

Overview & Scrutiny

Children & Young People Scrutiny Commission

Date of meeting:	27 June 2023
Report title:	Sufficiency of Childcare Places
Report author:	Donna Thomas, Head of Early Years, Early Help and Wellbeing
Authorised by:	Paul Senior, Interim Director of Education
Report Summary:	<p>The most recent childcare sufficiency assessment was completed in June 2022 and presented to the Children & Young People Scrutiny Commission. In line with requirements of the associate statutory framework it is not due to be refreshed until May 2024.</p> <p>This report provides an update on Ofsted outcomes in early Years settings, the take up of 2, 3 and 4 year old entitlements, the number of providers in different types of Early Years settings and an indication about the number of vacancies for childcare places. The report also provides details regarding the take up and use of Early Years Inclusion Funding.</p> <p>The report also outlines the main features of the Early Years Funding reforms highlighted by the Chancellor in the Spring budget although at the writing, there has been very little in the way of concrete information for local authorities.</p>

Report to the Children & Young People Scrutiny Commission

Report title: Sufficiency of Child Care Places

Meeting date: 27 June 2023

Report author: Donna Thomas / Tim Wooldridge

Introduction

Hackney has maintained its position as a high performing borough in relation to inspection outcomes in maintained school provision and in pre-school provision.

There continues to be a sufficient supply of childcare provision to meet the needs of children requiring funded childcare places.

The number of children taking-up funded early education aged 2 has decreased in Spring 2023 but the percentage take up has increased due to reduction in the number of eligible children. The take-up of universal funded early education for 3 and 4 year olds remains consistent with previous years.

The total number of early years childcare providers remains stable, as does the number of places available.

Quality of Childcare

Each year Ofsted provides a summary of inspections that have taken place during the year alongside a summary of outcomes overall. This allows for comparisons to be made against local and national indicators. The tables below show outcomes in four types of EY providers; Childminders, Childcare on non-domestic premises and Childcare on Domestic Premises.

The figures show that Hackney childminders and settings have received Ofsted judgements that are either in line or slightly better than London and England.

Table 1 - Percentage of 'Overall effectiveness' of active early years registered childminders at their most recent inspection (August 2022)

Childminders	Outstanding	Good	Requires Improvement	Inadequate
Hackney	7%	89%	4%	0%
London	10%	85%	4%	1%
England	12%	84%	2%	1%

Table 2 - Percentage of 'Overall effectiveness' of active early years registered Day Nurseries (Childcare on Domestic Premises) at their most recent inspection (August 2022)

Childcare on non-domestic premises	Outstanding	Good	Requires Improvement	Inadequate
Hackney	18%	80%	2%	0%
London	17%	78%	3%	2%
England	18%	78%	3%	1%

Table 3 - Percentage of 'Overall effectiveness' of active early years registered Day Nurseries (Childcare on Domestic Premises) at their most recent inspection (August 2022)

Childcare on domestic premises	Outstanding	Good	Requires Improvement	Inadequate
Hackney	50%	50%	0%	0%
London	24%	74%	2%	0%
England	20%	70%	4%	5%

Source: <https://www.gov.uk/government/statistics/childcare-providers-and-inspections-as-at-31-august-2022/main-findings-childcare-providers-and-inspections-as-at-31-august-2022>

In Hackney there are 29 Independent schools of which 21 have Early Years departments. Out of the 21 schools, 20 have had an inspection. All independent schools are required to meet the government's independent school standards. There are 8 parts to the standards, which cover areas such as quality of education, student welfare, and leadership and management. Inspectors reach a judgement about a schools' 'Overall Effectiveness' with separate categories for Quality of Education, Behaviour and Attitudes, Personal Development, Leadership and Management with a further two for Early Years and the Sixth Form.

Table 4 - Shows the number of Independent schools grades for 'Overall effectiveness' and 'Early Years' at their most recent inspection (August 2022)

Independent Schools	Outstanding	Good	Requires Improvement	Inadequate
Overall Effectiveness	0	4	6	11
Early Years	1	5	5	9

Source: <https://www.gov.uk/government/statistics/non-association-independent-schools-inspections-and-outcomes-in-england-august-2022>

In the state funded school sector, as at 31st December 2022, there were sixty primary schools, including two maintained nursery schools. 57 schools were judged to be Good or Outstanding with three judged Requires Improvement.

Source: <https://www.gov.uk/government/statistics/state-funded-schools-inspections-and-outcomes-as-at-31-december-2022>

Free Early Education Entitlement

1. Free Education Entitlement for 2 year olds

Children aged 2 whose families receive certain benefits (including Income support, Income based Job Seekers Allowance, Income related Employment and Support Allowance, Tax Credits and have an annual family income of under £16,190 before tax, Universal Credit and have an annual family income of under £15,400 after tax or support through part 6 of the Immigration and Asylum Act) are entitled to 15 hours per week for 38 weeks per year.

Table 5 - Number of two year olds children taking up the free education entitlement

	2018	2019	2020	2021	2022	2023
Number of two year olds	1363	1239	1311	1089	1160	1122

The number of eligible two year old children varies each year. The table below shows the number of children the Department of Work and Pensions (DWP) believe are eligible. There has been a decrease of over 250 eligible children since 2021 and over 650 since 2018.

Table 5 - Total number of two year olds eligible for Free Education Entitlement

	2018	2019	2020	2021	2022	2023
Number of eligible two year olds	2310	2065	1767	1901	1766	1647

The two tables (4 & 5) allow us to benchmark the percentage of two year olds taking up their entitlements and compare locally and nationally. There has been a gradual increase in the percentage of children taking up their entitlement (with the exception of 2021) and, although Hackney has placed more children than on average across London, have a lower takeup than nationally.

Table 6 - Percentage of eligible two year old children taking up free entitlement

	2018	2019	2020	2021	2022	2023
Hackney	59%	60%	64%	57%	66%	68%
London	60%	56%	57%	50%	62%	N/A*
England	72%	68%	69%	62%	72%	N/A*

*Comparative figures from the Spring EY census are not available until later this year

2. Three and Four year olds

All three and four year olds are entitled to a free part-time nursery education place regardless of how much their families earn. The free places are for 570 hours per year which is usually taken as 15 hours a week over 38 weeks but parents can choose to take fewer hours over more weeks.

Parents can access their free entitlement places at any setting type provided they are registered with Ofsted or the DfE. These include; Childminders, Children Centres, Maintained nurseries, Nursery classes in a school, Private, Voluntary or Independent schools. The numbers of children accessing the entitlements vary from year to year.

Table 7 - Number of three and four year olds attending Hackney Early Years provider

	2018	2019	2020	2021	2022
Three year olds	3449	3534	3430	3231	3212
Four year olds	3440	3517	3610	3446	3387

Three & four year olds	6889	7051	7040	6677	6599
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Source: <https://explore-education-statistics.service.gov.uk/data-tables/fast-track/ea9e8838-7024-4bf1-b4aa-7700bfc5660e>

3. Ratio of Two, Three and Four year olds and provider type

There has been some fluctuation in where children are accessing the free education entitlement between provider types. The number of funded children with Childminders has increased by almost 50% while the number of children attending Independent schools has fallen by 12%.

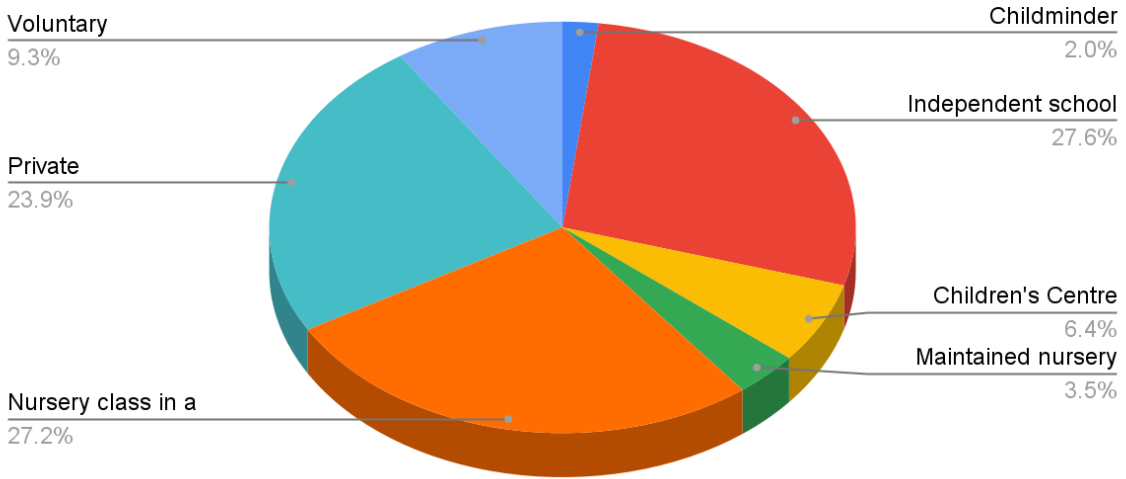
Table 8 - Total number of 2, 3 and 4 year olds by provider type

	2021	2022	2023
Childminder	121	146	173
Independent school	1686	1602	1432
Children's Centre	391	410	413
Maintained nursery	216	208	210
Nursery class in maintained school	1666	1644	1544
Private	1463	1502	1448
Voluntary	571	653	682

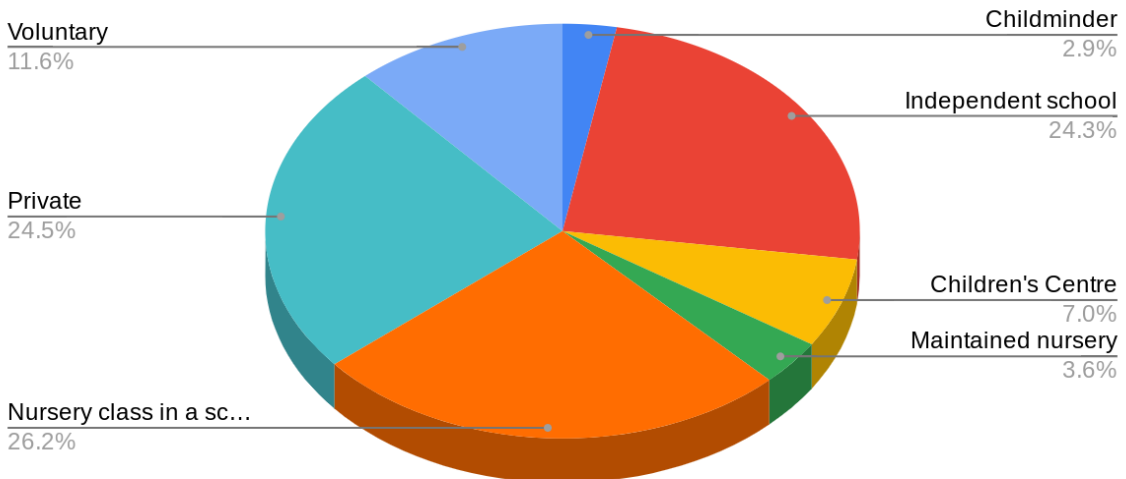
In 2023, Independent schools made up 24.3% of the total cohort having previously in 2021 been 27.6%, Childminders increased their share from 2% to 2.9% while children attending the voluntary sector as a percentage increased from 9.3% to 11.6%.

Chart 1 - Percentage of two, three and four year attended Hackney provision in 2021 and 2023

2021



2023



4. Thirty hours free education entitlement for some 3 and 4 year olds (Extended entitlement)

Some working parents are eligible for an additional 15 hours of free childcare for their 3 and 4 year olds. These families are able to access up to 30 hours of free childcare a week, 38 weeks a year.

Both parents are required to be working, or for lone parent families where that parent is working, and earn the equivalent of at least 16 hours per week at the National Living Wage or National Minimum Wage.

Table 9 - Number of children in receipt of 30 hours funding

	2018	2019	2020	2021	2022
Three year olds	1041	1207	1241	1158	1225
Four year olds	542	711	850	742	819
Three & four year olds	1583	1918	2091	1900	2044

The percentage of three and four year olds children accessing the extended entitlement has increased over the previous five years - almost one third of children currently access the Extended Entitlement.

Table 10 - The percentage of three and four year olds accessing the Extended Entitlement

	2018	2019	2020	2021	2022
% of total accessing Extended 30 hours	23%	27%	30%	28%	31%

Early Years Occupancy and Vacancy rates

The total number of providers has changed slightly since the Childcare Sufficiency report (2022). Despite several settings having closed the number of day nurseries has increased and now stands at 110 (an increase of 2 settings). The number of independent schools with Early Years provision and the number of nursery classes in schools remains the same. There has been a reduction in the number of Childminders registered with Ofsted from 163 to 152. In addition however, there are 14 childminders in Hackney who are registered with a Childminder agency.

Table 11 - Number of Childcare providers by type 2022- 2023

Childcare Provider Type	Number of settings	
	2022	2023

Childminder	163	152
Day nursery	89	85
Children's centre nursery	14	14
Pre-school playgroup	13	11
Nursery school	2	2
Independent school with early years provision	21	21

The most recent full assessment of occupancy and vacancy rates was carried out in April 2022. At that time there were 381 full time vacancies for children under two years old, 860 full time vacancies for children aged two years old and 1,238 vacancies for children aged three to five. The next full assessment of capacity, occupancy and vacancy information will take place in November 2023. Hackney Family Information Service (FIS) however collects information from settings on a monthly basis although it is not as comprehensive as the full survey.

The monthly collection of vacancy information is an optional service for settings. Between 50 - 70 responses are received each month Information is then collated and posted on the website the first week of the following month as a monthly guide. Please see the links below:

Nursery and pre-school:

<https://education.hackney.gov.uk/content/nurseries-and-playgroups>

Childminders:

<https://education.hackney.gov.uk/content/childminders>

95% of settings who complete the survey report vacancies. It could be the case that some settings do not respond as they do not have any vacancies available they wish to be advertised. In addition, nearly all Charedi community nurseries do not reply to the offer to advertise vacancy information.

Update on staffing

Child Care providers continue to report challenges in recruiting sufficient well qualified staff. To support settings Hackney Education are working in partnership with New City College, Shoreditch to deliver a Foundation Degree course and an accredited Level 3 in Childcare. The Level 3 course which is due to start in September currently has 20 practitioners and settings interested.

Childcare funding reforms

In March 2023 the Chancellor announced a significant expansion in the amount of free childcare that working families can access. By 2027-28, the government will fund 30 free hours per week for working parents with children aged 9 months up to 3 years in England, where eligibility will match the existing 3 and 4 year old Extended Entitlement offer.

The government has also stated there will be a ‘substantial uplifting’ of the hourly funding rate paid to providers to deliver the existing free hours offered in England. The government asserts this will help providers to manage cost pressures, and develop the necessary capacity to deliver the new free hours offer as well as raising the quality of provision.

The government will provide £204m nationally in 2023-24, paid from September 2023, and £288m in 2024-25.

Childminder grants will be made available to attract people to childminding, with £1200 for those who register with a childminder agency and £600 for those who register with Ofsted.

Grants will become available from Autumn 2023.

Changes will be made to the Early Years Foundation Stage statutory framework to improve flexibility for providers and support the workforce. The EYFS will clarify that childminders can care for more than the specified maximum of three children under the age of 5 if they are caring for siblings of children they already care for (rather than just ‘babies’), or if the childminder is caring for their own baby or child (rather than just ‘baby’).

In addition, the government will proceed with changing staff-to-child ratios from 1:4 to 1:5 for 2 year olds in England, to align with Scotland and other countries. These will be new statutory minimums. Providers will continue to decide the staffing levels to meet the needs of the children in their care. This change will come into force from September 2023, subject to parliamentary procedure.

The changes will be introduced gradually over the next two years

When	Introduction of new arrangements
Sept 2023	Childminder grants become available Uplift to the 3 & 4 Year Old and 2 Year Old funding rate Staff:child two year old ratio change
April 2024	15 hrs for eligible working parents of 2 year olds introduced
Sept 2024	15 hrs for eligible working parents of children 9 months plus introduced
Sept 2025	30 hrs for eligible working parents of children from 9 months to primary school age introduced

All providers have been briefed on the proposals. As further details emerge, these will be shared and support provided.

Nature and level of wraparound in schools

Family Information service (FIS) collect and disseminate information about Breakfast and After-school clubs and activities that are available during the holiday. Information about the offer from all primary schools can be found here;

<https://education.hackney.gov.uk/content/after-school-and-holiday-clubs>

All primary schools operate an 'extended day' offering care and education services for children from 8am - 6pm, either within the school or in partnership with other local organisations. Breakfast Clubs usually cost between £1 and £4 a session. After School clubs involve a range of activities including sports, mathematics, drama, dance, usually until 4.30pm. The nature of the activities often vary over the course of the year. There are many free activities although some are charged and costs range from £4 and £15 per session. After school club care is often held on school premises but occasionally the premises are external from the school.

The full offer from both schools and other organisations can be found here;

<https://education.hackney.gov.uk/sites/default/files/document/Afterschool%20and%20Breakfast%20Clubs%20in%20Hackney.pdf>

SEND support in early years - access to and use of Inclusion Fund

All local authorities are required by the DfE to have an Inclusion Fund for 3 & 4 year olds with special educational needs and disabilities (SEND) who are taking their early years entitlements. Funding is allocated to promote the inclusion of children who may require higher levels of support within a pre-school setting. All early years providers (including Private, Voluntary and Independent settings, Childminders and maintained nursery classes) that are eligible to receive funding for the 3 & 4 year old entitlements, are also eligible to receive support through the Early Years SEND Inclusion Fund. Hackney also currently offers Early Years SEND Inclusion Funding to 2 year olds in receipt of the free entitlement.

In April 2023 the guidance, application form and awarding process was updated following consultation with providers. The changes link levels of funding to each child's learning and developmental delay, extend the period of time in which funding could be paid and clarifies the supporting evidence required as part of the application process prior to the awarding of additional funding. The panel that reviews applications and awards funding meets each month rather than once a term under the previous arrangements.

The level of funding ranges from £4 - £10 per hour for two year olds and from £2 - £10 for three and four year olds. This is in addition to the free entitlement funding, and any Disability Access Fund and Early Year Pupil Premium payments.

Prior to the revision of the Inclusion Fund guidance, applications were assessed termly. In the summer term 2020 the Inclusion Fund supported 179 children to access their 3 and 4 year old entitlements. By 2022 this had increased to 247 children.

From April 2023, applications were assessed monthly in response to providers' requests that the Inclusion Fund be more responsive to children's immediate needs. In April, 117 children were funded. In May, a further 109 children were in receipt of funding.