

1st November 2021

Agenda Item: 9

REPORT OF THE SERVICE DIRECTOR, COMMISSIONING AND RESOURCES

CHILDCARE SUFFICIENCY ASSESSMENT 2021: THE EARLY YEARS AND CHILDCARE SECTOR IN NOTTINGHAMSHIRE

Purpose of the Report

1. To share the findings of the 2021 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 ongoing impact of Covid-19 on the position of Early Years and Childcare Provision 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. The report is attached as **Appendix 1** and will be published on the Council's website subject to Committee approval.

Methodology

8. Information to shape the Childcare Sufficiency assessment was collected from:

- Summer 2021 Term Self Update from Providers delivering Funded places
- Early Years Consultation group online meetings
- contact with early years provision through the Early Childhood Services team
- data and information from work to track the progress of vulnerable children attending early years settings
- online survey of providers (5% sample)
- information and support for parents
- Families Information Service survey, January 2021.

Key Findings

Provision and supply of Early Years Places

9. There are 1,082 providers (September 2021) delivering Childcare and Early Education across Nottinghamshire. This represents a drop of 4% from the same time in 2020. There has been a national drop of 5%. 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.
10. Nottinghamshire continues to have sufficient childcare places for eligible 2 year olds, and all 3 and 4 year olds. According to the assessment this Spring, there were around 6,200 x 15-hour places for funded 2, 3 and 4 year olds vacant across the County. This is a steep increase on last year when there were 2,800 vacancies of the same type.
11. Over 50% of Early Years Providers who offer places to babies and toddlers under three years said they had vacancies in this age group. (This is a new measure in this year's Childcare Sufficiency Assessment).

Early Years Entitlements take-up

12. There was an increase in the numbers of eligible 2 year olds registered to take up their funded place in the Summer term compared with the same time last year (74.8% take-up Summer 2021). Nottinghamshire is ranked highest in the region for take up of 2 year old places, and fifth compared to statistical neighbours.
13. 96% of 3 year olds and 93% of 4 year olds are taking up their funded place.
14. Take up of the extended childcare offer has remained successful in recent years with a take up rate of 94% of children with an eligible 30 hours code accessing their extended hours in Nottinghamshire.
15. There has been an increase in the numbers of settings caring for the most vulnerable children accessing supplementary funding. This is particularly acute for children being identified as having emerging needs and inclusion funding allocations have risen by 19%.

Sustainability of the Early Years sector in Nottinghamshire

16. The pandemic has left the Early Years Sector nationally in an uncertain position. Although the Council does not have any reports of Provision closing because of Covid 19, as stated earlier, there are 4% few providers than last year.

17. 70% of businesses who responded to the survey said their business turnover had been lower than usual and 40% said their expenditure had been higher than usual. This was attributed to falling numbers of children and additional expenses for staff and Covid-19 related measures such as additional cleaning hours.
18. Other factors affecting the sustainability of the sector are:
 - Providers report that the national Early Years Funding rate is a drop in real terms when taking into account business running costs
 - numbers of children attending is dropping due to changing family needs and working patterns, and the continued drop in the birth rate
 - parents are still not all confident about using childcare – 15% of parents the Council spoke to about using their 2 year old entitlement were waiting for Covid restrictions to ease further
 - settings are struggling to recruit to vacant posts which impacts on the numbers of children they can admit. 40% of the businesses who responded to the consultation said they were carrying vacancies and national research suggests that 7% of the workforce has left working in Early Years in the last year
 - businesses continue to operate in the wake of additional financial pressures following the Coronavirus pandemic, with debts accrued and loans to be repaid
 - the number of schools registering to deliver Early Years provision continues to rise, and it is an expectation that all new schools deliver Early Years places.

Actions and Recommendations (Summary)

19. The following actions and recommendations for Nottinghamshire County Council Early Childhood Services are summarised below:
 - a) target business and sustainability support for providers who are concerned about their viability in areas of higher levels of disadvantage and where vulnerable children would be adversely affected if there were no provision available.
 - b) offer additional support for settings who are working with an ever-increasing number of children with high level needs and ensure they receive adequate supplementary funding to support eligible children (namely the Early Years Inclusion Fund, the Disability Access Fund and the Deprivation Fund).
 - c) support the Early Years Sector to encourage families “Back into Childcare” and promote the take up of childcare as a choice that benefits a child’s development.
 - relaunch the local campaign to target eligible families to increase the take up of funded places for 2 year olds.
 - continue to work with Corporate Communications to develop Notts Help Yourself and social media posts
 - engage the Children’s Centre Service to provide a brokerage role to encourage and enable families to access their childcare entitlements.
 - d) 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 by meeting the identified needs of local parents.

- e) continue to link with the Council's Economic Regeneration Team and the Life Chances Partnership to explore how business support can be provided to struggling providers, and to highlight the challenges faced by the Early Years Sector with District/Borough Councils and partners.
- f) work with the Council's Education, Learning and Skills Service to define what Early Years provision is required in cases of new schools opening so that oversupply does not put high quality established Private Voluntary and Independent Early Years providers out of business.
- g) work with prospective new providers including schools to ensure that the Council does not exacerbate the over-supply in some areas of the County.

Other Options Considered

- 20. No other options have been considered.

Reasons for Recommendations

- 21. 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.
- 22. 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.
- 23. This year there are particular matters arising around the sustainability of the Early Years sector nationally and across Nottinghamshire, and there will continue to be so in the coming months.

Statutory and Policy Implications

- 24. 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

- 25. 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 the 5% and in 2021/2022, 3.3% of the Early Years block was being retained.

26. Most 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. Campaign materials, practice development, resources and online tools to support the development of the Childcare Sufficiency Assessment used by the Council are also funded by the Dedicated Schools Grant, totalling £60,000.
27. 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 £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

28. 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

29. 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 2021 as detailed in **paragraph 19** of the report.

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Constitutional Comments (LPW 07/10/21)

30. The recommendations fall within the remit of the Children and Young People's Committee by virtue of its terms of reference.

Financial Comments (CDS 21/10/21)

31. 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 the 5% and in 2021/2022, 3.3% of the Early Years block was being retained.
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34. 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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