

AGENDA ITEM

REPORT TO CABINET

14 SEPTEMBER 2023

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET INFORMATION ITEM

Lead Cabinet Member - Children and Young People - Councillor Lisa Evans

CHILDCARE SUFFICIENCY ASSESSMENT 2023

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 – June 2018, 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 – June 2018, 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 1st September 2017 publish this information electronically on the local authority website and update it at a minimum termly on 1st January, 1st April, and 1st September ensuring parents are aware of:
 - Early education places for two, three and 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 continues to be high at 100.4% take-up, which is 5% higher than 2022 and higher than the national average of 92%. 4yr old take-up is 101% and 3 year old take-up is 99.6% as per figures from the January 2023 census collection.
 6. Take-up of 30 hour free childcare places for working parents of 3 & 4 year olds has increased to 1697 which is an increase of 13.51% on the previous year and there are now 87% of primary schools offering places.
 7. Stockton continues to maintain a high percentage take-up of 2 year funded places (95%), which is an increase of 2% on the previous year. Reports on national 2 year old take-up are issued by the DfE on a termly basis, based on data submitted to DfE by LAs at the end of each term. As per the summer term report Stockton-on-Tees is ranked 2nd against its statistical neighbours, 3rd regionally and 14th nationally for take-up of places.
 8. The table on page 20 of the assessment shows the number of 0-4 places available by ward and take-up at a ward level for 30 hour places and 2yr old places. To be noted the number of children eligible for 2yr olds is provided by the Department for Work and Pensions and doesn't include any on-line eligibility applications received by Stockton.
 9. In some cases, the percentage take-up up of 2 year places by ward can be over 100%, this is due to parents accessing childcare outside of the ward area where they reside, as parents may travel to access a childcare provider of choice if in a different ward area.
 10. At the time of writing the report there were 1,432 recorded vacancies in registered provision a increase of 2.5% against 2022. Vacancies are monitored on a termly basis to ensure there are sufficient places available for parents. If there was a significant reduction in places steps would be taken to ensure parents had access to alternative places in close proximity to either their places of work or home. When new providers enter the market, the assessment is used to inform them of any gaps in childcare at a ward level basis. If there was a need, the authority would work with providers to offer additional places by either increasing number of places or opening new provision.
 11. Childcare costs in Stockton are lower than regional and national charges. A full-time place for a child under two in a nursery averages £235.17 per week in Stockton, regional £252.77

and national 289.98. A full-time place with a childminder in Stockton is £159.61, regionally £225.08 and nationally £247.72.

12. Funded childcare places are available for children aged 2, 3 & 4 years old and Tax Free Childcare is available to offset the cost of childcare for children aged 0-11, this is a government subsidy of up to 20% off the full cost of childcare.
13. Stockton has a good range of quality childcare across the borough with the majority (98.5%) of provision rated good or outstanding as at July 2023, which is higher than the national percentage (96%) and regional percentage (97%) as at March 2023.
14. The number of nurseries, Pre-school, and out of school settings remains relatively unchanged although there has been a reduction in childminders of 12 with a loss of 104 childcare places, but this has not impacted on the sufficiency of places available to meet the needs of parents/carers.
15. On 15 March the Chancellor announced a significant new investment of £4.1 billion in childcare funding for the early years and childcare sector over the next couple of years. This included reducing the age of children eligible for 30 hours funded childcare for working parents, which is to be rolled out in stages.
16. Roll out of the entitlement will be phased over the next couple of years. 15 hours funded childcare will be available to eligible working parents of two year olds from April 2024, and parents of children aged nine months up to two years from September 2024. The full 30 hours funded childcare will be available from September 2025.
17. The Government is also uplifting the hourly funding rate paid to providers, to deliver the existing free hours offers in England, helping providers to manage cost pressures. The Government will provide £204 million in 2023-24, paid from September 2023, and £288 million in 2024-25.
18. Schools and local authorities will be funded to increase the supply of wraparound care, so that parents of school age children can drop their children off between 8am and 6pm – tackling the barriers to working caused by limited availability of wraparound care. By September 2026 it is expected that all schools are able to offer wraparound on their own or in partnership.

Strategic Priorities

19. Appendix 1, attached to this report outlines our strategic strengths and weaknesses and lists the strategic priorities to ensure a smooth roll out of the childcare expansion.

Consultation and Engagement

20. Consultation has been undertaken with parents/carers and childcare providers to inform the sufficiency assessment.
21. Providers were surveyed from 15 May to 9 June 2023 to gather information on their current demand for childcare and insight on their future sustainability and barriers to delivering on the expansion to childcare.
22. There were 122 responses to the survey, of which, 44 respondents were childminders, 32 private nurseries, 29 school nursery, 8 out of school providers, 6 pre-school playgroups and 3 independent schools.
23. When asked if demand had changed during the last year, 32.79% stated it had remained the same, 21.31% stated it had decreased slightly, 18.85% stated it had increased slightly,

21.31% stated it had decreased slightly, 14.75% stated it had increased a lot and 12.30% stated it had decreased a lot.

24. The top two reasons stated for the reduced change in demand are parents choosing to use only one provider for 30 hours funded childcare (9.76%), followed by parents wanting fewer hours/shorter days (9.15%). For an increased change in demand the top two reasons are increase in demand for wraparound care (8.54%) and increased demand for 30 hours funded childcare (8.54%).
25. Nearly 25% of those surveyed stated there was demand they could not meet and 21.71% stated they have increased fees.
26. Nearly 5% have made staff redundant in the last year and 9.02% were considering making staff redundant in the future. 51 temporary/agency staff are currently employed in the sector. Many stated recruitment of staff was very difficult with level 3 non-management staff being the most difficult positions to recruit. Nearly 32% stated staff recruitment was a barrier to them accessing training.
27. 27.87% stated that projected income was insufficient to meet costs and 33.61% stated projected income is enough to meet costs. When asked if they had cash reserves 40.98% stated they did not have cash reserves, of those that answered this question. When asked how confident they were about financial sustainability over the next year 40.98% were confident or very confident whereas 20.5% were unconfident or very unconfident.
28. When asked if they can meet demand for the extension to childcare 54.92% stated yes and 44.26% stated no. when asked if they would restrict the number of funded places 45.08% stated yes and 49.18% stated no.
29. Parents/Carers and parents-to-be were surveyed from 17 April to 14 May 2023 to assess demand for the expansion to childcare. Response rate to the survey was low and therefore not a good representation of the population surveyed. However, it did provide some insight into the demand for the new entitlements. Over 78% of those who responded said they would stop using informal childcare and move to formal childcare arrangements once funded childcare was available for their child. When asked about their working arrangements nearly 60% worked atypical hours, followed by 11.49% working term-time only. When asked if they will be considering taking up employment once a funded place is available for their child, for those currently not working, 49.43% responded yes. 62.07% would prefer to take up their funded place in a private nursery, followed by 18.39% preferring a combination of private nursery, childminder, and/or pre-school playgroup.

Next Steps

30. 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 to read.
31. A project plan will be produced to implement the new funded childcare offer.

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