

Early Years Sufficiency Places

17 February 2022

Portfolios: Councillor Chris Towe – Education and Skills

1. Aim

The aim of this report is to

- Summarise the statutory duty of the Local Authority relating to the Childcare Act (2006).
- Outline how the Local Authority has met this duty.
- Highlight key information from the draft Childcare Sufficiency Assessment undertaken.

2. Recommendations

That the Education Overview and Scrutiny Committee considers the contents of this informative report and decides whether more details are required.

3. Know

3.1 Policy Context

The Childcare Act (2006) requires local authorities in England to ensure a sufficiency of childcare for working parents, parents studying or training, and for disabled children. There is a requirement on local authorities to produce an annual Childcare Sufficiency Assessment (CSA) on the availability and sufficiency of childcare in their area. This information should be reported to elected members and made available for parents.

To meet the requirements of the Childcare Act local authorities, need to collect and publish information on the supply of provision and demand for childcare in their area. Statutory guidance provides clear indication of what must be included in the annual review, and what should be included.

3.2 Walsall's Childcare Sufficiency Assessment (CSA)

Walsall Local Authority has commissioned Hemsall's - market leaders in advising on and delivering CSA for local authorities to support the completion of this assessment. On completion of this year's CSA the Local authority will provide an annual report for members and will publish the assessment on the Family Information Service website for parents and providers for information.

3.3 Key elements of the CSA

The Childcare Sufficiency Assessment is a summary of the childcare position in Walsall and provides useful information for:

- Parents – to understand the types of childcare on offer in Walsall, to look specifically at the number of childcare places by provider near to the family home and help to inform decisions about childcare options for their family.

- Childcare providers – to understand the local childcare market and to help them make informed choices about future developments for their business.
- Councillors and Executive Members – to have clarity on services available for local residents and to support the decision-making process.
- Local authority officers – to have a clear picture about childcare in Walsall, to tailor support for providers and to ensure that there is a balanced childcare market meeting local demand.

To meet these requirements, Walsall undertook the following actions:

- Research to establish populations and trends and the local economy to provide a context for the CSA.
- An assessment of the supply of early years and childcare provision across the local authority area, to provide an overview of capacity and type of provision to act as a baseline for future supply trend analysis from Summer 2021 term.
- A snapshot survey of all registered early years and childcare providers as was in October 2021.
- Analysis of take-up of the early years entitlements to establish trends and take-up patterns as at January 2021.

3.4 LA support through COVID-19

Sufficiency of childcare supply has not been an issue nationally in the current environment, as demand for childcare decreased from the start of the national COVID-19 lockdown in March 2020.

Since the start of the COVID-19 pandemic, Walsall Council's Early Years teams and Family Information Service have offered support and guidance to all early years and childcare settings. Face to face support for early years and childcare settings was put on hold and the early years and childcare team continued to offer support via telephone contact and email, sharing updates from Gov.uk and Public Health England (PHE) throughout. Headteachers received weekly briefings with input from PHE and a weekly Education update. Relevant data was also shared with childcare settings. Walsall collected data on the number of children accessing the early year's entitlements on a weekly basis, to update the Department for Education and to monitor engagement.

Provider audit responses showed that the support provided by Walsall Council had been very well-received.

3.5 The impact of COVID-19 on the early years and childcare market

The short-term impact of COVID-19 was to provide access to childcare to only relatively small numbers of children (vulnerable and key worker children) between 23 March and 1 June 2020. After which, settings in England were encouraged to re-open their doors to all children. Demand for childcare did not recover to pre COVID-19 levels from 1 June 2020 and remained depressed into autumn 2020 and in 2021.

The continuation of early years funding, alongside the other Government measures introduced to support businesses (furloughing, Self-Employed Income Support, Bounce Back Loans, and business rates relief, for example) will have provided early years settings with some cushion against the full impact of COVID-19 on demand for their services.

Prior to lockdown (based on spring 2018 national data), the national childcare sector received just over a quarter of its income from free entitlement (public) funding for children aged two, three- and-four. During lockdown, and throughout autumn 2020, settings offering the early years entitlements were to a large degree, protected by the Government's commitment to continue funding at 'expected' levels.

3.6 Sufficiency in Walsall

There is currently sufficient childcare in Walsall. Overall, demand for early years and childcare provision has decreased since the start of the Covid-19 pandemic, with nearly half of childcare providers (48%) reporting a decrease in demand in the provider audit. Take-up of the early years' entitlements - 15hrs from age 2 and 30hrs from age 3 has decreased, both in terms of actual numbers of children participating, and the percentage of eligible children taking up their entitlement.

Where data is available, a very high proportion of registered childcare settings in Walsall (91%) are judged 'Good' or 'Outstanding' by Ofsted. Focussing on early years provision, quality overall has been increasing. An incline in the proportion of Good or Outstanding settings has risen to 99% in 2021 where it was 94% in 2018. As a comparison, across England, 97% of early years settings were judged Good or Outstanding in 2021 and 96% specifically within the West Midlands.

3.7 Availability of provision

Most registered childcare settings (61%) such as childminders and day nursery settings are open all year round. Early years places in the maintained sector (nursery schools attached to a primary school) account for around one in five full-time equivalent places for children aged 0-8 years (1,120 FTE places in the maintained sector and 4,754 Ofsted registered places).

Provision in the maintained sector is term-time only which may mean there is a lack of flexibility in terms of accessing provision during the school holidays, should parents want or need to do so. This may be a particular issue in wards that have a high proportion of their provision in the maintained sector, which would include: Blakenhall, Bloxwich East, Bloxwich West, Darlaston South, Pleck and Short Heath.

3.8 Forecasting future demand for early years and childcare

Forecasting demand for early years and childcare is not a precise science. Unlike school attendance, Early Years childcare is not compulsory, and parents may choose not to access their early years' entitlements or use formal childcare, for a variety of reasons. As discussed, demand for early years and childcare has decreased since the start of the COVID-19 pandemic. In part this will be attributable to parents and carers changing their working patterns (furlough, working from home, redundancies etc.) and in part to anxieties associated with COVID-19 and sending children to childcare settings. There has been a decrease in the number of children accessing the early years' provision within Walsall.

3.9 New homes developments

Between 2020-2021 and 2025-2026 there are plans to develop around 4,074 new homes across Walsall (source: Walsall Planning January 2022). Wards with a high number of planned new homes (over 10% of total) include Blakenhall, Birchills, Leamore and St Matthews. Where there are a significant number of new homes

planned, demand for early years and childcare may increase as the local population increases.

3.10 Potential future sufficiency issues

Data has been analysed to identify wards that have a potential future sufficiency risk based on the composition of current provision, current childcare ratio (supply relative to overall supply) and new homes developments over the period 2020-2026 from the Black Country Development Plan.

Across Walsall, the average childcare ratio (0-8 years) is estimated at 0.14, or roughly one place for every 7.1 children in this age range.

Blakenhall	Childcare ratio lower than average and a high proportion of places delivered in the maintained sector. This may affect parental choice for provision outside term-time. High number of new homes planned over the next five years (19.3% of total planned). The key consideration in this ward is new homes developments and the impact on the local population and childcare demand.
Birchills Leamore	Childcare ratio lower than average and a higher-than-average number of places in childminding. High number of new homes planned over the next five years (13.2% of total planned). The key consideration in this ward is new homes developments and the impact on the local population and childcare demand.
Bloxwich East	Very low childcare ratio with a high proportion of places delivered in the maintained sector. The majority of childcare provision (0-8 years) in this ward is in the maintained sector which may limit parental choice.
Pheasey Park Farm	A below average childcare ratio and a higher than average percentage of places in childminding. If decreases in the number of childminders continue this may result in sufficiency issues in this ward. The overall childcare ratio is very low.
Pleck	A below average childcare ratio and a high proportion of places delivered in the maintained sector. This may affect parental choice for provision outside term-time. A relatively high number of new homes planned 2020-2026 (8.4% of total planned).
St Matthews	A high number of new homes planned (13.4% of total planned). St Matthews has the highest childcare ratio 0-8 currently with a relatively high number of places in day nursery provision.
Pelsall	A slightly lower average childcare ratio and a higher-than-average percentage of places in childminding. There is provision available in day nursery and pre-school provision, but this may impact on affordability of childcare.

3.11 Future planning

The Childcare Sufficiency Assessment has set out some key sufficiency areas to review, the boroughs they affect and the recommendations for each area.

Sufficiency area	Issue	Areas potentially impacted	Comment	Recommendations
Provision of before and after school and/or holiday care.	There is little data held on childcare provision for school-aged children. The Childcare Sufficiency Duty relates to children aged 0-14 years (and up to 18 for disabled children).	Borough-wide	The Government's Holiday Activity and Food programme (HAF) provides funding to local authorities for free holiday places for eligible children during prescribed school holidays. Funding for HAF has been announced for the three-year period 2022-2025. HAF guidance encourages making places available to fee paying children in addition to free places for eligible children.	<ul style="list-style-type: none"> • Strengthen links with the Holiday Activities and Food programme (HAF) to better understand provision for school-aged children. Identify opportunities to ensure out of school providers are active partners in delivery. • Consider an audit of out of school provision (non-Ofsted-registered, stand-alone and school-based) to understand capacity for older children and to identify opportunities to extend the reach of Government schemes to support parents to reduce the costs of childcare (Tax Free Childcare and the childcare element of Universal Credit). • Promote vacant places through the FIS to support parents who are experiencing difficulties in finding appropriate childcare.

<p>Childcare sustainability and sufficiency</p>	<p>Childminders The number of childminders has decreased in recent years. Analysis of provider audit data identified childminding provision as potentially more vulnerable in terms of a lower overall percentage of settings withheld cash reserves, lower levels of income derived from the early year's entitlements and lower confidence in the financial sustainability of the setting in the next six to 12 months.</p> <p>Childcare markets with a high proportion of childminders may be negatively impacted if the trend to declining numbers continues.</p> <p>Demand Providers report a decrease in demand for childcare, and in particular paid-for childcare, which may impact on financial sustainability if demand continues to be lower than pre-COVID-19 levels.</p>	<ul style="list-style-type: none"> • Birchills Leamore • Aldridge North and Walsall Wood • Pelsall • Pheasey Park Farm • Darlaston South • Willenhall North • Willenhall South 	<p>Provider sustainability, increased demand as a result of new homes developments and current levels of childcare inter-relate to inform an assessment of sufficiency.</p> <p>The risk to sufficiency is higher where there is a relatively low level of childcare, combined with a high level of new homes developments and potential sustainability concerns for exiting provision (for example, a relatively high proportion of childcare delivered by childminders).</p> <p>A high proportion of provider audit respondents reported concerns around income levels and financial</p>	<ul style="list-style-type: none"> • Work with planning to ensure increased demand for early years and childcare is recognised in areas where there are high number of new homes planned. Focus particularly in areas with a currently low childcare ratio. • Review capacity within wards with a higher than average reliance on childminding to identify where the market could absorb closures (if required) • Assess parental demand via a parent/carer survey mid to late 2022, to identify if and how demand has changed. • Re-assess market capacity with specific reference to identifying capacity for different age ranges (0-2, 2, 3-4, 5-10 and 11+). This is particularly important for 0-4 years to support allocation of development funding. This granular detail will also support S106 applications. • Share information from the CSA with providers and encourage providers to review their business models and demand patterns, signposting to business support and advice. • Provide all settings with access to business planning tools that support financial planning (for example, National Day Nurseries Association [NDNA Early Years Business Zone: https://www.earlyyearsbusinesszone.org.uk/], Hempsall's Business Map https://foundationyears.org.uk/2021/01/hempsalls-business-map-for-early-years-providers/).
<p>Current low childcare ratios</p>	<p>A low childcare ratio indicates areas where current provision per head of</p>	<ul style="list-style-type: none"> • Blakenhall • Birchills Leamore 	<p>levels and financial</p>	

	population (0-8 years) is lower than the borough average.	<ul style="list-style-type: none"> • Bloxwich East • Pelsall • Pheasey Park Farm • Palfry • Pleck 	sustainability of resilience.	
New homes developments	<p>There are plans to develop 4,074 new homes across Walsall between 2020/2021 and 2025/2026.</p> <p>New homes developments will most likely impact on demand for childcare provision.</p>	<p>Wards with the highest number of new homes proposals across the five-year period include:</p> <ul style="list-style-type: none"> • Blakenhall • Birchills Leamore • St Matthews. 		
Children with SEND	There is some evidence of an increase in the number of children with SEND attending childcare settings. 11% of provider audit respondents reported an increase in the attendance rate of children with SEND	All areas, particularly evident amongst school respondents to the provider audit.		Continue to monitor the need for additional support for children with SEND, both in settings and to access settings and work with them to plan and deliver support to settings.
Workforce recruitment and retention	Recruitment of suitably qualified staff was a concern for 27% of provider audit respondents.		Workforce recruitment and retention is recognised nationally as a concern which can impact on the stability of the sector.	<ul style="list-style-type: none"> • Work with local training providers to identify suitable training opportunities • Work with Jobcentre Plus to promote childcare as a viable employment option.

Take-up of the early years entitlements, and specifically the two-year-old entitlement.	Take-up of the two-year-old early years entitlement fell to 56% of the eligible population in January 2021 from 71% in 2020. Whilst take-up has decreased nationally, the decrease is much more marked in Walsall.	Borough-wide	<p>The two-year-old entitlement supports the most vulnerable children to access good quality early years provision and support their cognitive outcomes and social skills.</p> <p>The early year's entitlements are a source of revenue for local authorities as funding is received from central Government which LAs broker to early years settings. LAs are allowed to retain a small percentage of Government funding which supports funding for early years teams and other functions.</p>	<ul style="list-style-type: none"> • Undertake a deep dive to understand the drivers impacting on take-up of the two-year-old entitlement. This could include consultation with parents and carers and childcare providers, and analysing take-up data to identify any trends in terms of geography or type of provision. • Promote the benefits of the early years entitlements to key stakeholders (for example, health, social care etc.) to ensure they are supporting vulnerable families to access their entitlement. • Promote the three- and four-year-old early year's entitlements (universal and 30 hours childcare) to maximise take-up.
Delivering the childcare sufficiency duty	To meet sufficiency duties under sections 6 of the Childcare Act (2006), the LA needs to undertake an annual childcare sufficiency assessment and report to members (making the information available to parents).	Borough-wide and broken down to a sub-locality level.	Annual childcare sufficiency assessment requires a number of inter-related activities and data.	<p>As a minimum the following are recommended:</p> <ul style="list-style-type: none"> • Assess the early years and childcare market at least annually to establish maximum capacity. Use the 2021 childcare sufficiency assessment as a baseline against which changes to the market (in terms of composition and number of places) can be monitored.

			<p>The process benefits from being embedded across teams, with a central coordinator.</p>	<ul style="list-style-type: none"> • Undertake a provider audit at least annually to establish how places are being deployed across age groups, and levels of take-up. Within the audit review fees charged, any changes to patterns of demand and any unmet childcare demands. • Review when childcare is available and assess if availability matches parental need (in terms of hours and weeks of availability). • Monitor recruitment and retention of suitably qualified staff to the sector. Understand any barriers being faced to support targeted intervention should this be required. • Consider consultation with parents and carers to establish the extent to which their childcare needs are being met, and to identify any unmet needs. • Capture any enquiries to the Family Information Service (FIS) that inform an assessment of sufficiency (for example, requests for support finding or paying for childcare). • Consider the impact of new homes developments as these will change annually. Work with planning to assess the impact on local populations and need for childcare.
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Overall, Walsall currently has sufficient childcare to meet demand and to offer families childcare choices, however, as a local authority we will continue to:

- Provide accurate, accessible, up to date, online information for childcare providers and families on all aspects of childcare and early education.
- Support families by offering a brokerage service to make links with providers where needed.
- Work with providers to share childcare market trend data.
- Offer business support to childcare providers to help maintain a sustainable childcare sector in Walsall Council
- Develop systems and processes to make it easier for providers to share their capacity, vacancy and service information with the local authority, and ultimately parents.
- Refresh marketing materials for parents to ensure all are aware of the financial support available for childcare.
- Explore different ways of engaging parents and encouraging take up of funded early education programmes.

4. Decide

Scrutiny may decide to note the current position.

The Committee may decide to request that a further briefing on Early Years Sufficiency be offered to all elected members.

5. Respond

Early Years place planning activity will take into account sufficiency needs identified. Training and support will be signposted to providers.

6. Review

The Childcare Sufficiency Assessment will be completed annually in line with the statutory requirement for local authorities.

The actions and outcomes within this report are under constant monitoring and assessment and any significant changes would be further reported.

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