

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

REPORT OF THE EXECUTIVE DIRECTOR, CHILDREN'S SERVICES TO CABINET 1 DECEMBER 2021

Public or Private: Public

ANNUAL REVIEW OF THE SUFFICIENCY OF EARLY YEARS PROVISION

1.0 PURPOSE OF REPORT

- 1.1 To inform Cabinet of the findings of the 2021 Childcare Sufficiency Assessment in the Borough.

2.0 RECOMMENDATIONS

- 2.1 **That Cabinet notes the outcomes of the annual review of the sufficiency of early years provision in the Borough and endorses the actions to be taken to maintain resilience within the sector which supports the sustainability of provision as indicated in Section 5 of this report.**

3.0 INTRODUCTION

- 3.1 Local authorities are required by legislation to 'secure sufficient childcare' under the Childcare Act (2006) and should report annually on how they are meeting their duty to secure sufficient childcare. Local authorities are responsible for determining the appropriate level of detail in their report, the geographical division and date of publication.
- 3.2 The Barnsley Childcare Sufficiency Assessment (CSA) (*Please see Appendix 1*) was produced from information gathered from providers in the Summer Term 2021. This year the Childcare Sufficiency Assessment was produced in conjunction with a leading early years and sufficiency specialist (Hempsall's).
- 3.3 Due to the importance of not only the sufficiency of places this year but also the sustainability of places due to the pressure faced by providers during the Covid pandemic this report includes reference to the following:
- Assessment of the financial health of the market
 - Evaluation of providers' experiences of demand
 - Identification of the extent to which providers have been proactive in responding to changes in demand as a result of the COVID-19 pandemic
 - Evaluation of providers' assessments of their financial sustainability

- 3.4 The geographical division within the assessment is based on the six Area Council localities although a full background assessment has been undertaken at Ward level. The full report will be shared with existing and potential childcare providers and will be published on the Council's website

4.0 PROPOSAL AND JUSTIFICATION

4.1 Key Findings

- 4.2 There is sufficient Early Years provision across the Borough to meet current needs with a vacancy rate which can accommodate future demand for childcare. The annual assessment highlights, however, a small number of areas where we continue to monitor provision due to known pressures. In these localities, for example North and Dearne areas, families access early years and childcare provision in neighbouring areas, through Childminders or closer to their place of work/close to other family members.
- 4.3 There is a good mix of provision across Barnsley enabling parents and carers to exercise choice in childcare. There has been an overall decrease in childminding and pre-school/sessional provision, however, overall capacity in terms of the number of places available has remained largely unchanged since the 2018/2019 Childcare Sufficiency Assessment.
- 4.4 Childcare settings reported changes in levels and patterns of demand since the start of the COVID-19 pandemic which have impacted differently on different types of provision. Findings indicate a need to provide business support to settings experiencing a lack of financial security or confidence in their sustainability over the short term (the next six to 12 months) particularly if demand is forecast to increase either as a result of coming out of the pandemic in the short term, or as a result of new housing developments over the next few years.
- 4.5 Provision for children aged under five
- 4.6 There has been an overall decrease in the number of registered childcare settings in Barnsley, particularly in childminding where the number of registered active childminders has decreased by 31% from 168 in 2018 to 133 in 2021. All areas have experienced a decrease, with the Dearne area having the largest percentage decrease (38%) from 13 registered childminders in 2018 to 8 in 2021.
- 4.7 The number of childcare places on offer for children aged under five years (not including maintained schools) has decreased slightly from 3,684 in 2018 to 3,318 in 2021.
- 4.8 The average childcare place ratio for children aged under five is 0.33, or one place for every three children in this age group. The Dearne area has a relatively low childcare ratio (0.26) and relatively low vacancy levels, suggesting a potential sufficiency issue. On average, early years and childcare settings were using 92% of their registered capacity. A high percentage of registered

places were being used in the Penistone area and in the North East and South areas.

4.9 Provision for children aged five and older

4.10 There is currently no requirement for childcare provision for children aged over eight years old to be registered with Ofsted and the Local Authority may not hold information unless individual providers choose to share it. For example, schools may offer childcare that wraps around the school day, or school-based activities at the end of the school day. Such provision is not included in the following place estimates.

4.11 There are 1,319 registered places for children aged five years old and over. The majority of places are provided up to the age of 11 but places are offered for children over 11 particularly when a child has a special educational need. On average, early years and childcare settings were using 87% of their registered capacity for this purpose. A high percentage of registered places were being used in the Penistone and North areas.

4.12 The impact of COVID-19 on registered early years provision

4.13 Respondents identified a general decrease in demand for early years and childcare since the start of the COVID-19 pandemic, with over a third reporting a decrease, compared to 19% reporting an increase. Lower levels of demand have impacted more on childminders (38% reported a decrease) and out of school settings (77% reported a decrease). Conversely, a higher percentage of group settings (day nursery, preschool/sessional, family centre and community/voluntary nursery) reported an increase in demand (38% compared to 19% overall).

4.14 Changes in patterns of demand

4.15 Respondents reported a trend towards parents and carers wanting to use fewer hours or shorter days and less demand for paid for hours, particularly in group and out of school settings. Changed demand patterns have impacted differently across the sector. A high percentage of childminders (51%) reported parents and carers wanting fewer hours or shorter days compared to 28% of group settings. There is, however, a differing picture within provider types as 34% of group settings reported an increase in demand for paid for hours and 41% reported a decrease.

4.16 Despite reported changes to levels of demand and patterns of demand, nearly two-thirds of respondents (63%) had not changed their provision as a result of COVID-19. Where changes have been made the most common were around offering fewer places, shorter days or fewer days.

4.17 The early years and childcare workforce

4.18 Provider survey data identified an early years and childcare workforce of around 820 excluding maintained nursery staff, the majority of whom were employed in group-based provision. At the time of the survey (June 2021), 8% of settings

had staff on furlough and the number of staff furloughed equated to just over 1% of the workforce. Since the start of the pandemic around 3% of the workforce have been made redundant.

- 4.19 Staff recruitment was identified as a concern, particularly for group settings where 65% reported staff recruitment a concern. Costs of, and access to, staff training were also reported to be of concern (identified as concerns by just over a quarter of respondents).
- 4.20 Financial sustainability and resilience
- 4.21 Provider survey responses identified some areas for concern with regards to the financial sustainability and resilience of the early years and childcare market in Barnsley. Where settings have a relatively high percentage of income from paid for hours, they may be more financially vulnerable if the trend to lower levels of demand for paid for hours continues.
- 4.22 Settings that derive income from early years funding were protected to an extent across summer and autumn terms 2020 and spring term 2021 as the Government continued to fund on expected levels or numbers based on rolls and not on actual attendance. However, this support has now been rolled back and settings were funded on actual attendance from the beginning of the Summer Term 2021. Childminders and out of school settings reported a higher reliance on paid for hours and therefore are potentially the most vulnerable.
- 4.23 In terms of current income, the majority of respondents (68%) reported projected income would be sufficient to meet their costs, with 21% forecasting a loss. Just under half of all respondents (45%) reported being confident or very confident in their setting's financial sustainability in the next six to 12 months. Related issues of income levels, financial sustainability or resilience and cash flow were causing the greatest levels of concern amongst respondents.
- 4.24 Local authority support throughout the COVID-19 pandemic
- 4.25 Barnsley Council provided a range of support for early years and childcare settings throughout the pandemic. This included the following:
- Continuation of free entitlement funding during the first lockdown period (spring 2020)
 - Early years top-up funding in the Autumn Term 2020
 - Access to briefings, guidance and information from the Local Authority
 - Regular support (wellbeing calls, forums, wellbeing breaks)
 - Access to COVID-19 testing, PPE supplies etc
 - Emails and other media updates from the Local Authority
- 4.26 Survey findings show support was accessed by a large percentage of respondents, and was well-received, in particular the regular email and other media updates provided.

5.0 SUMMARY AND NEXT STEPS

- 5.1 Whilst the childcare sector operates within a market, the Local Authority has a role in supporting the sector. The key actions for the Local Authority arising out of the review are summarised below:
- 5.2 The Local Authority will work with childminders in areas that have a high degree of reliance on this type of provision to support sustainability by promoting provision and brokering business support.
- 5.4 The Local Authority will share information from the CSA with providers and encourage and support all providers to review their business models and demand patterns as well as signpost settings to business support and advice.
- 5.5 The Local Authority will provide settings with access to business planning tools that support financial planning (e.g., National Day Nurseries Association [NDNA Early Years Business Zone. The Local Authority will also continue to promote vacant places and offer support through the Family Information Service to support parents who are experiencing difficulties in finding appropriate childcare. Links to these sources can be found in the full report at Appendix 1.
- 5.6 The Local Authority will develop further an understanding of the impact of the projected increase in new housing developments across the borough and develop a forecast of potential increases in demand, particularly in areas that currently show potential for insufficient childcare (e.g. Dearne due to low capacity and low vacancy rates, and other areas due to planned levels of development including Central and North).
- 5.7 The Local Authority will continue to monitor the financial health of the early years and childcare market termly, to identify any new risks, or where current risks decrease, adjusting market management strategies accordingly.
- 5.8 The Local Authority will work with local colleges, schools, universities and local apprenticeship providers to promote childcare as a career and to support the identification and provision of affordable training opportunities for parents and families.

6.0 CONSIDERATION OF ALTERNATIVE APPROACHES

- 6.1 The purpose of this report is to set out for Cabinet the findings of the statutory childcare sufficiency assessment and the responsibility for ensuring there are sufficient child-care places to meet the needs of the Borough.

7.0 IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

- 7.1 This report includes reference to areas within the Borough where there are variations in child-care provision, including through the impact of the Covid-19 Pandemic. These references together with any resulting action are made particularly within Paragraphs 4.5; 4.7; 4.10, 5.3 and 5.6. Sufficiency of childcare is important to enable children to access high quality early education

in their community which meets their individual needs, and to enable parents and carers to access training and work.

8.0 FINANCIAL IMPLICATIONS

8.1 Consultations have taken place with representatives of the Service Director Finance (S151 Officer) and are summarised below.

8.2 There are no direct financial implications arising out the report. Paragraph 4.24 above detailed the range of financial support and assistance provided to the early years sector during the Covid-19 pandemic to improve the financial resilience of early years settings. Going forward, there is flexibility within the early years contingency funding to continue to support the council's discharge of its sufficiency duty.

9.0 EMPLOYEE IMPLICATIONS

9.1 Whilst there are no direct employee implications emerging for the Council, the report details the impact of the Covid-19 Pandemic upon the broader child-care workforce and the support which the Local Authority intends to offer as part of improving the resilience and sustainability of provision within the Borough.

10.0 LEGAL IMPLICATIONS

10.1 There are no unanticipated legal implications which have arisen for the Council through this report.

11.1 CUSTOMER AND DIGITAL IMPLICATIONS

11.1 There are no adverse implications for Council customers in accessing Council services through the current range of channels or for the onus towards digital transactions emerging through this report.

12.1 COMMUNICATIONS IMPLICATIONS

12.1 The outcomes of the Annual Review will be published on the Council's Web site and widely shared with partners and the public as part of improving the long-term sustainability of the sector and promoting provision so that child-care and early years needs are fully met in the Borough.

13.0 CONSULTATIONS

13.1 The outcomes of the Annual Review have been reported to our early years' partners and the Council's Senior Management Team which has endorsed the proposed action outlined in Section 5.0 of this report.

14.0 EQUALITY IMPACT

14.1 A full equality impact assessment has been conducted on the outcomes and proposed actions which have been identified through the Annual Review and is

appended to the report (*Please see Appendix 2*).

15.0 THE COUNCIL PLAN AND THE PERFORMANCE MANAGEMENT FRAMEWORK

- 15.1 Sufficient, thriving early years and child-care provision which meets the needs of children and families in the Borough, support two outcomes of the *Learning Barnsley* strand of the 'Be Even Better' Strategy, namely that "Children and young people achieve the best outcomes through improved educational attainment" and "Children and families have access to early help and support".
- 15.2 The benefits to parents also support the outcomes for the *Growing Barnsley* strand through enabling them to remain active in the employment market and to help develop social capital within communities.
- 15.3 Two of our 'Critical Success Factors' within the Be Even Better Strategy are firstly, the percentage of early years and child-care settings judged to be 'Good' or 'Outstanding' by Ofsted in which Barnsley has consistently been in the top quartile of best performing areas in the country and, secondly, the percentage take-up of the child-care offer for children aged 2 where our performance has remained stable against the local target over the past 18 months and remains above the national average.

16.0 TACKLING THE IMPACT OF POVERTY

- 16.1 Both early years provision and children's social care practice is informed through the development of a greater insight into the impact of poverty, multiple forms of deprivation and social exclusion upon the cohesion of families and to address this via a whole-Council, multi-agency approach. The role of good early years provision has been proven to have a positive impact on the future life chances and opportunities for children and young people.

17.0 TACKLING HEALTH INEQUALITIES

- 17.1 Please see Paragraph 16.1

18.0 REDUCTION OF CRIME AND DISORDER

- 18.1 There are no implications for tackling, crime and disorder or anti-social behaviour emerging through consideration of this report.

19.0 RISK MANAGEMENT ISSUES

- 19.1 Actions to be taken to support the long-term sustainability of the local early years and child-care market will be incorporated in the Education, Early Start and Prevention Service's operational risk register and regularly monitored to ensure the effectiveness of these actions.

20.0 HEALTH, SAFETY AND EMERGENCY RESILIENCE ISSUES

20.1 The impact of the Pandemic upon demand and provision is particularly noted in Paragraphs 4.12 – 4.15 of the report.

21.0 COMPATIBILITY WITH THE EUROPEAN CONVENTION ON HUMAN RIGHTS

21.1 The sufficiency of early years and child-care provision in the Borough accords with the Articles and Protocols of the Convention and the rights of the child.

22.0 CONSERVATION OF BIODIVERSITY

22.1 There are no implications for the local environment, tackling climate change or the conservation of biodiversity arising through this report.

23.0 GLOSSARY

23.1 None, applicable

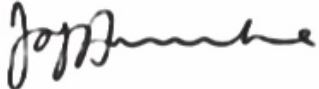
24.0. LIST OF APPENDICES

24.1 Appendix 1: Annual Review of the Sufficiency of Early Years Provision
Appendix 2: Equality Impact Assessment

25.0 BACKGROUND PAPERS

25.1 If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

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Financial Implications/Consultation

Joshua Amahwe (25/10/2021)
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(To be signed by senior Financial Services officer where no financial implications)