they are experiencing problems in recruiting appropriately qualified and experienced staff and only 2 said that retention of staff is not an issue. Anecdotal evidence from settings is that there is insufficient interest from appropriately qualified and experienced applicants. One setting has had to restrict numbers due to recruitment problems. One manager explained that they have a number of staff who are approaching retirement age and that they recently lost 3 younger members of staff to office and retail work because the hours are more flexible, there is less responsibility, better pay and some employers are able to offer a 'Golden Hello' payment.
34. Of the audited pre-schools, 2 managers explained that recruitment had been difficult but none of the audited pre-schools were experiencing retention issues. Both pre-schools who were experiencing recruitment issues had taken creative approaches and decided to 'grow their own' and employ apprentices, some of them mature.
35. During 2022 D.A.D. have experienced some challenges when recruiting Play Workers for their holiday play scheme for disabled children. D.A.D. has explained that the lack of suitably qualified applicants is an issue.
36. In October 2022, the Early Years Team attended the Darlington Jobs Fair to promote childcare as a career and also to ensure people are aware that if they need childcare to enable them to work, there is help available with childcare costs, such as Families' Tax Credit. The team was approached by a number of people, including older people looking for a change of career and people who have newly settled in Darlington. Information was also available about supported internships for students with Education, Health and Care Plans via the Project Choice Team at NHS Health Education England. Placements are for 2 to 3 days a week and last up to 12 weeks. There is no obligation on a childcare setting to make the placement permanent but if they wish to do so, the setting can submit a funding support application. This information has been shared with Darlington's childcare providers.
37. Links are being made with Careers Leads based in the borough's secondary schools. Links are also being formed with Teesside University who run a module enabling students to find out more about the world of work and future career paths. The team will be attending, amongst others, a Careers Fair at Carmel School in March 2023 to promote childcare as a career. The team will also have a stall at the Darlington Jobs Fair in February 2023 where local childcare vacancies will be advertised.
38. Recruitment and retention issues can have an effect on a provider's ability to operate at full capacity and may go on to affect childcare sufficiency in the borough if the situation deteriorates further. Some settings report that the pandemic has impacted on work experience and volunteering opportunities, for example, sometimes parents volunteer to work in a setting and then find that they enjoy it and decide to go into childcare. To address this, the Early Years Team has been compiling a list of providers that would be happy to provide work experience.

39. From Autumn 2022, as part of the early years funding audits, providers are being asked whether increasing costs are affecting their business and also whether their charges will need to increase significantly to cover the increased costs of running a business in the current climate. During the Autumn '22 term, regarding the supply side, there have been no reports of substantial rent rises but some providers are reporting that as the cost of food, consumables and staffing costs rise they have increased their fees marginally. On the demand side, there have been no reports from parents of substantial increases in childcare charges.

Local Employer feedback

40. 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. They 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.

Additional information

41. Table 3 shows that in recent years the number of birth registrations in Darlington has declined. This may have market implications for providers.
42.

Table 3 - 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 |
| 2019/20 | 1,026 |
| 2020/21 | 1,061 |
| 2021/22 | 1,038 |

Source: 2009/10 – 2019/20 - Office for National Statistics (ONS), Birth Registrations
Source: 2020/21 onwards - NHS Primary Care Registration Data (data is more appropriate for use as it is available earlier than ONS data and is released as academic year rather than calendar year data).

Outcome of Consultation

43. The LA intends to continue to monitor and evaluate the local market position, paying particular attention to staff recruitment and retention issues and childcare business sustainability.

Conclusion

44. Indicators have shown that there continues to be sufficient capacity to meet demand. However, 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 meet existing or new working patterns. It is not entirely clear yet, whether working patterns will permanently change as a result of the pandemic and if so, how they will change. Nationally, data from the Business Insights and Conditions Survey (BICS) showed that of trading businesses, when asked in Summer 2021 whether they saw homeworking continuing, 24% said they intend to use increased homeworking as a permanent business model going forward and 28% were unsure. Businesses in the Information and Communication industry were most likely to intend to increase homeworking in the future (49%) (Source: ONS, 'Business and individual attitudes towards the future of homeworking, UK: April to May 2021').

How will this work in Darlington?

45. 2022 Childcare Sufficiency findings will be presented to the childcare market and to schools in late Spring 2023, to enable them to develop services to meet any changing childcare demand. Market flexibility to meet changing parental demand will be key to sector resilience.
46. The priorities for the Local Authority continue to be to:
 - (a) Provide parents with up-to-date information about financial assistance towards childcare costs, including any available tax credits,
 - (b) Work with settings and other interested stakeholders to continually improve the quality of care and make settings/activities more inclusive,
 - (c) Assist childcare providers by providing information on matters relating to funding and sustainability.