

**REPORT TO CABINET**

**11 DECEMBER 2025**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

**CABINET INFORMATION ITEM**

**Lead Cabinet Member - Children and Young People - Councillor Clare Besford**

# **CHILDCARE SUFFICIENCY ASSESSMENT 2025**

## **Summary**

This report outlines how the Local Authority (LA) is meeting its duty to secure sufficient childcare and includes information about the supply of and demand for childcare, details on any gaps in provision and an action plan on how they will be addressed.

The Childcare Act 2006 and 2016 and the associated statutory guidance for local authorities on Early Education and Childcare – April 2025, requires Stockton-on-Tees Borough Council (the Local Authority) to secure sufficient childcare, as far as is reasonably practicable and within available resources, for working parents, or parents who are studying or training for employment, for children aged 0 – 14 (or up to 18 for disabled children). Local authorities are also required to report annually to elected council members on how they are meeting this duty.

Recommended that the report be noted.

## **Detail**

1. The Childcare Act 2006 and 2016 and the associated statutory guidance for local authorities on Early Education and Childcare – April 2025, requires Stockton-on-Tees Borough Council (the Local Authority) to secure sufficient childcare, as far as is reasonably practicable and within available resources, for working parents, or parents who are studying or training for employment, for children aged 0 – 14 (or up to 18 for disabled children).
2. To secure sufficient childcare places, local authorities should take into account:
  - what is 'reasonably practicable' when assessing what sufficient childcare means for their area,
  - the state of the local childcare market, including the demand for specific types of providers, in a particular locality and the amount and type of supply that currently exists,
  - the state of the labour market including the sufficiency of the local childcare workforce,

- the quality and capacity of childcare providers and childminders registered with a childminder agency, including their funding, staff, premises, experience, and expertise,
  - should encourage schools in their area to offer out-of-hours childcare from 8.00am until 6.00pm and in school holidays,
  - should encourage existing providers to expand their provision and new providers to enter the local childcare market; and
  - should encourage providers to take sustainable business approach to planning and signpost providers to resources to support them.
3. The Local Authority is required by legislation to maintain a service that provides information, to parents and prospective parents on the provision of childcare in their area, as listed in Schedule 1 of the Childcare Act 2006 and from 1<sup>st</sup> September 2017 publish this information electronically on the local authority website and update it at a minimum termly on 1<sup>st</sup> January, 1<sup>st</sup> April, and 1<sup>st</sup> September ensuring parents are aware of:
- Early education places for children from 9 months to four-year-olds.
  - The option to continue to take up their child's 15-hour early education place until their child reaches compulsory school age.
  - How to identify high quality provision in their area.
4. The Childcare Sufficiency Assessment provides information on how the Local authority is meeting its legal duty as detailed earlier in this report.
5. Take-up of universal 3- & 4-year places continue to be high at 101.25% take-up, which is higher than the national average of 94.9% and the regional average of 100.40%, as per figures from the January 2025 census collection. To note, percentages are higher than 100% due to calculations being based population of 3&4 years living in Stockton, whereas take-up is based on number of children accessing childcare in Stockton which includes children attending who live outside of the Borough.
6. Take-up of 30 hour funded childcare places for working parents of 3- & 4-year-olds is 1636 which is a slight decrease of 1.1% (18 places), compared to summer 2024 data.
7. Take-up of the 15 hours funded childcare places for working parents of children aged two-year-olds is 925 places and for under two's is 1005 places.
8. There has been a significant drop in the take-up of 15-hour early learning places for two-year-olds where parents are on certain government benefits (66.28%), this is a decrease of 20.66% on the previous year.
9. The table on page 18 of the assessment provides take-up at ward level for two-year-old early learning places. In some cases, the percentage take-up up of 2-year places is over 100%, this is due to the figure used to calculate the percentage is based on the data received from DWP and does not include on-line applications from parents not included in the list.
10. As part of the government's Giving Children the Best Start in Life strategic plan, which was launched in July, DfE will be working with selected Council's where take-up of funded hours is lowest by low-income families.
11. As of July 2025, there were 516 recorded vacancies in registered provision for children aged 0-4 years old, this is a reduction of 45.96% on the previous year. The lowest

number of vacant places is for the under two's with only 92 vacant places available across the Borough.

12. The table on page 20 provides number of places and vacant places by ward area. Due to the expansion of funded childcare, we are now reporting only 1 or 2 vacant places or no vacant places in some wards for certain age groups. Some providers have waiting lists up to September 2026 which means parents may not be able to access childcare at their first provider of choice.
13. From September 2025 funded childcare for working parents of children aged 9 months to 23 months will be expanded from 15 hours per week to 30 hours per week. Making childcare more affordable and allowing parents to either to take-up work or increase their working hours.
14. A full-time place for a child in a nursery average £269.21 and with a childminder it is £171.96, these costs do not consider any funded childcare.
15. Tax Free Childcare is available to offset the cost of childcare for working parents with children aged 0-11, this is a government subsidy of up to £2,000 a year for each child or up to £4,000 a year for each child if they are disabled.
16. In April 2025 statutory guidance came into force that requires childcare providers to be open and transparent about additional charges to parents. Providers, who look after 10 or more children, have until January 2026 to ensure their invoices clearly show funded hours, paid for hours and any additional charges such as costs for food, and must be displayed on their websites or on the Council's information directory.
17. Due to the change in statutory guidance many settings have increased their paid for sessions to offset the removal of the daily consumables' charges. In a recent survey 34.74% stated they have increased their fees.
18. Stockton has a good range of quality childcare across the borough with 100% of group settings and childminders rated good or outstanding, as of July 2025.
19. The number of nurseries, pre-school, and out of school settings remains relatively unchanged but there continues to be a reduction in the number of registered childminders with eleven de-registering in the last year.
20. In 2024 capital funding was awarded by DfE to councils to create additional early years places to meet the childcare expansion. 206 childcare places have been created using this funding for children aged 9 months to 2 years.
21. Two new provisions for 2s and under will open in 2026 creating more places in Yarm and Eaglescliffe. A provider in Ingleby Barwick is looking at reducing their age range to meet demand for children aged from 18 months and a provider in Stainsby Hill ward has increased places by 54 across all nursery ages from September 2025 to meet the demand for 30 hour funded places.
22. A primary school has created additional nursery places for children with SEND as part of the ARP programme, and initial exploratory work has been undertaken to create additional places to meet the needs of nursery age children with complex needs.

23. Financial sustainability of the sector is a mixed picture. Due to the increase in funded childcare from 15 to 30 hours and the eligible age being reduced to 9 months, the majority of a childcare providers income is from early years funding. For some settings the funding rates are sufficient, generally the smaller settings with lower overheads/management costs.
24. In a recent survey when asked about how confident they were about their financial sustainability over the next year 47.37% responded confident/very confident. When asked if they were concerned about expenditure exceeding income 33.68% agreed/strongly agreed.
25. In late autumn 2024, DfE announced the school-based nursery capital grant to create additional early years funded places using spare capacity within schools. Four Stockton schools were successful with their bids, and additional places will be available from the autumn term 2025.
26. The School Based Nursery Capital Grant has now reopened for the second phase of the programme with an increased focus on supporting disadvantaged families to access early years provision. Two schools are submitting bids for this funding, one meeting demand for vulnerable 2 year olds, the other in an area where there is insufficient provision.
27. Phase three of the School Based Nursery Capital programme has also been announced by DfE, Local Authorities will be invited to develop multi-year funding proposals (2027-2030). Separate guidance will be issued to support this process in early 2026.
28. Meetings have taken place with a number of schools to discuss plans for applying for phase three funding to meet demand for places.
29. Stockton continues to create additional places for before and after school provision for primary school aged children as part of the governments Wraparound Childcare Programme to increase the supply of wraparound care, so that parents of primary school age children can access childcare between 8am and 6pm – tackling the barriers to working caused by limited availability of wraparound care.
30. Twenty-two schools and one childcare provider have been awarded funding to either create or expand wraparound provision since September 2024, creating an additional 732 places for working parents to access.

### **Strategic Priorities**

31. To ensure there are sufficient early years funded places available across the borough, closely monitoring supply and demand in the ward areas identified as hot spots, developing places where required.
32. Progress work with the council's performance management team to create dashboards to pull data from various data sources to record current and projected demand for childcare places, clearly identifying wards with insufficient places.
33. Further work to be undertaken on meeting the needs of vulnerable groups to ensure they can access high quality, affordable childcare. This will involve an outreach

programme lead by Family Hubs to target families identified as potentially eligible for a 2 year early learning place in ward areas where take-up is low.

34. Progress work with SEND Team on creation of places to meet needs of children with complex needs.
35. Undertake a detailed analysis of SEND data to be undertaken to project demand for childcare places
36. Continue working with schools to create or expand wraparound childcare places as approved in the DfE delivery plan.
37. Continue to promote early years funded places to working parents and parents on certain government benefits, and ensure parents are aware of the Families Information Service to support them in finding childcare to meet theirs and their child's needs, including providing advice on funded childcare and/or childcare benefits available to them.
38. Develop a plan to support schools in applying for the School Based Nursery Capital Grant to meet the objectives of the government's Best Start in Life strategic plan.

### **Consultation and engagement**

1. Consultation has been undertaken with parents/carers and childcare providers to inform the sufficiency assessment.
2. Childcare providers were surveyed in June/July 2025 to gather information on their current demand for childcare and insight on their future sustainability and barriers to delivering on the expansion to childcare. This survey had a total of 95 responses.
3. 64.21 % of providers have stated that demand has increased slightly or a lot. When asked how demand has changed the most responses were for for 2year olds (51.58%) and under 2s places (50.53%) followed by less demand for paid for hours (31.58%), increased demand for more hours/longer days (30.53%), and increased demand for SEND places (29.47%).
4. 43.16% stated they could not meet demand for under 2s and 31.58% stated they could not meet demand for 2 year olds.
5. 62.11% stated they were prepared for the final phase of the expansion. When asked if they had changed their provision over the last year, 34.74% had increased fees, 32.63% had made no changes, 20% had increased places and 16.84% have increased the length of the day.
6. When asked about confidence in meeting the needs of children with SEND, 85.27% were confident/very confident in meeting the needs of children with communication and interactions needs, 85.26% for cognition and learning needs, 82.11% for social, emotional and mental health needs, and 81.05% for sensory or physical needs.

7. Parents/carers were surveyed in June 2025 to gather information on demand for childcare, and any barriers to them accessing childcare. This survey had a total of 239 responses.
8. Parents/Carers of primary school aged children were surveyed throughout the year at individual school level to assess demand for places. These surveys had a total of 72 responses.

### **Next Steps**

1. The sufficiency assessment will be placed on the Stockton Information Directory once it has been through the Cabinet process, so it is available for parents/carers, childcare providers, and employers.
2. Work will continue to assess sufficiency of places to ensure that parents/carers are able to access an early years funded place or a wraparound childcare place.
3. Continue to work with childcare providers and schools to either expand or create places in areas of where there is high demand.

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