



Open Report on behalf of Heather Sandy, Executive Director - Children's Services

Report to:	Children and Young People Scrutiny Committee
Date:	02 December 2022
Subject:	Early Years and Childcare Sufficiency Report

Summary:

This report sets out the current childcare sufficiency position within Lincolnshire, and the findings of the online sufficiency surveys with Ofsted registered childcare providers and parents.

The report provides recommendations to support the development of early years and childcare places in Lincolnshire to meet the statutory childcare sufficiency duty including a request to the Secretary of State to convert trajectory funding into capital.

Actions Required:

The Children and Young People Scrutiny Committee is asked to

1. review the content of the sufficiency report and comment on proposals to develop childcare places in Lincolnshire where current childcare gaps exist.
2. support the recommendation to capitalise £0.780m of Dedicated Schools Grant revenue funding through a Disapplication Request to the Department for Education for Secretary of State approval.

1. Background

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.

The duties in the Act (section 6) require local authorities to shape and support the development of childcare in their area 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, parents, and stakeholders.

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.

To meet section 6 duties, 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.

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. The Childcare Act (2016) extends the Childcare Act (2006) and the duty to provide universal entitlement for 3- and 4-year-olds and 30 hours free childcare for 3- and 4-year-olds for working families.

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) amends the Childcare Act (2006) to allow regulations to require local authorities to publish information of a prescribed interval, description, and manner.

Evidence shows that attending high quality early education has a lasting impact on social and behavioural outcomes of young children. The entitlements make childcare more accessible and affordable for families and enables them to access training, work or increase their working hours if they wish to do so.

The Local Authority undertook a series of childcare provider and parent sufficiency surveys during April – May 2022. The surveys were designed to review the availability, accessibility, and sustainability of childcare in Lincolnshire.

The two childcare surveys were designed to assess the sufficiency and sustainability of early years and childcare provision being offered in Lincolnshire. Providers were asked to confirm the services that they offer, to which age groups, opening hours, hourly cost, number of places they offered, and current take up.

These were: -

- *Early Years. This included private, voluntary, independent, and school provision (Early Years Education (EYE) funded and non-funded provision) regarding their early year's provision and wraparound childcare where applicable for children aged 0-5 years.*
- *Out of School (wraparound childcare). This included Ofsted registered standalone kids' clubs and schools focussing on out of school childcare for children aged 4-11 years.*

The surveys were widely promoted via social media and email communication directly with schools and childcare providers. These surveys were undertaken through a snap survey platform for accessibility. Both surveys had a high response rate with 97% and 100% of providers completing the surveys.

Please see Appendix 1 - Childcare Sufficiency Report 2022-23 for the full report details and links to the data and findings.

In addition, a parent survey was hosted on the Let's Talk Lincolnshire online platform. A record 1,496 responses were received through this platform. 139 parents had children with Special Educational Needs or Disabilities. This was 50% more responses than the previous survey completed.

61% of parent respondents felt they had sufficient childcare to meet their current needs, however there were some specific areas within Lincolnshire where childcare was not available to meet their needs. 1,031 parents responding had children aged 5-10 years old and the vast majority of those felt they needed more childcare for afterschool club places or holiday clubs. Early Years and Childcare Support will be working closely with Holiday Activities and Food (HAF) Programme colleagues to ensure a joined-up approach is used to develop registered childcare and this programme is incorporated in the wider sufficiency plan to support families' needs.

Please see Appendix 2 - Parental Engagement Report for the full findings from the parent survey.

2. Conclusion

The outcome of the annual childcare sufficiency survey demonstrated that Lincolnshire is in a mixed position to meet the needs of children and families currently. Many providers have seen an increase in demand from families accessing provision since parental confidence has returned.

Surmounting staff recruitment concerns are exacerbating the pressure on the sector (as outlined in the sufficiency report) to remain open and this is being supported through a working group, under the Early Childhood Strategy Steering Group agenda.

There is a growing concern across the childcare sector regarding funded education investment. The Dedicated Schools Grant (DSG) has seen an uplift in 2022-23, however this does not reflect the cost-of-living rise and other increases including insurance, energy bills, food and staff costs across the country. This has led to staff choosing alternative career choices and leaving the sector short staffed.

Childcare providers are struggling to maintain quality of provision with limited staff capacity and financial concerns. As financial pressures on childcare providers increase, there is a risk that we will see further closures in the future, ultimately impacting on our statutory duty to secure sufficient childcare.

Occupancy has increased across all sectors and age groups. Lincolnshire is in a mixed position currently, with some areas unable to meet the current needs of families. This impacts on our overarching responsibility to improve outcomes for children and ensure that there is sufficient childcare for all working parents.

The service is monitoring the market closely, particularly for the changing demands of working parents and the employment market. There is a particular focus on the out of school provision for 4–11-year-olds and a recruitment campaign to encourage more childminders into the sector. However, there is still a limited interest in this area and we need to develop additional places where areas have limited or no availability of childcare places.

To ensure the Local Authority responds to the feedback provided, the areas in Lincolnshire identified as requiring additional childcare places in the immediate future have been included within the childcare delivery plan and capital investment will be required to support childcare developments in some areas across the county. Please see Appendix 3 for the Childcare Delivery Plan for 2022-23.

It is expected that additional places are required in several areas in Lincolnshire and the cost has been estimated cautiously due to the growing cost of new builds and the ability to develop provision in existing properties. Other cost efficiencies have been explored and where possible, the Early Years team is working with schools and existing providers to expand or develop places at minimal cost. Where this is not an option, further investment is required.

The Local Authority has exhausted all previous Department for Education (DfE) capital funding for early years and childcare developments and the service has a capital budget remaining of £40K to invest in projects where they are required to meet the childcare sufficiency duty.

Investment of £0.780m is needed to secure a building in Spalding and develop new childcare places in the immediate areas identified within the sufficiency report and childcare delivery plan. Areas identified to develop new childcare places includes full day care provision for 0–5-year-olds in Spalding, Holbeach and Louth. Out of school childcare in Nettleham for 4–11-year-olds is already being resolved by developing provision in partnership with the school.

Within the Dedicated Schools Grant reserve, funding remains of £0.896m against Early Years initiatives, which had originated from the Government's rollout of the disadvantaged 2-year-old funding. The service has considered the existing commitments against this funding in the decision to prioritise this towards capital funding. This reserve funding is one-off in nature.

The service's recommendation is to capitalise £0.780m of DSG revenue funding which will require a Disapplication Request to the DfE for Secretary of State (SoS) approval. The Local Authority has successfully received approval for such a request a number of years ago.

Lincolnshire Schools' Forum has been consulted to support the decision to secure this SoS decision.

3. Consultation

a) Risks and Impact Analysis

The Local Authority recognises the financial demands placed on the early years sector through increased costs in 2022/23 and the recruitment and retention concerns across the sector. The Early Years and Childcare Support team will continue to offer additional support to the sector to reduce potential closures that could affect the statutory childcare sufficiency duty.

Participation levels are returning to pre-pandemic levels which will support income generation.

The Local Authority will monitor the sufficiency of provision and will be taking a proactive approach by contacting all providers to support their sustainability.

4. Appendices

These are listed below and attached at the back of the report	
Appendix 1	Lincolnshire's Annual Childcare Sufficiency Report
Appendix 2	Parent Survey Responses
Appendix 3	Childcare Delivery Plan 2022-23

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Nicky Myers, who can be contacted on 01522 552752 or nicky.myers@lincolnshire.gov.uk.

This page is intentionally left blank