

**CHILDREN AND YOUNG PEOPLE'S SCRUTINY COMMITTEE  
19 FEBRUARY 2024**

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**CHILDCARE SUFFICIENCY REVIEW, 2023-24**

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**SUMMARY REPORT**

**Purpose of the Report**

1. The purpose of this report is to inform Members of the findings of the 2023-24 Childcare Sufficiency Review.

**Summary**

2. The Department for Education's Early Education and Childcare Statutory Guidance for Local Authorities, January 2024 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. There is no overall lack of childcare sufficiency in the borough.
4. Typically, childcare providers draw 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. In the Autumn 2023 term, 1,432 children were accessing an Early Years Entitlement place: this figure compares with 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. The number of registered childminders has declined by 20% since Autumn 2022; the previous year the number had declined by 19%. One school has opened a nursery unit offering the Universal Entitlement and 30 Hours Childcare to 3 and 4 year olds.

6. By the Autumn 2023, 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 continue to 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 still facing recruitment and retention issues, nationally and locally. Of the 12 day nurseries and pre-schools in the borough that have received a funding audit from Spring 2023, 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 Fairs in February and June 2023 to promote childcare as a career and promote Early Years Entitlements and will be attending in February 2024. Links have been made with the secondary schools' Careers Leads and Teesside University.
7. In the Spring 2023 Budget, the Government announced the National Childcare Expansion Programme. These are significant reforms to childcare which aim to remove barriers to work for nearly half a million parents with a child under 3 in England who are not working due to their caring responsibilities. The phased changes announced were as follows:
  - From April 2024, the introduction of 15 hours of funded childcare for working parents of 2 year olds.
  - From September 2024, the introduction of 15 hours of funded childcare for working parents of babies from 9 months up to 2 years old.
  - From September 2025, the introduction of 30 hours of funded childcare for working parents of babies from 9 months up to 3 years old (where eligibility will match the existing 3 and 4 year old 30 Hours offer).
  - The funding rates paid to nurseries for the existing free hours offers to be increased by £204 million from September 2023, rising to £288 million in April 2024.
  - An ambition is that by 2026, all parents and carers of primary school-aged children who need it will be able to access term time childcare in their local area from 8am-6pm, so that parents can access employment and improve labour market participation.
8. In October 2023 the DfE released a capital allocation for local areas to use to support the programme. In addition, local authorities have been allocated pump-priming place revenue over three years to aid with the creation and development of wraparound places.
9. In September 2023, Darlington Local Authority established a Childcare Expansion Task and Finish Group which meets monthly and consists of officers from Education Partnerships, Contracts and Commissioning, the Families' Information Service and the Transformation Team. This group feeds into the Childcare Expansion Project Board which is chaired by the Assistant Director of Education and Inclusion and includes the Head of Education Partnerships, the Children's Finance Manager, the Children's Commissioning Manager and the Head of SEND and Inclusion. The task and finish group also cross references with the Childcare Sufficiency Group which has membership consisting of representatives from

Learning and Skills, Jobcentre Plus and Economic Growth, as well as other external, interested stakeholders and the Early Years Education Strategy Group which includes representatives from the private and voluntary childcare sector, schools and childminders.

10. During the Autumn 2023 term, the Education Partnerships Team has undertaken various data gathering exercises regarding demand and supply in order to assess need and target the expansion resources. For example, the private and voluntary sector, childminders and primary schools were surveyed to gather their thoughts about the childcare expansion i.e. what their engagement will consist of and what might be the barriers to engagement. An evening expansion consultation event was held with providers in November 2023. A survey for parents with children aged 2 years and under with SEND was released via health visitors, SENDIASS, the FIS, the Parent Carer Forum and Darlington Association on Disability. In early Spring 2023, surveys collecting information about wraparound supply are due to be released to providers and primary schools and a wraparound parental survey will also be issued.
11. 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 team and Darlington Safeguarding Partnership attendance at these provider briefings, a group for early years leads in schools, virtual inclusion panels and individualised support around transitions, setting link officers and an Early Years newsletter.
12. The continued uncertainties created by the pandemic and current market forces make childcare demand and business sustainability more difficult to predict. It is also difficult to predict how parental behaviour when accessing childcare may change, as a result of the national expansion, although initial indications are that there will be a sufficiency of places in phase 1. Work is on-going to promote assistance with the cost of childcare, such as Tax Free Childcare, Universal Credits and the Early Years Entitlements to assist with provider sustainability.
13. 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. As the funded market expands, particular attention needs to be paid with regard to access to places for children with Special Educational Needs and Disabilities and children who are eligible for a place for 'disadvantaged' 2 year olds.

## **Recommendation**

14. It is recommended that members note for information the findings of the 2023-24 Childcare Sufficiency Review.

**Tony Murphy**  
**Assistant Director - Education and Inclusion**

## **Background Papers**

The following papers were used in this report:

(i) 2023-24 Childcare Sufficiency Review

Nicola Davies : Extension 6010

S17 Crime and Disorder	The report is about the 2023-24 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, January 2024.
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 pre-school children who are Looked After Children or who have left care and also, provides support to families.

## MAIN REPORT

### Information and Analysis

#### Post-pandemic

15. 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.
16. 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 six clubs have closed in the last year. It is unclear yet whether hybrid working is affecting take-up. The number of school registered out of school and breakfast clubs has remained stable. The number of registered childminders has declined by 20% since Autumn 2022. One school has opened a nursery unit for 3 and 4 year olds offering the Universal Entitlement and 30 Hours Funded Childcare.
17. Some providers are reporting that as the cost of food, consumables and staffing costs continue to increase 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.

#### National Expansion of the Early Years Entitlements

18. In the Spring 2023 Budget, the Government announced the national Funded Childcare Expansion Programme. These are significant reforms to childcare which aim to remove barriers to work for nearly half a million parents with a child under 3 in England who are not working due to their caring responsibilities. The changes also aim to reduce discrimination against women and benefit the wider economy. The current funded entitlement consists of 15 hours a week for 2 year olds from low income households, 15 hours a week for all 3 and 4 year olds and an additional 15 hours a week for 3 and 4 year olds from working families.
19. The phased changes announced were as follows:
  - From April 2024, the introduction of 15 hours of funded childcare for working parents of 2 year olds.
  - From September 2024, the introduction of 15 hours of funded childcare for working parents of babies from 9 months up to 2 years old.
  - From September 2025, the introduction of 30 hours of funded childcare for working parents of babies from 9 months up to 3 years old (where eligibility will match the existing 3 and 4 year old 30 Hours offer).

- The funding rates paid to nurseries for the existing free hours offers to be increased by £204 million from September 2023, rising to £288 million in April 2024.
  - Schools and local authorities being funded to increase the supply of wraparound care, so that parents of school age children can drop their children off between 8am and 6pm, thus tackling the barriers to working caused by limited availability of wraparound care.
  - Parents moving into work or increasing their hours will receive Universal Credit paid upfront rather than in arrears, with the maximum claim boosted to £951 for one child and £1,630 for two children, an increase of around 50%.
  - The government proceeding with changing staff-to-child ratios from 1:4 to 1:5 for 2 year-olds from September 2023, subject to parliamentary approval although providers have been advised that this would not be mandatory.
  - In recognition of both the importance and short supply of childminders, incentive payments of £600 being piloted from Autumn 2023 for those who sign up to the profession (rising to £1,200 for those who join through a Childminding Agency).
20. The government also launched a consultation between May and July 2023, on further measures to support reform of the childcare market including exploring further flexibilities for providers; allowing childminders more choice over how they operate, and introducing a new, streamlined childminder specific Early Years Foundation Stage (EYFS) framework. In October 2023, the government announced that it would proceed with implementing two versions of the EYFS framework: one for childminders and one for group and school-based providers. The aim of this change is to make the EYFS easier to navigate and implement. The government will also proceed with there no longer being a requirement for level 3 practitioners to hold a level 2 maths qualification. The government has decided not to proceed with changes to the percentage of level 2 qualified staff required per ratio and changing the qualification requirements outside of peak hours.
21. Also announced in October 2023 was a capital allocation for local areas to use to make sure childcare settings in their areas have enough physical space. Local authorities have also been allocated pump-priming place revenue over three years to aid with the creation and development of wraparound places.
22. In September 2023, Darlington Local Authority established a Childcare Expansion Task and Finish Group which meets monthly and consists of officers from Education Partnerships, Contracts and Commissioning, the Families' Information Service and the Transformation Team. This group feeds into the Childcare Expansion Project Board which is chaired by the Assistant Director of Education and Inclusion and includes the Head of Education Partnerships, the Children's Finance Manager, the Children's Commissioning Manager and the Head of SEND and Inclusion. The task and finish group also cross references with the Childcare Sufficiency Group which has membership consisting of representatives from Learning and Skills, Jobcentre Plus and Economic Growth, as well as other external, interested stakeholders and the Early Years Education Strategy Group which includes representatives from the private and voluntary childcare sector, schools and childminders.
23. In September 2023, information about the expansion was placed on the local authority website for parents/carers and on the FIS Facebook page and information was also sent to the health visitors for them to distribute to parents via social media. During October 2023, surveys relating to the first phase of the Childcare Expansion in April 2024 were released

to the private and voluntary sector providers, schools and childminders were sent a shortened version of the questions. The expansion was also discussed at the Private and Voluntary Sector Providers' Briefing, the Childminders' Network and Primary Headteacher meeting. In November 2023, the Education Partnerships Team held a Private and Voluntary Providers' evening meeting about the expansion. Work has taken place to extend the age range on the provider portal to include 2 year olds in readiness for the issue of eligibility codes from HMRC from 2 January 2024.

24. The changes announced are likely to present challenges for the childcare sector in Darlington. Whilst overall sufficiency exists at present, the expansion of the childcare offer, particularly from September 2024 onwards, coupled with current recruitment and retention pressures means that there is a risk that sufficiency is not maintained. The national picture is likely to change as providers consider the implications of the new requirements, for example, increased entitlement checks and the relationship between existing and new entitlements. The proposed funding rates will be important in the success of this expansion. Many in the sector report that funding rates do not currently cover the cost of delivery. As providers are prohibited from charging 'top up' fees for the funded hours, some report that they cover their costs via income from parent paid places. As more and more childcare places are to be local authority funded, if the funding rates do not cover the delivery costs there may be a risk to sustainability.

#### Support for Providers

25. The Early Years Education Strategy Group meets twice 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 where Education Safeguarding is a standing item on the agenda. Darlington's Public Health Team also share up-dates at these networks. The Early Years Leads meeting for schools continues to meet termly. 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.
26. 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

27. In 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 (TFC) but had not 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.

28. Work was undertaken by the Education Partnerships Team to ensure that all private and voluntary sector providers are registered with HMRC to deliver TFC. Schools were also approached to let them know that if they run Ofsted registered out of school provision the school could sign on to the TFC register. A TFC leaflet and social media graphics were produced: information was shared with the Families' Information Service, Jobcentre Plus, the Children's Centres, the Health Visitors, the Business Growth Team, Social Care teams, on the Housing Facebook pages linked to the Council's money advice pages, with Darlington Association on Disability, Darlington Connect, the Citizen's Advice Bureau and Firststop. An advertisement was placed in the 'One Darlington' magazine and information was also shared at the SEN Network for practitioners, on the local authority website, in the staff briefing, with providers and via the schools' bulletin. A JobCentre Plus Job Coach team meeting has been attended, to discuss the early years funded entitlements and help that is available with the cost of childcare. Officers will also continue to share information about the funded entitlements, including a recording produced for professionals, with interested stakeholders.
29. During October 2022, a childcare costs survey was released for parents/carers who access childcare in Darlington. The survey link was distributed via childcare providers and schools, Families' Information Service social media sites, Children's Centres, the health visitors, the library, Children's Centres, the Council staff briefing, the Parent/Carer Forum and Darlington Association on Disability, representatives from Learning and Skills, SENDIASS, Jobcentre Plus and the Council's Economic Growth Team. The purpose of the survey was to gather feedback about childcare costs and Tax Free Childcare from parents/carers who are using childcare in the borough. This information was shared with the childcare sector to encourage those providers who had not already registered to deliver Tax Free Childcare, to do so.
30. In Summer 2022 the Early Years Team attended two half day training sessions delivered by the childcare consultancy Hemsalls. The training set out a business map which supports officers to speak with providers during setting audits, about business sustainability and to consider ideas and options to support business direction, develop plans to balance service delivery with safety and sustainability and to embed a regular process of review.
31. As part of the work being undertaken on the expansion of the Early Years Entitlements, the childcare marketing strategy is being refreshed to include the on-going promotion of Tax Free Childcare and Universal Credits to families and other interested stakeholders. HMRC data shows that take-up is increasing: in 2020-21 the number of families with used Tax Free Childcare accounts in Darlington was 630. This figure rose to 895 in 2021-22 and 1,135 in 2022-23. An increase of 80% or 505 accounts in three years.
32. From Autumn 2022, as part of the early years funding audits, providers are being asked whether the rising cost of living is 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 2023 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.

### Provider Training

33. 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. Darlington's Public Health Team and Darlington's Safeguarding Partnership have also shared up-dates at these briefings with the option of sending a question via the Early Years Team if providers are unable to attend.
34. 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. These take place within a school or setting and practitioners value the opportunity to visit different nurseries. A network has also been established specifically for practitioners who work with 2 year olds, which again gives the opportunity for practitioners to meet and share good practice. Good practice is also shared via the Special Educational Needs Co-ordinators' Network. Information regarding external training opportunities is sent to the sector twice termly via the Early Years newsletter. Each setting and childminder have been assigned a member of the Early Years Team as a Link Officer. Link Officers arrange termly visits/contacts with their settings.
35. 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'. Members of the Early Years team have supported settings as either an 'Expert' or 'Area Lead'. To date, nine private nurseries and one school nursery have taken part in the programme and one nursery is currently involved. The team have also supported nurseries outside of Darlington as part of this programme.
36. 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 six settings took part in phase 2 of EYPDP and the programme is now entering the third phase which will see a national rollout. The local authority supports with promoting the programme and liaising about recruitment with the delivery partner.
37. 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 has been developed and settings are made aware of Early Education training. Details of the Level 3 Early Years Special Educational Needs Co-ordinator qualification 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.

38. Through joint commissioning with the NHS, every Darlington setting and school with a nursery can take part in training on 'Early Talk Boost' which is a language intervention for 3 and 4 years olds delivered by Speech and Language UK. The setting or school with a nursery will also receive a pack of training resources. This training is being cascaded through Autumn 2023 and Spring 2024. In addition, two members of the Early Years team will be trained to become licensed tutors in both Early Talk Boost and Tots Talking (the aim of Tots Talking is to improve the talking and understanding of words in 2 year olds).

#### Early Years Entitlements take-up

39. 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 2023 the take-up rate was at 90%, the joint fourth highest rate amongst the North East local authorities. 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.
  40. Looking at actual take up, the number of children accessing Early Years Entitlement places in the Autumn 2023 term was: 328 funded 2 year olds; 520 3 and 4 year olds accessing Universal Entitlement; and 584 3 and 4 year olds accessing the Extended Entitlement; a total of 1,432 funded children. Please see **Table 1**.
  41. Table 1 shows that the difference between the number of 2 to 4 year olds accessing an Early Years Entitlements place between Autumn 2022 and Autumn 2023 was 23 additional children. However, when Autumn 2023 data is compared with Autumn 2021 data, there are 264 less children accessing an Early Years Entitlements place in Autumn 2023. When comparing Autumn 2021 with Autumn 2023, looking at the private and voluntary sector providers, there was a decrease of 94 funded children. There has been a decrease of 34 children in private day nurseries, 39 in pre-schools, 11 in out of school clubs and 10 with childminders. When comparing Autumn 2021 data to that of Autumn 2023, with regard to nursery schools and units, there has been a decrease of 170 children. There has been a decrease of 212 funded 3 and 4 year olds accessing the Universal Entitlement. However, there has been an additional 24 children accessing a funded 2 year olds' place and an additional 18 children accessing the 30 Hours Extended Entitlement. The total number of funded children in the private and voluntary sector is at 89% of the take-up in Autumn 2021 and the number of funded children in the school sector is at 79% of the take-up in Autumn 2021.
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Table 1 – Autumn 2021, Autumn 2022 and Autumn 2023 Early Years Entitlements take-up

	Autumn 2021				Autumn 2022				Autumn 2023			
	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	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	215	164	278	657	180	138	306	624	180	151	292	623
Pre-Schools	32	60	85	177	34	57	77	168	23	42	73	138
Out of School Clubs	-	-	11	11	-	-	-	-	-	-	-	-
Childminders	13	4	28	45	8	9	23	40	7	4	24	35
Private & Voluntary Sector Totals	260	228	402	890	222	204	406	832	210	197	389	796
Nursery Schools	46	94	44	184	50	60	38	148	51	70	29	150
Nursery Units	48	441	133	622	64	220	145	429	67	253	166	486
School Totals	94	535	177	806	114	280	183	577	118	323	195	636
Childcare Market Totals	354	763	579	1,696	336	484	589	1,409	328	520	584	1,432

Unmet Childcare Demand in 2023

42. 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 70 childcare related enquiries between January 2023 to December 2023. There have been no recorded cases of parental unmet demand.
43. Attendance during the Summer 2023 holidays was surveyed. Out of 26 registered childminders who are active during the holidays, 14 returned the survey and out of 10 group settings who offer holiday care, two returned. Across the sector, occupancy was

as follows: 55 4-8 year olds, 8 9-11 year olds, 0 12-14 year old and 0 15-18 year olds with a disability. In total, 63 children and young people accessed holiday childcare, compared with 205 in Summer 2022 and 229 in Summer 2021. No providers reported having requests for school holiday childcare which they could not meet.

44. Attendance during the Autumn 2023 half term was also surveyed. Of the providers who offer holiday childcare, 14 childminders and 2 group settings submitted returns. Across the sector, occupancy was as follows: 41 4-8 year olds, 6 9-11 year olds, 0 12-14 year olds and 0 15-18 year olds with a disability. In total, 47 children and young people accessed holiday childcare, compared with 80 in Autumn 2022. Again, there were no reports of unmet demand. Demand for holiday care needs to continue to be monitored, particularly as the government’s Wraparound Expansion Programme is implemented, as children accessing wraparound care are more likely to need holiday care.
45. The Local Authority has established a Childcare Sufficiency 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, November 2022 and November 2023.

	<b>Pre-March 2020</b>	<b>November 2020</b>	<b>November 2021</b>	<b>November 2022</b>	<b>November 2023</b>
Nursery schools	2	2	2	2	2
Nursery units	17	17	17	17	18
Private & Voluntary	34	31	31	32	31
Childminders	80	71	63	51	41

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 10 childminders have de-registered. Of those who have provided a reason for leaving childcare, 7 childminders have retired and three have left to work in other sectors of the economy. These de-registrations are not concentrated in any particular geographical area of the borough. One prospective childminder is currently undergoing training. Holy Family R.C. Primary School has opened a nursery unit for 3 and 4 year olds.

### The views of parents - Children with Special Educational Needs and Disabilities

46. In December 2023 a parental survey was released via the Families' Information Service, the health visitors, Darlington's Parent/Carer Forum, Darlington Association on Disability and SENDIASS. The survey was aimed at parents/carers of children aged 2 and under with Special Educational Needs and Disabilities and asked questions about the likelihood of these parents using the expanded childcare offer and what any barriers to use may be. Unfortunately, the return rate was low so the closing date has been extended. However, if the return rate does not improve, further consideration will need to be given to the best way to engage with these parents.

### Provider feedback

47. In October 2023, a survey collecting feedback about the National Childcare Expansion was sent to all of the private day nurseries and pre-schools in the borough. 19 providers completed the survey, ranging from large settings which are part of national chains to small church hall based pre-schools. Providers were asked how many 2 year olds they currently care for whose parents pay for their childcare place: the average number of 2 year olds was 16. They were asked how many unfilled full-time places they currently have for 2 year olds: the average was 3 but the total number of unfilled places for 2 year olds within settings who had returned responses was 62. They were asked how many of their current 2 year olds whose parents pay for their childcare, they think will 'switch' to a local authority funded place: the average was 14; and how many of these parents, as they are no longer paying for the initial childcare, they think will want to pay for additional hours; the average was 9. Providers told us that, as a result of the new funding, they felt that an average of 6 new 2 year olds would want to attend their setting. When asked whether the introduction of the new 2 year old places will have any effect on the delivery of disadvantaged places for 2 year olds, 5 providers said yes, 2 said maybe and 12 said no.
48. Providers were asked whether the introduction of the new 2 year old places will have any effect on the delivery of places for children with Special Educational Needs and Disabilities, seven providers said yes and 12 said no.
49. Providers were asked whether they were planning to make any changes to their businesses to meet demand for the new entitlements, 4 said yes and 15 said no.
50. Providers were also asked whether they had any plans to change their fee structures, four said yes and 15 said no.
51. Providers were asked whether there are any barriers to their childcare businesses engaging fully with the new funded hours for 2 year olds, 14 said yes and 5 said no.
52. In mid November 2023 the Education Partnerships Team held an evening session for the private and voluntary sector providers to feedback the latest developments from the Department for Education regarding the expansion. There was also the opportunity for providers to share their thoughts and comments about the expansion programme, the positive elements and any barriers which may exist to a setting becoming involved. The sector would like to engage but there were concerns expressed about the imminent funding rates, staff recruitment and retention issues and for some settings, the lack of physical space to expand.

### Recruitment and Retention

53. 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.
54. During 2023 early years funding audits have taken place with nine day nurseries and three pre-schools in the borough. When managers are asked whether they have any difficulties affecting their business, the overwhelming responses are that of funding, recruitment and retention and the cost of living. Of the nine audited day nurseries, five commented that they are still experiencing problems in recruiting appropriately qualified and experienced staff and some providers explained that many prospective candidates do not want full-time hours and that they are competing with office jobs and retailers for staff. Two settings have had to restrict numbers due to recruitment problems. Where children cannot be accommodated, 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. Methods which nurseries are successfully using to combat recruitment issues include paying more than the National Living/Minimum Wage, creating a bank of stand-by staff, taking apprentices, being more flexible with staff terms and conditions, paying towards the cost of staff training and managers working in the childcare rooms. Staff retention was less of an issue for the providers who have been audited. Of the audited pre-schools, one manager explained that recruitment had been difficult but none of the audited pre-schools were experiencing retention issues.
55. In February and June 2023, 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 from other countries. 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.
56. Links are being made with careers staff 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 has also attended school Careers Fairs to promote childcare as a career. Recruitment and retention is a significant issue; it 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.

### Local Employer feedback

57. 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

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

Table 3 - The number of births registered in Darlington

<b>Year of Birth (Sep-Aug)</b>	<b>Number of Births</b>
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
2022/23	990

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**

59. The LA intends to continue to support, monitor and evaluate the local market position, as we move in to the first phase of the National Childcare Expansion, paying particular attention to funding rates, staff recruitment and retention issues and childcare business sustainability.

**Conclusion**

60. Indicators have shown that there continues to be sufficient capacity to meet current demand. However, the national expansion of the Early Years Entitlements begins in April 2024 for 2 year olds in ‘working’ families and ends in September 2025, with all pre-school children from 9 months old and upwards in ‘working’ families, being eligible for 30 Hours funded childcare a week. This represents a comparatively large expansion of the funded entitlements. Previous consultations with parents have demonstrated 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. It is not entirely clear yet, whether working patterns are permanently changing as a result of the pandemic and if so, how they will change. Feedback from the sector indicates that if funding rates are sufficiently high, where possible, there is an overall



desire to provide the expanded places. Demand is difficult to predict but feedback regarding the supply of places, suggests that there will be a sufficiency overall when the expansion begins in April 2024. However, this will need to be monitored over the course of the programme, paying particular regard to access to places for children with Special Educational Needs and Disabilities and children who are eligible for a 'disadvantaged 2 year olds' place. The Local Authority is engaging with providers to ensure sufficiency of places over the coming months and to assist with sustainability. The Local Authority intends to continue to monitor and evaluate the market position.

### **How will this work in Darlington?**

61. 2023 Childcare Sufficiency findings and DfE National Expansion up-dates will continue to be presented to the childcare market and to schools in late Spring 2024, to enable them to develop services to meet changing childcare demand. Market flexibility to meet changing parental demand will be key to sector resilience and the success of the expansion.
62. 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.