

**TELFORD & WREKIN COUNCIL**

**CABINET – 13 DECEMBER 2018**

**EARLY YEARS AND CHILDCARE SUFFICIENCY ASSESSMENT 2018**

**REPORT OF ASSISTANT DIRECTOR: EDUCATION & CORPORATE PARENTING**

**LEAD CABINET MEMBER – CLLR SHIRLEY REYNOLDS**

## **PART A) – SUMMARY REPORT**

### **1. SUMMARY OF MAIN PROPOSALS**

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. Childcare sufficiency relates to the provision of registered childcare for children aged 0-14 years old, and up to 18 years old for disabled children and children with additional needs.

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 which involves the collection and publication of information on the supply of provision and demand for childcare in their area.

The Early Years and Childcare Sufficiency Assessment was conducted in the Summer Term 2018 by Hempsalls, and is based on an analysis of Ofsted registration data, provider audit responses and the parent/carer questionnaire survey. The findings and recommendations in this report are a summary of the Sufficiency Assessment. The Sufficiency Assessment's conclusions are very positive: there is sufficient registered childcare provision to meet the needs of younger children (under 5 years) and to deliver the early years entitlements in the borough of Telford and Wrekin.

- Providers reported having spare capacity (vacancies) in the summer term. This is traditionally the busiest term with places filled ahead of the intake into Reception in September
- A high percentage of parents were using childcare (85%) and most of these reported being satisfied with the childcare used (92%)
- Take-up of the early years entitlements in Telford and Wrekin are high for the universal entitlement for 3 and 4 year olds compared to regional and national averages and broadly in line with national averages for 2 year olds.
- Take-up of 30-hours childcare in the first year of implementation is good and take-up by those with an eligible code is ahead of national and regional averages.

- There have been no recorded complaints from parents unable to access an early years place across all three entitlements indicating that provision is generally available for parents where needed.

There are indications that the offer for older children (aged over 5 years) needs further strengthening:

- Parent/carer survey findings identified unmet demand for out of school provision for school-aged children (5 years old and above)
- There is much less available information about childcare for older children as it is not required to be registered with Ofsted (for children aged 8 years old and over) and is often available in the form of clubs, activities and groups that are run by schools, for pupils attending the school, and for less than 2 hours.

The cost of childcare is the most commonly cited barrier to use.

### **Factors to take into consideration**

- Working parents need flexible childcare, opening earlier in the day and closing later in the evening, as well as spread out across the year. 30-hours childcare is shifting the market for 3 and 4 year olds away from the maintained sector towards the Private and Voluntary sector. The market needs to be supported to adapt to new and emerging demand patterns.
- Demand for older (school-aged) children may increase as parents benefitting from 30-hours childcare become accustomed to having flexible childcare to support them to work.
- There are ambitious new housing plans that will increase the child population and parental demand for childcare.
- The child population is forecast to decrease over the next 3 or 4 years. This may be counter-balanced by the new housing stock but needs to be taken into consideration when looking at sustainability and sufficiency.
- Take-up of the 2 year old early years entitlement in Telford and Wrekin has decreased by 9 percentage points between January 2017 and January 2018. This may reflect the roll-out of Universal credit in the area, but further investigation is required.
- Validation of 30-hours codes decreased in the summer term 2018. This needs to be monitored ahead of the autumn term with further investigation if validation continues to be lower than previously.

## **2. RECOMMENDATIONS**

### **2.1 That Cabinet note the information in the report about the supply and demand in the borough of:**

- **Early Years childcare for children aged, 2, 3 and 4**
- **Childcare for school aged children**
- **Holiday care for school aged children**

**2.2 That Cabinet approve the recommendations made as a result of the sufficiency assessment and the strategies proposed to address these gaps.**

**3. SUMMARY IMPACT ASSESSMENT**

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|---|--|--|
| <b>COMMUNITY IMPACT</b>                 | Do these proposals contribute to specific Co-Operative Council priority objective(s)?                |  |
|   | Yes  | <ul style="list-style-type: none"> <li>Put our children and young people first.</li> <li>Improve local people's prospects through education and training.</li> </ul>   |
|   | Will the proposals impact on specific groups of people?  |  |
|   | Yes  | Children and young people.<br>Working families.<br>Disadvantaged children.   |
| <b>TARGET COMPLETION/DELIVERY DATE</b>  | Implementation of the findings in this report will be ongoing and regularly re-evaluated for impact. |  |
| <b>FINANCIAL/VALUE FOR MONEY IMPACT</b> | Yes/No   | Funding for early years provision is allocated by the Government to Councils based on the actual children in settings at the annual January census. Thus in principle, the Council can encourage parents to take-up the free entitlements for their children without this leading to additional net costs for the Council. T.D   |
| <b>LEGAL ISSUES</b>                     | Yes/No   | <p>Section 6 of the Childcare Act 2006 places a duty upon a local authority to secure, so far as is reasonably practicable, that the provision of childcare (whether or not by them) is sufficient to meet the requirements of parents in their area who require childcare in order to enable them to take up, or remain in, work, or to undertake education or training which could reasonably be expected to assist them to obtain work.</p> <p>A local authority must have regard to the needs of parents for provision in respect of which the child care element of working tax credit is payable; in respect of child care costs</p> |

|   |    |   |
|---|----|---|
|   |    | <p>which may be included in the calculation of universal credit and in respect of provision which is suitable for disabled children.</p> <p>Section 7 of the 2006 Act places a duty upon a local authority to secure such free of charge early years provision for each young child under school age as is prescribed by regulations.</p> <p>The current statutory guidance to which a local authority must have regard was published by the Department for Education in June 2018 and came into force on 1<sup>st</sup> September 2018.</p> <p>The statutory guidance at paragraph B.2 requires a local authority to report annually to elected council members on how it is meeting its duty to secure sufficient childcare and to make the report available and accessible to parents</p> <p>KF 16.11.2018</p> |
| <b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b> | No |   |
| <b>IMPACT ON SPECIFIC WARDS</b>                 | No | This work will have borough wide impact on the provision of Early Years and Childcare provision, both on the quality of provision for children and the sufficiency of places for working families.  |

## **PART B) – ADDITIONAL INFORMATION**

### **Background**

#### **1. Quality in the early years**

Quality in early years provision in Telford and Wrekin (as judged by Ofsted) has improved over the last 5 years, from 79% of settings judged 'good' or 'outstanding' in 2013 to 98% in 2018. Telford and Wrekin has a higher proportion of early years settings judged good or better than regional and national averages, both 94% and this means that young children in Telford and Wrekin are receiving good early years education and provision which will help them to develop school 'readiness' which is likely to support their success as they make the transition into school.

#### **2. Local Authority sufficiency duties**

The duties in the Early Years and Childcare Act (section 6) 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. This role is described as a market management function, supporting the sector to meet the needs of parents, children and young people and stakeholders.

Section 7 requires local authorities to secure prescribed early years provision free of charge. This provision is for children aged 2, 3 and 4 years of age. In the region of 40% of two year olds nationally are legally entitled to free early years provision, and all three and four year olds.

Section 12 places a duty on local authorities to provide information, advice and assistance to parents and prospective parents relating to the provision of childcare, services or facilities that may be of benefit to parents and prospective parents, children and young people.

The Childcare Act (2016) extended the universal 3 and 4 year old entitlement to 570 hours a year over no fewer than 38 weeks to an additional 570 hours for qualifying children (Section 1 of the 2016 Act). Section 2 of the 2016 Act allows the Secretary of State to discharge their duty under Section 12 of the Act by placing a duty on English local authorities to secure free childcare for qualifying children.

For more information on the national Early years and Childcare offer and eligibility for parents please see Appendix 1.

It is the duty of the local Authority to report annually to elected council members on how the duty to secure sufficient childcare is being met, and make this report available and accessible to parents.

### **3. The strategic context for childcare sufficiency**

The focus of childcare sufficiency is on supporting working parents/carers and those studying or training to do so, and supports a number of other national and local policy priorities, including:

#### **Social Mobility**

The Secretary of State for Education launched 'Unlocking Talent; Fulfilling Potential; A plan for improving social mobility through education' in December 2017. This ambitious plan recognises that opportunity is not equally spread across the country and is based on equal opportunity starting with education.

The Plan outlines four key ambitions:

- Close the word gap in early years
- Close the attainment gap in school while continuing to raise standards for all
- High quality post-16 education chances for all young people
- Everyone achieving their full potential in rewarding careers

Good quality early years education is regarded in the Plan as the corner stone of social mobility.

#### **Supporting economic well-being**

Accessible and affordable childcare supports families to work and good quality pre-school experience supports children's cognitive and emotional development, aiding transition between home and school and improving school readiness.

#### **Links to the Troubled Families Programme**

The Troubled Families Programme supports families with multiple and complex problems. Troubled families are defined as those that have problems and cause problems to the community around them, putting high costs on the public sector. For some children living in a troubled family, access to childcare and out of school activities can provide structure and routine, supporting socialisation and school attendance. Childcare can support a parent to attend counselling, training, or to take up employment.

#### **Supporting the children's centre remit**

A healthy and engaged childcare market supports children's centres by signposting families to services and identifying where early intervention may be required. This supports children's centres in achieving their objectives to improve outcomes for young children and their families and reduce inequalities between families in greatest need and their peers in:

- Child development and school readiness
- Parenting aspirations and parenting skills
- Child and family health and life chances

## **Supporting children to achieve their potential**

There is a large body of evidence demonstrating the lasting impact of good quality early years childcare and the savings in future expenditure that can be made by investing in children aged under five years old. A 2012 DfE research report evidenced that early education starting at an early age had a direct impact on the attainment of children, particularly the least advantaged.

### **4. Summary of the Early Years Sufficiency Assessment report findings and recommendations**

Telford and Wrekin is a unitary district with borough status located between the urban areas of Birmingham and the Black Country to the east and the rural areas of Shropshire and Wales to the west. It is a borough of contrasts with parts of the borough amongst the most deprived in England with deprivation rates comparable with inner cities, whilst other areas are amongst the least deprived in England.

#### **The population**

The population has increased by just under 4% since the 2011 Census, reaching around 173,000 by 2016 and is forecast to grow by 14% by 2031, with over half the increase in the over 65 year old age group. The population is becoming more diverse, attributable to new migrants with a key driver of change being the younger age structure of BME groups leading to a greater likelihood of them having children (Telford and Wrekin Key Facts December 2017). This is reflected in a greater level of diversity in the child population. As at January 2017, 77.7% of pupils attending a state-funded primary school were White British, and 79.9% of pupils attending state-funded secondary schools were White British, (DfE Schools pupils and their characteristics 2018).

#### **The child population**

The child population (0-14 years old) is estimated at 33,132. Overall, population estimates for 2016 show an increase in the child population (0-14 years) between 2011 and 2016 of 3.9%. This growth has been driven by large increases in the 5-9 year old population. Looking ahead, population estimates project a declining 0-4 year old population over the next few years (decreasing by 5.4% between 2016 and 2020), with growth in the older age range child population, consistent with the current cohort of 5-9 year olds ageing.

The proportion of children with Special Educational Need and Disability (SEND) in Telford and Wrekin's schools is increasing and the proportion of children with SEND accessing early education places is higher in Telford and Wrekin than in the West Midlands region and England as a whole.

**Recommendation**

The Local Authority should support childcare settings to forecast and respond to fluctuations in local demand for childcare based on population change, parental demand and policy drivers (e.g. 30-hours childcare).

**4.1 New housing and employment opportunities**

There are plans for the delivery of approximately 17,280 dwellings in the borough by 2031 and an associated amount of employment land of at least 76 hectares. New housing development is focused in three distinct areas: Telford (approximately 14,950 new homes up to 2031); Newport (1,330 net new homes) and; rural area (1,000 net new homes).

**Recommendation**

New housing development and employment opportunities will require the availability of good quality early years and childcare provision. It is recommended that plans for new housing and employment take account of the potential increase in demand and need for childcare, in the same way school place planning takes this into account.

**4.2 Economic activity and unemployment**

Telford and Wrekin has a slightly lower economic activity rate compared to the national average, and median gross weekly and hourly pay for employees living in Telford and Wrekin is lower than across the West Midlands and nationally.

In the year January – December 2016, 7,300 households in Telford and Wrekin were Workless – 13.7% of total. This compares to 16.4% in the West Midlands and 15.1% in Great Britain (source: NOMIS).

**Recommendation**

Telford and Wrekin is a borough of contrast with areas of deprivation and affluence. Whilst employment levels are relatively high across the borough there may be pockets where unemployment is higher. The local authority should work with Jobcentre Plus to explore where a lack of accessible and affordable childcare may be a barrier to employment and to ensure potential employees are aware of the various support available to meet the costs of childcare.

**4.3 The childcare market**

There are a total of 191 registered childcare settings in Telford and Wrekin who are collectively registered by OFSTED to offer a maximum of 4,592 places.

In the region of 80% of all registered places are for children aged 0-4 years old and the majority of these are in day nurseries and pre-schools (estimated at

89%). This does not include funded early years places available in maintained school nurseries or nursery classes

For school-aged children (aged 5 years and older) there are an estimated 876 Ofsted registered places. Out of school provision may also be available after school (in the form of clubs, activities and groups) that are run by the school, for pupils attending the school. This type of activity is not required to be registered as childcare and cannot be reliably included as provision which meets the sufficiency duty because of the limited hours provided and the potential for this provision to be cancelled at short notice.

#### **4.4 Funded early years places**

Of the 191 registered childcare settings in Telford and Wrekin, 145 (76%) offer early years entitlement funded places for 2, 3 and 4 year olds, collectively registered for 4,016 places the vast majority of which (97%) are places for 0-4 year olds.

Around a fifth of children taking up the 2 year old early learning entitlement and 42% of 3 and 4 year olds taking up the universal entitlement (as at January 2018, source: DfE Statistical First Release) are in a maintained nursery or nursery class.

There are 29 maintained settings offering around 1,700 places, the vast majority being for funded 3 and 4 year old children.

#### **4.5 Take-up of the early years entitlements**

Nationally, there has been a slight increase of 1% in the number of 2 year olds accessing the free entitlement between 2017 and 2018. In Telford and Wrekin there was a decrease of 9% from 79% of eligible children being funded January 2017 to 70% January 2018 (note: the percentage take-up for eligible 2 year olds excludes Universal Credit claimants and will therefore over-estimate percentage take-up by eligible families). The reduction in take-up may reflect families in Telford and Wrekin moving onto Universal Credit, which has a lower threshold, and therefore not appearing on eligibility lists issued by Department of Work and Pensions.

#### **Recommendation**

Telford and Wrekin should continue to monitor take-up of the 2 year old early learning entitlement, and work with partners (including Jobcentre Plus, Health Visitors and Children's Centres) to actively target eligible parents and support them to access their entitlement.

The percentage of children taking up 3 and 4 year old universal funding in Telford and Wrekin is 98% which is above the national figure of 94%.

The Private and Voluntary sector (PVI) in Telford and Wrekin accounts for a relatively low proportion of children in receipt of early years funding, in particular

for 3 and 4 years olds accessing the universal entitlement, who are in school settings.

#### **4.6 30-hours childcare**

30-hours childcare is an extended early years entitlement which includes the 15 hours universal early years entitlement and an additional 15 hours (per week up to a maximum of 38 weeks, or 570 hours stretched across more weeks of the year). Eligibility for 30-hours childcare is based on both parents working in a couple household, and a single parent working in a lone-parent household, with minimum and maximum income thresholds applied.

Estimating demand for 30-hours, and therefore sufficiency needs, is a challenge. Many families in the first year will have converted from paying a fee for a place, to receiving funding. As new parents not currently buying additional hours become eligible, demand may change. Early indications (based on the first year of delivery) are that providers in Telford and Wrekin have responded well to the challenge, with 85% of settings overall delivering (or offering) 30-hours childcare to eligible children.

#### **30-hours Childcare in Telford and Wrekin**

Eligible parents are given a code which their chosen childcare provider validates before a place is taken up. The rate of validation of these codes is a factor used to measure the extent to which local childcare markets have adapted to the new entitlement. A high percentage of issued codes that have not been validated could indicate a sufficiency issue.

In Telford and Wrekin, 850 eligibility codes were issued for the first term (autumn 2017), of which 92% were validated. A total of 839 children were in a place in Telford and Wrekin in the autumn term 2018, more than the 785 codes that were validated for children living in the borough. This indicates children living outside of Telford and Wrekin were accessing their 30-hours entitlement in settings located in the borough in the first term.

There was a decrease in the summer term 2018 in Telford and Wrekin with only 84% of children in a place as a percentage of issued codes compared to a national average of 90%.

#### **Recommendation**

The proportion of codes validated should be monitored termly as a potential indicator of either insufficient places or places at times that do not meet parental need.

It is anticipated that there will be a shift in patterns of take-up as working parents may seek to access their 3 and 4 year old 30-hours entitlement in settings that are more flexible, opening earlier, closing later and delivering across the year not just in term-time. There has been a 2% shift nationally from the maintained sector to the PVI sector between 2016 and 2018 in terms of parents accessing

their universal 3 and 4 year old entitlement. This may increase, unless schools are in a position to offer greater flexibility and solutions to meeting childcare demand beyond the school day and throughout the year. As new cohorts of working families become eligible for 30-hours childcare, there may be an increase in demand for a more flexible and stretched provision.

**Recommendation**

Telford and Wrekin Early Years team should work with schools to explore opportunities for more flexible delivery of the early years entitlements, especially for 3 and 4 year olds. This could include partnership or cluster delivery to provide greater flexibility for working parents.

**4.7 The availability of childcare**

The majority of early years and childcare provision opens between 7.30am and 9am. Provision early in the morning (before 7.30am) is offered mainly by childminders. Over half of settings (53%) close between 5pm and 6pm with 19% closing after 6pm. There is very little childcare available after 7pm. Based on provider audit responses, a third of all settings are open term-time only (38 weeks a year); this may result in a lack of flexibility for working parents who may need childcare throughout the year.

**4.8 Use of childcare**

85% of respondents to the parent and carer survey were currently using, or had used childcare in the past 12 months. Use of childcare was highest amongst the 3-4 year old age range, reflecting the universal early years entitlement and the extended entitlement to 30-hours childcare for this age range.

For school-aged children, (and in particular for children aged 5-10 years old) there is an identified need to further expand after school provision and out of school provision (including breakfast and holiday provision).

Parents using 30-hours childcare will become accustomed to having, flexible childcare to support them to work. This may increase demand for out of school provision for school-aged children (including before school, after school available until the evening, and holiday provision).

**Recommendation**

In anticipation of a potential increase in demand for childcare for school-aged children, Telford and Wrekin should work with settings in the maintained and PVI sectors (including childminders) to explore options for establishing sustainable and accessible provision.

The cost of childcare is the most commonly cited barrier to accessing additional childcare. There are a number of Government initiatives to support parents to meet the cost of childcare, including 30-hours childcare and Tax Free Childcare.

**Recommendation**

Ensure childcare settings and agencies working with parents (e.g. Jobcentre Plus, health visiting) are aware of the support available to parents to support them to meet the costs of childcare and signpost parents to the Childcare Choices website and childcare costs calculator. Support childcare providers not yet signed up to deliver Tax Free Childcare to do so, in order that parents using their services can benefit from the financial support available.

**4.9 Satisfaction with childcare**

Parents and carers responding to the survey were generally satisfied with their current childcare arrangements and the quality of their childcare.

A small number of survey responses suggest that some parents would like a wider variety of childcare choices in their local area. Findings support a need for more flexibility in delivery models with 21% of parents reporting childcare is not available at the times or on the days required and 15% for the weeks required. There was also evidence that there may be demand for childcare at weekends and/or to cover shift patterns.

**Recommendation**

Telford and Wrekin should support childcare settings to explore options for reconfiguring their offer to parents to meet unmet demand for childcare including earlier starts and later finishes, weekend childcare, flexible delivery and childcare available outside of term times.

**4 Next steps**

In response to the Sufficiency Assessment and in order to improve the Early Years and Childcare offer in the borough still further, we have identified the following steps to be taken by the Early Years and Childcare Team, working with Early Years and Childcare providers and a range of other partners:

- Findings from the sufficiency survey will be shared at a local level to enable settings and providers to work together to find sufficiency solutions for working parents and meet the demands of the market. Settings will be signposted to business planning and support tools and guidance where relevant to support them to develop their offer.
- The team will continue to support the newly established locality partnership hubs to develop collaboratively a flexible child care offer for parents, extending the day, or stretching delivery across more weeks of the year.
- In order to meet the demand from new housing developments planned in the borough, opportunities will be sought, where appropriate, to

negotiate S106 funding to support capacity development for school places and early years and childcare.(S106 funding is contributions from developers towards the costs of providing community and social infrastructure which are required as a result of new development taking place).

- The team will continue to work with Children's Centres and Jobcentre Plus to explore where a lack of accessible and affordable childcare may be a barrier to employment and to ensure potential employees are aware of the various support available to meet demand.
- The team will continue to monitor take-up of the 2 year old early learning entitlement, and work with Jobcentre Plus, Health Visitors and Children's Centres, to actively target eligible parents and support them to access their entitlement. They will identify all eligible families who do not access their entitlement currently, identify the reasons for this and support them to access provision where appropriate.
- The team will continue to monitor the rate of validation of codes for the 30 hour offer and where take-up of children with a valid code drops (as in the case of summer 2018), make additional checks to review any increase in brokerage requests or complaints from eligible parents around not being able to find a suitable place.
- The team will continue to work with schools to find creative ways to offer more flexible childcare for parents, either through partnership working through locality hubs, or by extending their own provision.
- Where new school provision or school expansion is planned, Early Years and Childcare provision will always be considered in order to provide a cohesive offer for families close to their home address.
- The team will continue to work with settings in the maintained and PVI sectors (including childminders) to explore options for establishing sustainable and accessible out of school and holiday club provision.
- Work with Family Connect will continue, to maintain and promote details of all childcare provision, including services for school-aged children not required to be registered with Ofsted on the website. This will support parents to locate and access provision for children aged 0-14 years (and up to 18 years for children with SEND).
- The team will continue to work with Jobcentre Plus and Health Visitors to ensure that parents have accurate and up to date information about the support available to them to help them meet the costs of childcare, including signpost parents to the Childcare Choices website and childcare costs calculator.
- Copies of the full report will be made available on the Local Authority Early Years website.

5. **PREVIOUS MINUTES**

None

6. **BACKGROUND PAPERS**

Telford and Wrekin Early Years and Childcare Sufficiency Assessment  
2018

**Report prepared by Liz Smith, SDM School Performances and Delivery,  
Telephone: 01952 380895**