

30th November 2020

Agenda Item: 14

REPORT OF THE SERVICE DIRECTOR, COMMISSIONING AND RESOURCES

NOTTINGHAMSHIRE CHILDCARE SUFFICIENCY ASSESSMENT 2020 AND THE IMPACT OF COVID-19 ON THE EARLY YEARS AND CHILDCARE SECTOR IN NOTTINGHAMSHIRE

Purpose of the Report

1. To share the findings of the 2020 update to the 2019 Childcare Sufficiency Assessment (CSA) and seek approval of the proposed recommendations which enable the Council to fulfil the statutory duty to provide sufficient high-quality childcare.
2. To share the findings of the assessment of the impact of Covid-19 on the Early Years and Childcare Sector in Nottinghamshire.

Information

3. The Childcare Act (2006) states that the local authority must make arrangements to secure sufficient early childhood services in their area that are provided in such a way that facilitates access to those services, and maximise the benefit of those services to parents, prospective parents and young children.
4. The Act states that local 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.
5. The Childcare Act 2016 amendment states that the local authority 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. Under section 6 of the Act 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 Members.
7. This year, the Assessment takes a different form, and details the impact of the Covid-19 Lock Down and Recovery periods on the sector and is an update to the 2019 full Childcare Sufficiency Assessment.

8. The report is available in **Appendix 1** and will be published on the Council's website subject to Committee approval.

Methodology

9. Information was collected from:
- Spring Term Self Update from Providers
 - Covid 19 enquiries log from dedicated email address
 - Early Years Consultation group online meetings
 - contact with provision through the Early Childhood Services team
 - information on Tracking Vulnerable Children
 - weekly online submission from providers (for reporting to Department for Education Statistics weekly)
 - online survey of providers
 - telephone survey of parents
 - one to one discussions with providers about their experiences.

Key Findings

Provision and supply during Lockdown and Recovery

10. There are 1,138 providers (September 2020) delivering Childcare and Early Education across Nottinghamshire. Included in the description of Childcare and Early Years Providers / Settings are Day Nurseries, Pre-schools, Childminders and Schools offering Early Years provision for children under statutory school age.
11. In general, Nottinghamshire continues to have sufficient childcare places for eligible 2 year olds, and all 3 and 4 year olds. (It remains the case that there are exceptions and not all available places are accessible for families). According to the assessment this Spring, there were around 2,800 x 15 hour places for 2,3 and 4 year olds vacant across the County.
12. Between 56% and 58% of all Early Years settings remained open to children of critical workers and vulnerable children during the initial Lockdown months of April and May. Nationally 32% to 35% remained open.
13. Following the Government's advice that settings could open for more children from 1st June there was a steady increase in the number of settings re-opening during Recovery, from 56% to 73% by the end of the Summer term. Nationally this was between 48% and 50%.

Early Years Entitlements take-up during Lockdown and Recovery

14. There was an average 10% decrease in eligible 2 year olds registered to take up their place in the Summer term compared with the Spring term (77.7% take-up Spring 2020, dropping to 68% in the Summer term).
15. There was a significant decrease of 15.3% in numbers of parents applying for a new place in the Summer term for their 3 year old – i.e. a new Nursery starter after Easter. This compares with an average drop of 1.2% in the same period last year.

16. There has been little significant impact on take-up of the extended childcare offer for children with an eligible 30 hours code accessing their extended hours. The take-up rate reduced only slightly for the Summer term 2020, during the Covid-19 pandemic, reducing from 93% to 92.80% of children accessing their extended hours.
17. During Lockdown and Recovery, supplementary funding for the most vulnerable children continued to be paid alongside Early Years Entitlements in order to support settings to remain open for those children.
18. In order to support Critical Workers, Nottinghamshire County Council made the decision to extend the Early Years Entitlement Funding to cover the Easter and May half term breaks, when the funding does not usually apply. £132,000 was distributed to providers to enable them to remain open during the holidays.
19. Over the Summer Holidays, funding was made available to support the most vulnerable children who were about to make the transition to school. £9,500 was allocated to allow children to continue their attendance at the setting or to return to the setting to have support with social and emotional preparation for school.

National Funding Streams

20. The Government introduced a number of schemes to support businesses and the self-employed over the course of the Lockdown and Recovery periods.
21. Out of the 258 responses to the survey, only 17 Schools and 6 Childminders had not accessed one of the additional funding streams with the Coronavirus Job Retention Scheme and the Self-employment Grant being the most frequently accessed.

Parental demand during Lockdown and recovery

22. On 18th March, the Government announced that from Friday 20th March, all schools and childcare providers would remain closed until further notice except for children of key / critical workers and vulnerable children. In the initial weeks, it is estimated that approximately 1,500 children were using an Early Years place – approximately 8% of usual attendance.
23. Of the settings that responded to the survey, most of them reported less than a quarter of their usual attenders were coming to the setting during the initial Lockdown period, many reporting single figures.
24. Early Years Settings and schools were advised that they could open to more children from 1st June, within certain guidelines. As of 20th July, Early Years Provision was able to welcome back more children as the restriction on bubbles was relaxed and new Protective Measures were introduced. By the end of the Summer term, it is estimated that over 10,000 children were back at their usual setting – approximately 50%.
25. Parents were able to contact Early Childhood Services through the Council's dedicated Covid 19 email when they were struggling to find childcare when their usual setting was closed. Around 80 parents contacted the Council, and Early Years Project Officers were

able to signpost them to provision in their area that was open, either through the Families Information Service or by acting in a brokerage role to identify suitable provision.

26. Parents' confidence about sending their child to childcare was explored by the Children's Centre team through a structured conversation. 25% of the parents spoke with were critical workers, 22% had children who were classed as a Vulnerable Child. Only 7% of the group used childcare during the Lockdown period between April and May. This rose to 22% in the Recovery period June and July. Half of the group said they were confident or very confident about the measures their provider had put in place for the Autumn term.

Sustainability of the Early Years sector in Nottinghamshire

27. The pandemic has left the Early Years Sector nationally in a precarious position. A national survey conducted by the Early Years Alliance in July 2020 found that 69% of providers were expecting to operate at a loss over the next six months, while 25% of respondents felt that it was 'somewhat unlikely' or 'very unlikely' that they would be operating in 12 months' time.
28. Providers were asked to tell us about their confidence about sustainability in the months ahead. 36% said they were unsure and commented this depended on take-up in forthcoming months. 37% said they were confident with 18% saying they were very confident.
29. The factors affecting the sustainability of the sector are numerous, exacerbated by the Covid-19 pandemic:
- most providers rely on their Summer term income to see them through the other two quieter terms, significantly depleted this year
 - traditionally, the Summer term is when provision holds fundraising activity to boost reserves, and this could not happen
 - parents are not all confident about using childcare – it is anticipated on early findings that there are 10% less children in Early Years provision in the Autumn term compared with Autumn 2019
 - the number of Schools registering to provide Early Years provision continues to rise
 - there are already over 2,800 x 15 hour places for 2, 3 and 4 year olds vacant across the County
 - according to the Office for National Statistics, nationally and reflected across Nottinghamshire, the birth rate continues to drop.
30. In Nottinghamshire 11 Early Years providers (5 Pre-schools, 1 Day Nursery, 1 Out of School club and 4 childminders) have ceased delivering childcare since March 2020. Not all the closures are attributed entirely to the pandemic, but it has had an impact on settings who were already financially vulnerable.
31. Of the 11 providers who have closed, 6 are in communities where there are high levels of disadvantage and higher than average numbers of children identified as vulnerable, for example, eligible 2 year olds. In addition to those who have closed, there are concerns around 8 further providers who are struggling to sustain their business, and the impact this will have on the most vulnerable children and families.

Actions and Recommendations (Summary)

32. The following actions and recommendations are summarised below:
- carry out further analysis of the sufficiency of Early Years provision across all areas of the County considering the numbers of vacant spaces already available
 - target support for providers working in areas of high levels of disadvantage and where vulnerable children would be adversely affected if there was no provision available
 - support the Early Years Sector to encourage families “Back in to Childcare” and promote the take-up of childcare as a choice that benefits the child’s development
 - provide additional and targeted support for providers who need to change their operating models to accommodate changing parents’ needs, such as more parents working from home, in order to remain viable
 - explore how Nottinghamshire County Council can continue to fulfil the duty to provide sufficient childcare places for the most disadvantaged communities
 - monitor the expected reduction in Early Years Entitlement funding paid to providers in the Spring term, when Government Guidance states that funding reverts back to being paid on actual numbers in attendance (and it is anticipated this will be around 10% less)
 - continue to link with the Life Chances Partnership to explore and promote what further external, local or national business grants may be available
 - carry out a full and comprehensive Childcare Sufficiency Assessment in 2021 in line with usual actions
 - carry out detailed consultation with parents on using Childcare and Early Education provision.

Other Options Considered

33. No other options have been considered.

Reasons for Recommendations

34. Under section 6 of The Childcare Act (2006) there is a requirement on local authorities to produce an annual sufficiency report on the availability and sufficiency of childcare in their area. The Act requires local authorities in England to ensure a sufficiency of childcare and this information should be made available to parents and Elected Members.
35. 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.
36. This year there are particular matters arising around the sustainability of the Early Years sector nationally and across Nottinghamshire following the periods of Lockdown and Recovery, and there will continue to be so.

Statutory and Policy Implications

37. This report has been compiled after consideration of implications in respect of crime and disorder, 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, sustainability and the environment and ways of working 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

38. Council employees with responsibility for childcare sufficiency are funded by the centrally retained early years block of the Dedicated Schools Grant (DSG), which is reviewed each year, totalling approximately £335,000 and a further £60,000 for related activities. Online tools to support the development of the Childcare Sufficiency Assessment used by the Council are also funded by the DSG, totalling £18,000.
39. 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 DSG totalling £94,000, with additional Council funding allocated to maintain the Notts Help Yourself website (£9,000 per annum).

Safeguarding of Children and Adults at Risk Implications

40. 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 Service Users

41. The supply of sufficient, high quality, affordable, sustainable, and accessible childcare and early education has huge 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

- 1) That Committee approves the actions and recommendations of the Nottinghamshire Childcare Sufficiency Assessment 2020 (The impact of Coronavirus on the Early Years and Childcare Sector in Nottinghamshire), as detailed in **Appendix 1**.

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Constitutional Comments (CEH 13/11/20)

42. The recommendation falls within the remit of the Children and Young People's Committee under its terms of reference.

Financial Comments (SAS 19/11/20)

43. Council employees with responsibility for childcare sufficiency are funded by the centrally retained element of the early years block of the Dedicated Schools Grant (DSG), which is reviewed each year, totalling approximately £335,000 and a further £60,000 for related activities. Online tools to support the development of the Childcare Sufficiency Assessment used by the Council are also funded by the DSG, totalling £18,000.
44. 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 DSG totalling £94,000, with additional Council funding allocated to maintain the Notts Help Yourself website (£9,000 per annum).
45. There are no financial implications 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.

None.

Electoral Divisions and Members Affected

All.

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