

**LINCOLNSHIRE'S
ANNUAL SUFFICIENCY
REPORT**

2015-16

CONTENTS

1. National Context
2. Lincolnshire's Position and Approach
3. Supply & Demand
4. Analysis
5. Planning to meet identified needs
6. Reporting
7. Priorities 2015-16

1. NATIONAL 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.

Local authorities formally had a duty (section 11 of the act) to undertake a detailed childcare sufficiency assessment (CSA) every three years, with annual updates as and when new data became available. The Government repealed section 11 of the act in the Children and Families Act (2013) with the aim of reducing resource costs and duplication of work with Section 6 of the Childcare Act 2006.

Previously CSAs have been based on relatively large-scale research projects involving Early Years and childcare provider audits and parent/carer consultations and surveys across the county. With the revision of the statutory requirements the local authority has reviewed the process to assess sufficiency of Childcare provision across the county in line with legislative changes and the available resources.

In accordance with section 6 of the act, the local authority is required to shape and support the development of childcare in Lincolnshire 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.

Within the requirements local authorities are obliged to produce an annual sufficiency report which must include the availability and sufficiency of funded early education places and childcare in the area under the Statutory Guidance (DfE September 2014). This information must be made available to elected members, parents and carers.

2. LINCOLNSHIRE'S POSITION AND APPROACH

Lincolnshire is the fourth largest county in England, covering an area of over 6,000 square kilometres with a population of 724,500. The county is a two tier authority. The main centres of population are Lincoln and Boston with the remainder of the population being widely dispersed living in small towns, villages and/or hamlet settings. The county ranks relatively lowly on the Indices of Multiple Deprivation but there are over forty wards across the county that are classed amongst the 20% most deprived in England, and an equal number amongst the least deprived.

This report serves to collate Lincolnshire's position using data, local knowledge and other supporting evidence, to demonstrate the sufficiency duty is being addressed, and where there are gaps ensure there is an action plan in place to address any areas for development.

The sufficiency duty requires joint work from several departments within Children services. To ensure this work is coordinated and well managed the local authority has established a working group which includes representatives of the Birth to Five Early Years' Service, School Organisation Planning, Property, Performance Assurance and the Family Information Service. This group has and will continue to work collaboratively to maintain a sustainable approach for reporting on childcare sufficiency in Lincolnshire. This group links with external partners that also play a pivotal role in considering the childcare market and the needs of parents, these include;

- Childcare providers (vacancy and waiting lists)
- Jobcentre Plus (working with parent/carers, identifying any childcare barriers)
- large employers (hospital and LA – any unmet need preventing parent/carers from working or taking up employment; patterns of work including outside 'normal' working hours)
- health (new birth data)

The local authority has access to a great deal of supply and demand information through a number of sources which is described further in the section below. This has been supplemented by undertaking an annual capacity audit. This information is collected and analysed providing information to inform the Lincolnshire annual sufficiency position. This will be collated presented within this report for senior managers and elected members. Following this, a summary of the report with key findings will be made available on the Lincolnshire County Council website to ensure parents and carers have access to the annual sufficiency position across Lincolnshire.

Lincolnshire has a diverse and varied range of provision across the county which includes sessional preschools and day nurseries with a range of governance models across the private voluntary and independent sector. There are also maintained nursery schools, and an increasing number of provisions delivered through schools and academies. Childminders play an important role in the provision of Early Years Entitlement and childcare across the county due to the rural nature of the county.

3. SUPPLY AND DEMAND

The sufficiency duty is focussed on working parents and those studying or training for employment. This means that childcare is defined as that which is reliable and regular if it is to meet need. The local authority currently has several methods of reviewing childcare demand in Lincolnshire including;

- Analysis of FIS enquiries and brokerage work
- Population trends
- Provider vacancy and waiting lists
- Childcare provision occupancy

Childcare enquiries are received by the Family Information Service (FIS), these are typically referred by the Job Centre Plus, RAF Hives or NHS enquiries or directly from parents themselves. Information is provided to parents via the Family Information Service to assist parents to find a suitable childcare place for their child. Where childcare is unavailable, a Gap Form is recorded and stored and is monitored and reviewed and has been used to inform the analysis within the annual sufficiency report. The Gap Forms are also a key source of information for assessing childcare needs for parents whose children are of school age who require childcare outside of schools hours.

The Gap Forms are an important tool to enable the local authority to monitor and review changing demand and needs of parents across the county. Where there is evidence that current childcare provision is not sufficient to meet the needs of working parents and there is sufficient demand in a defined area to justify the development of a sustainable childcare provision, this information would be utilised to identify where new childcare places may need to be developed and this would form part of the wider sufficiency planning process.

Early Years Entitlement

Early education places for 2, 3 and 4 year olds is regularly assessed based on family information provided to the local authority from the Department for Work and Pensions (DWP) for targeted eligible 2 year olds and Lincolnshire's Research Observatory provides population data for 3 and 4 year olds. Local authorities have a duty to ensure there is sufficient provision available for targeted eligible 2 year olds and for 3 and 4 year olds, as there is a statutory entitlement of 570 hours per child per year.

Each Local authority is monitored and assessed with regard to the sufficiency of EYE provision across the county; however this is easily calculated as the information is readily available. This is assessed by the number of children entitled to a place in comparison to the number of places available by providers that are registered to deliver the Early Years Entitlement (EYE). This is a simple and effective method of assessment however for all other age ranges there is a need to develop a formulaic approach due to the number of variances and interrelating factors that determine a parents need for a childcare place.

Population data for all other ages is still a determining factor and forms the basis of any sufficiency assessment, however this is gathered and then a formula is applied to determine the number of childcare places required for that age range across the county. The ratio approach was developing some years ago when the need to assess sufficiency became a statutory duty on the local authority. In order to develop a consistent approach across the region a substantial piece of work was undertaken and a method of assessment was agreed. This approach is still used and is based on a large number of determining factors both social and economic including such elements that may influence a parents needs for a childcare place. Some examples are included below in no preferential order as parents choices are individual :-

- Age of child
- Needs of working parents for formal childcare

- Parent access to informal childcare i.e. grandparents
- Parent may choose not to work or to work part time
- Parents may or may not return to work within the first year of becoming a parent

Other factors that influence the formula are costs of childcare and staff ratio required for different age ranges of children. Therefore ratios currently used for the assessment of need are:

- Children under 2 year old – 1 place: 6 children
- Children 2-5 years – 1 place: 3 children

For children of statutory school age and over there are other determining factors which make it difficult to use even a formula based approach, when this has been applied previously it has not provided an accurate picture of demand or take up of provision. The changing market place in relation to this sector also has an influence as many primary and secondary schools/academies have before and after school clubs and activities which accommodate children of this age. However these are many and varied and it is very difficult for the local authority to measure and monitor these activities and how well they meet the needs of working parents, and therefore is a limiting factor in our ability to determine sufficiency.

The local authority recognise there is a concern specifically regarding childcare for over 11's, as detailed in recent reports published by the Family Childcare Trust. However, the Lincolnshire FIS do not have any Gap forms completed for this age range and therefore it is reported that the current demand is negligible for this age group in Lincolnshire.

It is recognised by the local authority that in a rural county such as Lincolnshire, Ofsted registered childminders play a particularly valuable and affordable option for parents who require registered childcare provision usually close to a child's school.

When assessing the level of provision the local authority has information in relation to all registered providers in the county. This includes the

- number of places available in registered childcare provision
- Ofsted inspection outcomes
- costs of childcare
- opening hours
- vacancies and waiting lists

Using a variety of aforementioned information, the local authority is able to report on the quality, affordability and accessibility of childcare in the current market as follows:

Quality

There are a significant number of providers in Lincolnshire that are registered to deliver EYE and the table below gives a breakdown of the Ofsted grading's as at spring term 2015 to give an overview of the quality of provision available across Lincolnshire:

Setting	Outstanding	Good	Requires Improvement	Inadequate	Awaiting Inspection
Private	31	116	8	1	21
Voluntary	12	78	10	1	5
School Gov	5	26	0	1	4
Independent	5	7	0	0	3
Childminder	23	154	15	1	10
TOTAL	76	381	33	4	43

Ofsted judgements have a direct impact on the provider's ability to deliver the funded early education places for 2, 3 and 4 year olds. Sufficiency of places fluctuates according to Ofsted judgements. The local authority works proactively with the maintained, private, voluntary and independent childcare sector to provide information and guidance to support them to achieve a good or outstanding Ofsted judgement.

Where a provider is judged less than good the local authority Birth to Five Early Years Service provides a programme of support to assist them to improve their Ofsted judgements as this ultimately supports the sufficiency duty. This includes the "Getting to Good Programme" and the "Targeted Improvement Programme". For providers judged as Inadequate, all funded places for new children are on hold in accordance with the local authority's guidance on delivering the Early Years Entitlements.

Affordability

In Lincolnshire, the current affordability rate is calculated at £3.75 per hour (Affordability Project 2013). A recent sample review of provider charges for 3 and 4 year olds indicates £3.75 is the average cost for this age group in Lincolnshire, therefore meeting the affordability rate.

Accessibility

To enable the Local Authority to assess the current availability of childcare across the county, we have undertaken a capacity audit. Please see Appendix A 'Capacity Audit' for the detail of the audit questions.

The audit was undertaken in January 2015 with all providers delivering the Early Years Entitlement funding for 2, 3 and 4 year olds. This included Private, Voluntary, Independent, Childminders and some School Governed Early Years Provision. This has been utilised as a representation of the sector in each district as EYE providers make up the majority of provision across the county for these age ranges.

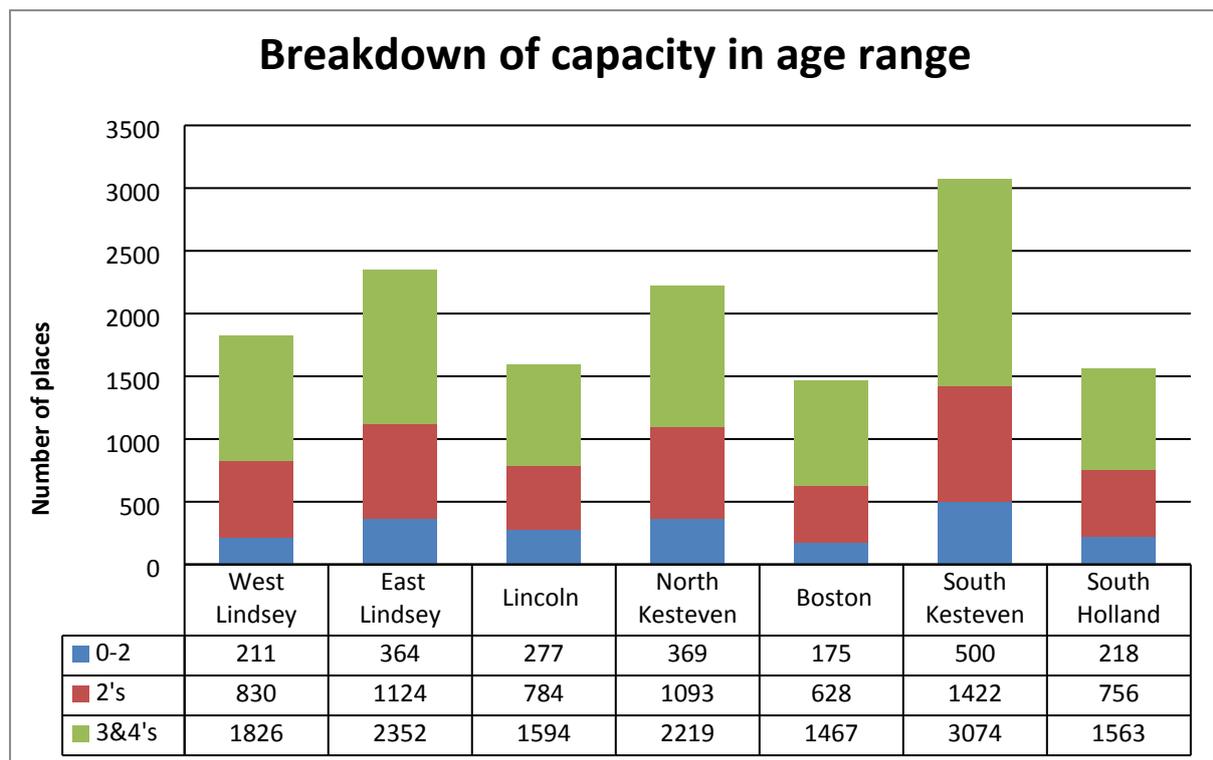
The data has been through a thorough cleansing process to ensure consistency and accuracy of information. The figures have then been extracted and imported into table and graphs to

give visual representation of the areas across Lincolnshire that may require new and additional childcare development.

4 ANALYSIS

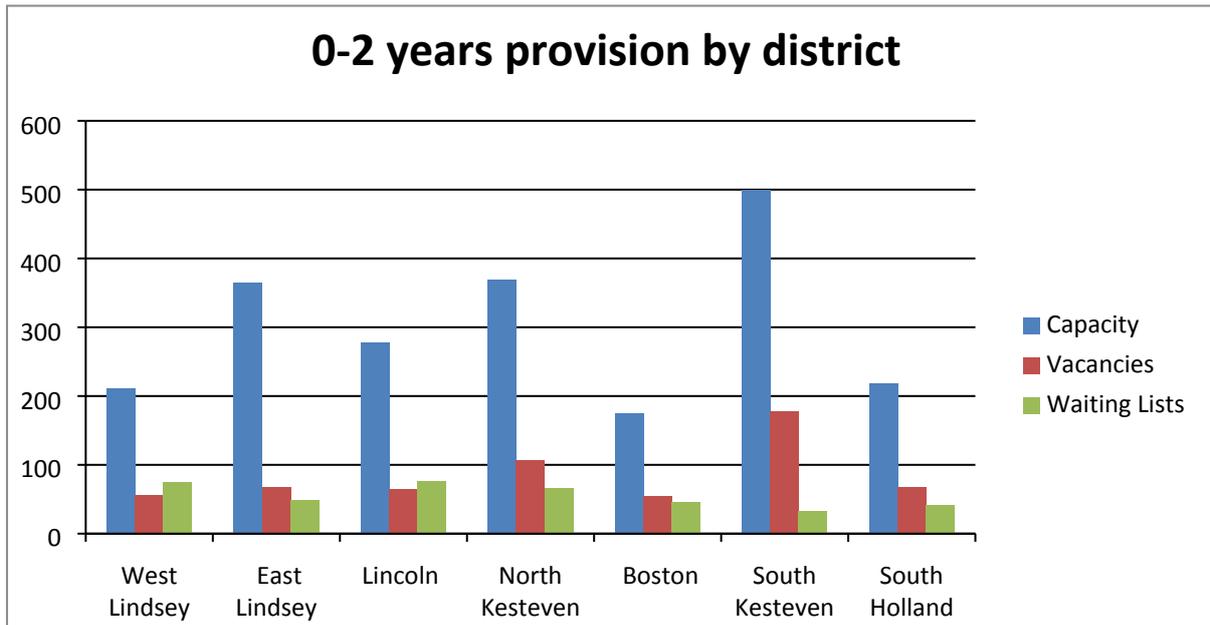
The graph below show the data collected as a snap shot in relation to capacity (the total number of places available), within the 7 District areas by the following age groups:

- 0-2 years
- 2 years
- 3 and 4 years.

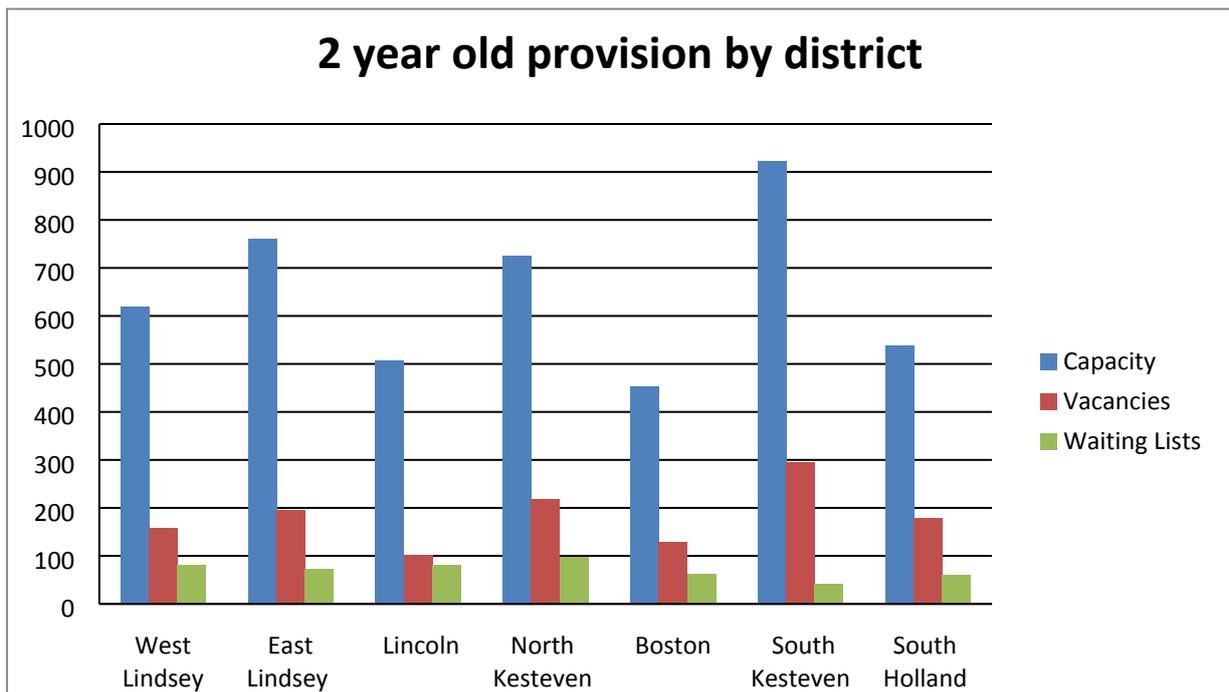


Following this, the information needs to be considered in line with data collected in relation to vacancies and waiting lists that exist in each of the districts for each of the identified age ranges.

0-2 YEAR OLDS



2 YEAR OLDS



In addition to reviewing the current capacity and waiting lists for those 2 year olds known to childcare providers, the local authority must consider the list of families eligible for the 2 year old entitlement provided by the Department for Work and Pensions.

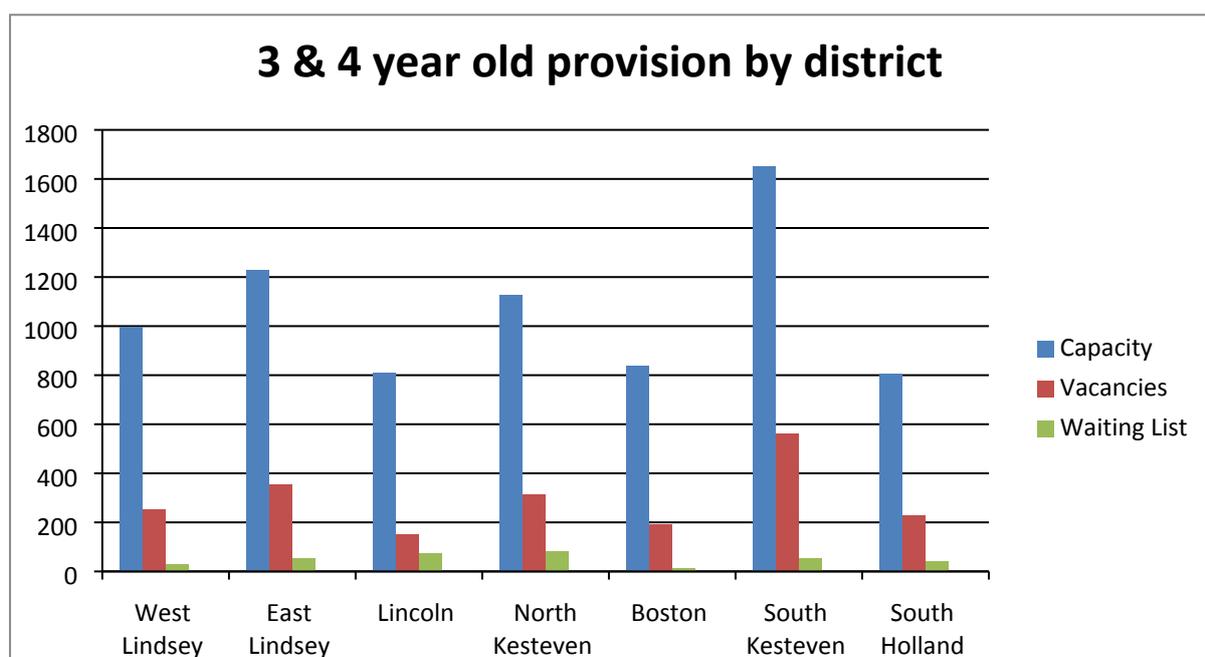
There are currently 896 children in Lincolnshire not accessing their 2 year old entitlement, of which 455 children's places have been approved by the local authority. Anecdotal evidence shows that in some cases this is due to an insufficient number of childcare places available and in other cases this is due to parent preference.

Overview of current take-up by district area:

District	Take up	Out of County Take Up	DfE Potentially eligible	Take Up Difference to DfE by %
Boston	244	0	416	59%
East Lindsey	555	3	629	88%
Lincoln	406	0	647	63%
North Kesteven	227	0	311	73%
South Holland	294	1	415	71%
South Kesteven	371	1	501	74%
West Lindsey	297	4	381	78%
Grand Total	2394	9	3300	73%

Lincolnshire is also funding places for 26 children who reside out of Lincolnshire in partnership with other local authorities within the region. The Department for Work and Pensions provides local authorities with up to date lists of eligible families 7 times per year. This allows the Service to pinpoint the location of families not yet accessing provision and target new developments in areas where there is a need based on current capacity. This is further considered within the project planning process.

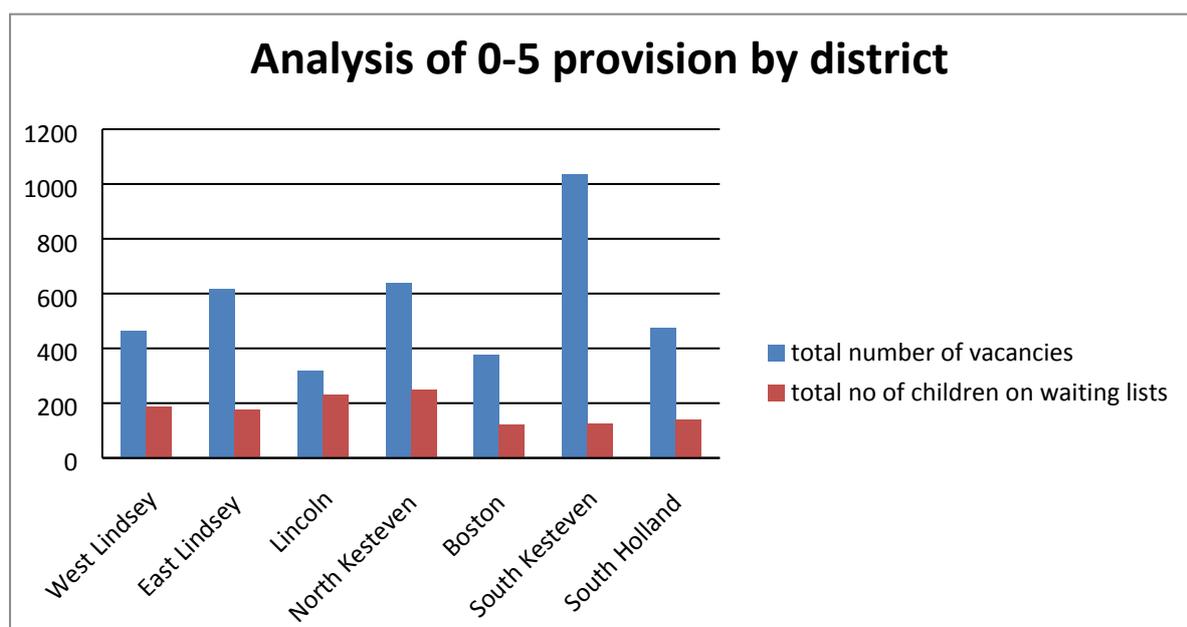
3 & 4 YEAR OLDS



Assessing waiting lists v vacancies

In the above information it is apparent that there are Vacancies that exist in the same District areas where waiting lists are in operation; however due to the size and nature of the district areas there are other considerations that must be accounted for. The local authority will need to review location, accessibility, affordability and parental preference when considering where the vacancies support the need to develop further provision. In some instance vacancies are shown in settings which have an Ofsted grading of less than good and parental preference results in a demand and waiting lists in other provision in the area, however places are available and the development of additional provision would destabilise the market place. In these instances the LA would engage with the providers in the areas and provide support and guidance to improve the quality of existing provision. New provision would only be developed where clear demand can be evidenced.

When and where this becomes evident further analysis at ward level is used to identify areas by a smaller radius to consider whether demand can be matched with vacancies.



Waiting lists

Anecdotal evidence, suggests that typically families will add their child to the waiting list of more than one local provider whatever the age of the child to enhance the chances of getting a place and supporting their return to work. This clearly represents duplication on waiting list numbers and distorts the number of places required and therefore the number of children not able to take up a place.

To mitigate this duplication, the local authority assume that children may be on as many as 3 waiting lists for different settings (based on a sample of feedback) and therefore this needs to be considered when reviewing the data. Other factors need also to be considered for example a parent when they are pregnant may put their name down for a place but not require a place for up to a year and this can also distort this information collected, in future capacity audits we intend to amend the questions to provide a more robust data set regarding places required at the point of data collection and future demand for provision. This will assist with planning timeframes for development of provision.

Summary of the analysis

As you can see from the table above there are no districts that have greater waiting lists than the number of vacancies when measuring 0-5 provision in each area as a collective however due to the complexities described above there are areas that will need to be a focus of development which are detailed in the priorities and planning section below. It becomes more apparent the focus when reviewing provision by age ranges.

In the 0-2 age range there are two areas (West Lindsey and Lincoln) which have greater numbers of vacancies to the waiting lists and one area which is almost equivalent (Boston), this will need further investigations and work with providers to review the market place and provision in these areas. For 2 year old provision one area will be reviewed (Lincoln) due to the level of vacancies and one area (Boston) will be reviewed due to the low take up of EYE provision in this district. For 3 and 4 years old places a the data suggests that one area needs to be reviewed (Lincoln)

Lincolnshire are currently funding 2,429 children to access the 2 year old entitlement (data recorded at the end of March 2015) which represents 73% of the total eligible families.

Lincolnshire has agreed places for 2,849 children to access their free education place from April 2015 which represents 86% of the total potentially eligible appearing in the latest list produced by the DWP. This exceeds the national take-up which is currently 62% (Statistics supplied by the Department for Education in March 2015)

The number of Early Years Providers delivering funded 2 year old places continues to rise and there are currently 442 providers offering the entitlement for 2 year olds in Lincolnshire, this includes 166 Childminders and 20 school governed providers. This is 85% of all providers delivering free education places to 3 and 4 year olds. The Service is continuing to build this offer to ensure high quality provision is available for all eligible children in Lincolnshire. The DfE has commended the local authority's progress with the initiative.

The number of 3 and 4 year olds accessing the free entitlement continues to rise and national figures published in January 2014 indicate that 97% of 3 and 4 year old children accessed their free entitlement in Lincolnshire in 2012. This is above the national figure of 96% and on par with the regional East Midland figure of 97%. The increase in children accessing the 2 year old entitlement can be seen to be having an impact as children transition into accessing the 3/4 year old offer.

Lincolnshire has a large number of childminders who are not yet registered to deliver the Early Years Entitlements, these providers all have additional places available for parents who wish to pay for provision as this is their preference or the childminder is able to offer additional childcare outside of the EYE which they may access through an alternative provision.

5 PLANNING TO MEET IDENTIFIED NEEDS

The local authority acts as an enabler and a commissioner of services rather than a direct provider of childcare services. The PVI sector in the county is diverse and continues to strengthen. Due to the rural nature of the county many of our providers are sole traders, or small partnerships. This infrastructure supports many direct and indirect jobs which larger companies do not find an attractive business proposition in our county.

- A. Work with the sector to identify provision where sufficiency gaps have been identified. Further in depth local analysis will be required in the following areas

0-2 places	2y old places	3 & 4y old places
West Lindsey	Lincoln	Lincoln
Lincoln	Boston	
Boston		

- B. Continue to work with providers to complete capital investment projects that are in progress.
- C. Set up a sustainability fund to support existing provision with high numbers of children – support sufficiency of places (acutely linked)
- D. Target available capital funding to areas of greatest priority with a focus on 2 year old provision and gaps identified, develop robust process for allocation.

To address the sufficiency gaps within Lincolnshire, the Birth to Five Service has carried out some developments as part of a targeted funding programme to enable providers to deliver sufficient, high quality, early education places to eligible two year olds. Some of these developments are in progress and there are other areas being identified where developments have not yet started.

Previous sufficiency analysis identified where capital funding was required to give assistance to early years' childcare providers by administering a Premises Improvement Grant. This was a discretionary grant and was awarded against specific criteria. The grant scheme for private providers did not seek to fully fund projects but contribute in order to ensure creation of the new places. As part of the application process providers were asked to demonstrate what financial commitment they had to offer as part of the programme.

These small businesses and voluntary organisations provide significant and vital services for families on behalf of the county. Access to inward investment and external funding for capital for small businesses poses a huge challenge in our county. Many funders traditionally

see early years and childcare as the responsibility of the local authority under the education banner thereby limiting accessibility.

Lincolnshire's childcare market has been developed over the years using a combination of grant funding and providers funding to meet the sufficiency duty. Many of our properties are leased back to the Private, Voluntary or Independent sector. They are housed in a variety of purpose built and remodelled buildings including Children's Centres, remodelled schools, purpose built schools with integrated childcare facilities, Chance to Shares, youth buildings and Lincolnshire County Council community buildings.

To ensure that all eligible 2 year old children are able to access their entitlement, capital funding has been made available to local authorities to support the development of new places and the improvement of existing places. The local authority must consider the transition from 2 year old places to access of the Early Years Entitlement for 3 and 4 year olds. Therefore, when considering any investments the local authority must use the data for both of these age ranges.

As part of the continued commitment to develop new places for 2 year olds in Lincolnshire, we propose to use the same method for capital investment and small grants to childcare providers to support quality.

In compiling this report the Birth to Five Service has liaised with the Performance assurance and Property planning Team. Future work between the Birth to Five Service and the Property Team has been planned to ensure that there is a clear and concise co-ordinated approach with a suitable process in ensuring and addressing future sufficiency requirements.

6 REPORTING

Lincolnshire County Council will produce and publish the sufficiency report annually in accordance with the early education and childcare statutory guidance for local authorities (September 2014).

This report is presented to Senior Managers and elected members, a summary will be published on the Lincolnshire County Council website giving details of the outcome of the assessment with details of key finding and priorities for the year to ensure parents and carers have the information they require on sufficiency of childcare in their area.

7 PRIORITIES 2015-16

Summary of 2015-16 priorities
Undertake further analysis of the priorities districts identified above in relation to the potential gaps identified
Develop proposals and undertake developments for the delivery of sustainable provision in response to the analysis where evidence support new provision
Continue to raise awareness of the 2 year old EYE provision to eligible families. With a focus areas of low take up
Work directly with providers who have Ofsted grading of less than good to improve quality and to increase the opportunity for every child in Lincolnshire to have access to good or outstanding provision
Encourage and promote more childminders to become registered to deliver EYE provision in order to support families to have greater choice in their area supporting the sufficiency agenda
Continue to monitor and review the level of provision for 3 and 4 year olds to ensure the LA can meet their statutory duties

This page is intentionally left blank