

Report Title:	Update on Childcare Sufficiency Assessment
Meeting for:	Children & Young People Scrutiny Commission
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Summary

- This report provides the Children and Young People Scrutiny Commission with an update on the the challenges involving the supply and demand for childcare places since the full reopening of settings after lockdown in the summer term 2020
- The report also provides a brief account of the challenges involved in business sustainability within the Early Years Childcare sector.

1. Number of Settings and Childminders operating

- 1.1. Contrary to the national picture, the supply of provision within the early years sector in Hackney has remained broadly stable since the full reopening of schools and settings in June 2020.
- 1.2. During this period, there has been a small increase in the total number of childcare providers registered with Ofsted. In March 2020 there were 130 registered settings and 31 October 2020 this has increased to 131. There are three settings (2%) though, whilst still registered with Ofsted, are not currently open, two of whom are unlikely to reopen. The reasons cited for the closure are not Covid related.
- 1.3. This compares favorably with the national picture. On 12 November, the most recent weekly operating status and attendance data available, showed 10% of childcare settings remained closed.
- 1.4. The number of registered childminders has remained constant. There are currently 176 in Hackney. During lockdown, when childcare providers could only look after vulnerable children and children of critical workers, 44 childminders were operating. The number of childminders looking after children has gradually increased since the restrictions were lifted on 4 June and now stands at 97.
- 1.5. Whilst it appears that up to 45% of childminders are not minding, this is not an unusual picture as many childminders retain Ofsted registration despite not working. The process of re-registering is a long and complex one thereby discouraging childminders from resigning their registration.
- 1.6. In addition to the 131 registered settings, there are 2 nursery schools who continue to receive DfE supplementary income to support sustainability, as they adjust to the national funding formula for 3 and 4 year olds. It is unclear how long nursery schools will continue to receive the supplementary income, or whether or not this will be replaced by another funding stream.

2. Number of Children attending Early Years Provision

- 2.1. Since the middle of September the number of children attending registered Early Years provision excluding maintained schools, has increased by approximately 1000 children to a total of 4620. Currently there are 841 children attending a Children's Centre, 1068 children attending an Independent school and 2459 children attending a private or voluntary sector nursery. In addition 252 children are being reported as accessing daycare with a childminder.
- 2.2. Whilst there is a clear picture of the number of children attending a Hackney setting, until the Autumn term census has been completed and analysed, it is not possible to give a definitive report on whether there has been a reduction in the number of hours children are attending, or indeed the ages of children attending. Feedback from a sample number of providers shows a mixed picture regarding demand. Some providers have reported that as many parents have moved to home working, or have lost jobs, there are fewer children attending hours in addition to the 15 / 30 hour free entitlement. This is making it hard for providers to predict future demand for places.
- 2.3. Children Centres, that have a fee structure linked to income bands, report that there has been a decline in parents from higher bands, and a number of higher band families are now moving to lower bands, thereby having an impact on income forecasts on which the Children's Centres budgets are built.
- 2.4. In addition, Children Centres that once had long admissions registers are finding that parents are opting for alternative or informal childcare options and are choosing school based provision for their 15/ 30 hour free entitlement.

- 2.5. The Family Information Service collects monthly vacancy information to, amongst other things, support the placement of two year olds. FIS reports that there has been an increase in the number of settings reporting vacancies. In November 2019, 30 settings had vacancies and this has increased to 49 in November this year, including in seven Children Centres. FIS do not ask for the number of vacancies in each setting.
- 2.6. Independent schools, that mainly serve the Charedi community, report that demand for places is just as high as ever and schools are operating at their maximum capacity.
- 2.7. Children aged 2 whose families receive certain benefits (including low income families in receipt of in-work benefits), or those who meet additional non-economic criteria, are entitled to 15 hours per week of free childcare. Parents are required to provide evidence of eligibility that is checked on a portal so Hackney Education has a detailed and accurate picture of take up. Currently 1,238 eligible two years olds are attending a Hackney setting. This compares favourably with the January census data over the previous three years; 2018, 1,363 children; 2019, 1,239 children and in 2020, 1,311 benefited from 15 hours of childcare. It is expected over the next two months before the census collection date, the brokering service will place additional children.
- 2.8. A survey of childminders indicates that 60% are as busy or busier than in previous years and that 40% are less busy. Hackney Education only collects headcount data about children in receipt of the free entitlement so year on year comparative data on the total number of children looked after by childminders is not available.

3. Business sustainability

- 3.1. The Childminder survey indicates that there is confidence in the long term financial sustainability of childminding. Of those that responded to the survey, 90% expressed confidence that they would be able to maintain their business going forward. 10% stated they were 'unsure', whilst no childminders reported that they were not confident about their future provision.
- 3.2. Independent schools, when asked about business sustainability, reported that although there were considerable additional costs incurred for establishing effective home learning during the lockdown, purchasing cleaning materials and protective equipment, the schools would be able to continue operating.
- 3.3. In the private and voluntary sector there is more of a mixed picture with some settings struggling financially. One manager states, 'Currently we have seen a great decline in funded children attending the nursery especially since COVID-19 crisis. This has severely impacted us since we rely solely on the large numbers of the funded children attending the nursery to sustain our business. Currently we have only 30 children on funding and we cannot continue to sustain the business without our numbers of funded children increasing, however based on the current economic crisis we cannot see that happening at all. Parents/Carers are losing their jobs and also some are too worried to bring their children to the nursery.'

4. Further challenges

- 4.1. Early Years settings and childminders have faced a number of additional challenges, alongside financial considerations since the full re-opening of provision.
- 4.2. Many providers have reported that children with SEND have missed the consistent routines and expectations that come with regular attendance at a nursery, that behaviour has been more difficult to manage and that COVID has had a negative impact on children's development and progress

- 4.3. Providers report that lockdown has impacted on children's learning and development particularly in the areas of communication and language, the development of physical skill and on children's emotional confidence.
- 4.4. Providers also report that supporting staff anxieties, managing the COVID secure regimes and supporting parents has presented further challenges.

5. Ongoing data collection

- 5.1. Hackney Education, through the Family Information Service, will continue to collect weekly attendance data from Early Years providers and childminders. This data is submitted to the Department for Education.
- 5.2. Headcount data for the Autumn term will be collected in the first week in December. This will provide Hackney Education with a clearer picture of the ages of children and total number of hours attended and thereby allow comparisons to be made with previous years.
- 5.3. Family Information Service will continue to request information about vacancies to support the two year old brokering service and enable signposting for parents requiring a childminder.