

11 December 2023**REPORT OF THE SERVICE DIRECTOR, COMMISSIONING AND RESOURCES****CHILDCARE SUFFICIENCY ASSESSMENT 2023: THE EARLY YEARS AND
CHILDCARE SECTOR IN NOTTINGHAMSHIRE****Purpose of the Report**

1. The report shares the findings and recommendations of the Childcare Sufficiency Assessment 2023, attached as **Appendix 1**, and seeks approval of the proposed recommendations which enable the Council to fulfil the statutory duty to ensure sufficient high-quality childcare.
2. This report also seeks approval to publish the Childcare Sufficiency Assessment 2023 on the Nottinghamshire County Council website.
3. This is a Key Decision because it will have significant effects on two or more electoral divisions.

Information

4. Legislation (Childcare Acts 2006 and 2016) and Department for Education guidance state that top tier local authorities must, so far as is reasonably practicable, make arrangements to secure that sufficient early childhood services in their area are provided in such a way that facilitates access to those services, and maximises the benefit of those services to parents, prospective parents and young children.
5. Authorities must secure free places offering 570 hours of Early Education and Childcare a year over no fewer than 38 weeks of the year, and up to 52 weeks of the year for every eligible 2 year-old child in their area, and for all 3 and 4 year-olds until the beginning of the term following their fifth birthday. Local authorities must also secure an additional 570 free hours of Early Education and Childcare a year over no fewer than 38 weeks of the year and up to 52 weeks of the year for qualifying children of working parents.
6. There is a requirement on local authorities to produce an annual sufficiency report on the availability and sufficiency of childcare in their area. This information should be made available to parents and Elected Members¹.

¹ [Early education and childcare \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

7. The Childcare Sufficiency Assessment is attached as **Appendix 1** and will be published on the Council's website subject to approval.

New Childcare Duties Placed on Local Authorities

8. In March 2023, the Government announced reforms to Childcare Support as part of the Spring Budget announcements. This increased the duty to provide funded childcare places for working families rolling out over the next three years, extending childcare to support more parents returning to work after their parental leave ends:
- by September 2025, working parents of all children over the age of nine months will be entitled to 30 hours of funded childcare
 - by September 2026, all primary schools will have an offer in their community of before and after school care from 8.00am to 6.00pm. The offer can be fulfilled by the school, or by a separate provider in the community, such as Childminders or a Private, Voluntary or Independent provider. The Local Authority has the duty to ensure there are sufficient places to meet demand.
9. This year's Childcare Sufficiency Assessment starts to consider how these new reforms can be implemented locally and this will be further analysed in the 2024 assessment.

Key Findings

10. The key findings of the 2023 Childcare Sufficiency Assessment are as follows:
- There has been a 4.5% decrease in the population of children aged 0-4 resident in Nottinghamshire since 2021. (Latest data available is mid 2022) [Births in England and Wales: summary tables - Office for National Statistics \(ons.gov.uk\)](#)
 - There are 975 Ofsted Registered Childcare Providers (June 2023) delivering Early Years Childcare and Education across Nottinghamshire. This represents a drop of 5% on last year. This is mainly attributed to the decrease in the numbers of Registered Childminders and mirrors the national picture.
 - Nottinghamshire continues to report sufficient childcare places for eligible 2 year-olds, and all 3 and 4 year-olds. According to the assessment this Spring, there were approximately 6,400 x 15-hour funded places for eligible 2, 3 and 4 year-olds vacant across the County.
 - In addition to the above, there were a reported 1,125 vacancies for children under the age of two years.
 - There are eight wards where there are less than 10% vacancy rates, due to a number of setting closures and childminder resignations. Six areas are reporting that over 40% of their places remain unfilled.
 - The numbers of 2 year-old children taking up their funded entitlements has decreased since the last Childcare Sufficiency Assessment and is at an average of 81% for the academic year.

- 95% of 3 year-olds and 97% of 4 year-olds are taking up their funded place (County residents' children; this rises to 105% and 105% respectively when including out of county residents accessing an Early Years Place in Nottinghamshire. Take up rates of over 100% include children who attend a County setting but do not reside in the County)
- There continues to be an increase in the number of settings accessing supplementary funding for children with emerging additional needs and in the summer term, the number of children accessing Inclusion Funding had risen by 28% compared with last year.
- Nottinghamshire continues to have a high number of settings that are rated as Outstanding or Good which reflects national figures. 86% of the inspected provision in Nottinghamshire is classed as Good or Outstanding by Ofsted.

Key Recommendations

11. As noted, there is no concern about the current overall supply of funded Childcare places across the County, and there are no areas where demand outweighs supply. However, in eight of the ward clusters there has been a decrease in vacancy rates, and District Meetings will be used to further interrogate supply and demand levels.
12. Early Childhood Services will continue their campaigns to increase the number of parents taking up a Childcare place in those areas where providers are reporting high vacancy levels and threats to future sustainability.
13. Early Childhood Services will embark on an exercise to publicise the extension to Early Years Entitlements for children over the age of two for next Spring and for those over the age of nine months from September 2024. At the same time, Early Childhood Services will interrogate demand for the extended entitlements in consultation with providers and families.
14. Early Childhood Services recognises that business sustainability is the biggest challenge in the Early Years Sector at the moment. Early Childhood Services will continue to work with partners to support recruitment to the sector and offer support to providers to maintain sustainable business models.
15. Early Childhood Services will ensure that the funded hourly rates paid to Childcare providers are the maximum amount possible based on the National Funding Formulae (Nottinghamshire attracts the lowest possible base rate). Nottinghamshire continues to retain less than the permitted amount for centralised services.
16. Early Childhood Services will begin an exercise to review funding for children with Special Educational Needs and Disabilities (SEND) who are taking up both Early Years entitlements and accessing Wraparound Childcare. The purpose of the review is to assess demand for children under the age of two accessing the extended entitlements and those who attend wraparound provision outside of the school day. As more parents become eligible for funded places in Early Years the demand for supplementary funding for children with SEND is also expected to increase.

17. Early Childhood Services will develop capacity to carry out detailed assessment of supply and demand for Wraparound Childcare.

Other Options Considered

18. As this is a statutory requirement, there is no other option to the Council but to prepare and publish an annual Childcare Sufficiency Assessment.

Reason/s for Recommendation/s

19. As set out in The Childcare Act 2006 and statutory guidance, local authorities in England are required to secure, so far as is reasonably practicable, the provision of sufficient childcare (including early years provision) for working parents in their area and parents making the transition to work. Further, there is a requirement on local authorities to provide an annual report on the availability and sufficiency of childcare in their area to Elected Members, which must be made available and accessible to parents.
20. The duties in the Act require local authorities to shape and support the development of childcare in their area in order to make it flexible, sustainable and responsive to the needs of the community. Following the Covid-19 pandemic there are concerns about balancing the supply of provision to ensure access for the most vulnerable children. Covid had an impact on supply and demand which is still being felt by the sector. There has been a reduction in the number of settings being able to operate because some parents made alternative arrangements during the pandemic (including family childcare or working patterns and behaviours changing).

Statutory and Policy Implications

21. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

22. Funding for childcare places is provided from the Early Years block of the Dedicated Schools Grant which uses an Early Years Funding Formula to allocate funds to top tier local authorities. All councils can top slice 5% of the Early Years Block to pay for administration, create an Inclusion Fund and Deprivation Fund. Nottinghamshire has historically retained less than 5% and in 2023/2024, 2.71% of the Early Years block is currently being retained. This means that the Council provides as much funding to Early Years providers as possible.
23. Council employees with responsibility for childcare sufficiency are funded by the centrally retained Early Years block of the Dedicated Schools Grant, which is reviewed each year, totalling £504,744 for staffing.

24. The provision of the Families Information Service is a statutory duty for top tier local authorities and supports the promotion of childcare entitlements, guides parents to find childcare and helps the Council to secure data for the sufficiency assessment using social media and the Notts Help Yourself website. This service is also funded by the Dedicated Schools Grant totalling £100,000, with additional Council funding allocated to maintain the Notts Help Yourself website (£9,000 per annum).

Consultation

25. The Childcare Sufficiency Assessment has included findings from consultation with parents and carers which was led by the Families Information Service, and consultation with the Nottinghamshire Early Years Consultation Group. Data included has been collected from Nottinghamshire Childcare Providers.

Data Protection and Information Governance

26. The data contained in this report is anonymised and no children, families or settings are identifiable as population data is used to understand sufficiency.

Safeguarding of Children and Adults at Risk Implications

27. Safeguarding is a central focus for childcare providers. The increase in numbers of children accessing childcare will inevitably identify safeguarding concerns in greater numbers of children. Nottinghamshire County Council has facilitated a number of 'safer settings' and training events to ensure all Early Years providers have the skills and knowledge to tackle safeguarding.

Implications for Residents

28. The supply of sufficient, high quality, affordable, sustainable, and accessible childcare and early education has benefits for both parent and child, including:
- childcare that is flexible and accessible ensures parents can take up their entitlement at times that best support their child's learning and development, and at times which fit with the needs of parents to enable them to work or increase their hours of work if they wish to do so.
 - a good quality pre-school experience supports children's cognitive and emotional development, aiding transition between home and school and improving school readiness.
 - the Government's plan to improve social mobility through education [Unlocking Talent, Releasing Potential](#) states that good early years education is the cornerstone of social mobility and children with strong foundations will start school in a position to progress.

RECOMMENDATIONS

That:

- 1) the recommendations of the Childcare Sufficiency Assessment 2023, referenced at **paragraphs 11-17**, which enable the Council to fulfil the statutory duty to ensure sufficient high-quality childcare, be approved.

- 2) the publication of the Childcare Sufficiency Assessment 2023, attached as **Appendix 1**, be approved.

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Constitutional Comments (CD 08/12/23)

29. The recommendations proposed fall within the remit of the Cabinet Member for Children and Families by virtue of the Cabinet Member's Terms of Reference set out in the Constitution.

Financial Comments (CDS 06/11/23)

30. The existing funding arrangements are outlined in **paragraphs 22-24**. There are no financial implications on the County Council's budget arising directly from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Nottinghamshire County Council Childcare Sufficiency Assessment 2022

Electoral Division(s) and Member(s) Affected

All.

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