

Brighton & Hove City Council

Children, Families & Schools Committee

Agenda Item 12

Subject: Childcare Sufficiency Assessment

Date of Meeting: 12th June 2023

Report of: Executive Director for Families, Children & Learning

Contact Officer: Name: Vicky Jenkins
Tel: 01273 296110
Email: vicky.jenkins@brighton-hove.gov.uk

Ward(s) affected: All

For general release

1. Purpose of report and policy context

- 1.1 Statutory guidance requires councils to report annually to elected council members on how they are meeting their duty to secure sufficient childcare in accordance with Section 6 of the Childcare Act 2006 (as amended), and make this report available and accessible to parents. This report informs the committee about childcare sufficiency in Brighton & Hove, parents' and providers' views of childcare in the city and the national and local policy context.
- 1.2 The report contributes to the council's [Early Years Strategic Action Plan](#) in particular to ensure that there are sufficient early years childcare places so that disadvantaged children can take up their early years free entitlement (EYFE) and parents can work.
- 1.3 The last CSA was published in 2019. The gap between CSAs is the result of the Covid-19 pandemic and capacity in the early years team.

2. Recommendations

- 2.1 Committee notes the Childcare Sufficiency Assessment (CSA) (Appendix 1).
- 2.2 The CSA is published to parents and childcare providers, so that childcare providers can develop their provision to meet local needs.
- 2.3 Further work is carried out with early years childcare providers to assess their capacity to offer the extended [childcare support offer](#)
- 2.4 Early years providers are supported to review their business and operating models, as resources allow, to ensure that with the anticipated increase in funding, standalone Early Years Free Entitlement (EYFE) provision is available as widely as possible. Further support should be put in place for staff recruitment and retention once DfE plans are known.

- 2.5 Family Hubs develop support for parents through the direct service and the digital family hub to ensure that they are able to take up their full EYFE, including the extended childcare support offer, as well as access government support with childcare costs.
- 2.6 The increased funding rates for providers for additional support and inclusion for children with SEND which came into effect from April 2023 are monitored to see whether these result in improved parental satisfaction.

3. Context and background information

- 3.1 Early education, through the early years free entitlements (EYFE) and childcare is a significant part of the council's support to parents, particularly in the early years. The current offer includes EYFE for disadvantaged two-year-olds for 15 hours a week¹, 15 hours of EYFE for all three and four year olds and an extended entitlement to 30 hours EYFE for three and four year olds of working parents. Parents can also receive help with childcare costs² through tax free childcare or a childcare element of universal credit. Parents can claim a higher amount of tax-free childcare if they have a disabled child.
- 3.2 Private nurseries, pre-schools and playgroups offer the majority of early years provision in the city, with a smaller amount by maintained providers (nursery classes in maintained schools and the two standalone nursery schools), as well as the council's family hub nurseries. Breakfast clubs for school-age children are now all school-run, with after-school clubs a mix of private providers on school and community premises, and school-run. Holiday play schemes, with one exception, are all run by private providers.
- 3.3 The Holiday Activities and Food (HAF) programme, which offers free enriching activities in the Easter, summer and Christmas holidays to school-age children on free school meals, has been in place since 2021. As "activities" and not "childcare" HAF provision is not included in the CSA.
- 3.4 The council administers EYFE funding, as approved by the Schools' Forum, which comes from the early years block of the dedicated schools grant. Funding rates from the DfE are low, and do not always meet provider costs. Rates have risen this year (2023/24) as a result of an update to the underlying data which informs the funding model, but a cap has meant that the government has not passed on the full increase. Because of low funding rates providers frequently charge parents for additional hours of early years provision, wrapping around the free hours, resulting in a limited amount of standalone EYFE available to parents.
- 3.5 The early years team has updated its provider agreement for provision of EYFE and audited all providers with a particular focus on transparency and clarity for parents, the requirement to offer standalone provision, and a clearly published offer on provider websites. This has been a time-consuming process, and has highlighted the ongoing need to work with providers to ensure compliance with [statutory guidance](#).

¹ EYFE is for 15/30 hours a week, term time only, which equates to 570/1140 hours a year.

² For provision registered with Ofsted

- 3.6 Children in Brighton & Hove are less likely to access their full EYFE entitlement³ than in the South East and England as a whole; this may be a result of the additional charges made by providers in the city who do so in order to cover their costs.
- 3.7 In the March 2023 budget, the government announced a significant increase to EYFE and childcare for working parents.
- 3.5.1 From April 2024, working parents of two-year-olds will be able to access 15 hours of free childcare.
- 3.5.2 From September 2024, 15 hours of free childcare will be extended to all children from the age of nine months.
- 3.5.3 From September 2025, working parents of children under the age of five will be entitled to 30 hours free childcare per week.
- 3.8 This increase in the EYFE offer will mean that the government, not parents, will be the largest purchaser of childcare nationally.
- 3.9 The DfE advise that there will also be an increase in funding rates for EYFE from September 2023 to around of £8.00 for two-year-olds (currently £6.13 in Brighton & Hove), and over £5.50 for three and four year olds (currently £5.02⁴ in Brighton & Hove).
- 3.10 There will also be grants for new childminders and support for schools and other providers to develop wrap around care (breakfast and after-school clubs) for school-aged children.
- 3.11 At the time of writing the DfE has not provided any details of support for local authorities and childcare providers to implement the new offer. However, while in some cases the new offer will result in parental fees being replaced by government funding (in which case there will not be additional demand for places) the Office for Budget Responsibility estimates that in England 60,000 more parents will enter the workforce as a result, while many will increase their hours.
- 3.12 The inclusion of babies in the EYFE offer for the first time will present significant challenges; many pre-schools only take children from the age of two and do not have suitable premises for babies. This may impact their sustainability with parents having to choose full day care providers in order to access their EYFE for their child from nine months old.

4. Childcare sufficiency assessment main findings

- 4.1 The CSA surveyed parents in the city through the council's consultation portal, with 482 responses. All childcare providers were surveyed, with the majority of nurseries, pre-schools, playgroups and after-school clubs responding. There was a limited response from childminders.

³ 12.5 to 15 hours a week as a proxy for the full offer

⁴ This is the gross rate – the local authority takes 5% of the total funding for central costs. The funding for three and four year olds is passed on through a formula with supplements for deprivation and quality.

- 4.2 National data regarding childcare supply, quality and costs was also analysed and is presented in the CSA.
- 4.3 The childcare market in Brighton & Hove continues to be buoyant. Although early years childcare settings have closed, mainly because of small numbers of children, new ones have opened, and overall there has been an increase in early years childcare places, which is not the case nationally. However, all the voluntary sector providers which have closed have been replaced by private providers.
- 4.4 While childcare provision is not spread evenly throughout the city, the CSA did not find any significant geographical gaps. This does not mean that parents can always find their choice of childcare in the location they prefer and the times that they want or need.
- 4.5 Parents are satisfied with the quality of provision, its location and opening hours and the way their child's individual needs are met, but less satisfied with childcare choice and flexibility.⁵ The greatest degree of dissatisfaction was with childcare affordability, with 39.5% very/fairly satisfied, compared with 49.4% in 2018.
- 4.6 In terms of ease of finding EYFE, 60.2% of parents said that it was very/fairly easy to find, compared with 70.2% in 2018. 75.8% paid for additional hours in addition to the free ones (up from 69.9% in 2018), and 74.4% said that this was because they needed more hours in order to work or train.
- 4.7 There was less satisfaction with childcare overall from parents of a child with SEND⁶ and single parent households.⁷
- 4.8 Childcare quality in the city as judged by Ofsted remains high but has recently dipped compared with South East and England. This may be a consequence of significant staff recruitment issues in the city.⁸
- 4.9 There has been a 31.5% reduction in the number of early years places with childminders in the city, higher than the national reduction of 27.3%.⁹
- 4.10 Compared with 2018 more full day care settings offer earlier morning opening with 48% open before 8 am (42% in 2018), but fewer open after 6 pm (23% in 2023, 26% in 2018)
- 4.11 Of the childminders responding to the survey six stated that that they provided care on a Saturday, and five on a Sunday meaning that options childcare for parents who want or need to work non-traditional hours are very limited.
- 4.12 Childcare costs have increased since 2018.¹⁰

⁵ However, there is less dissatisfaction with these elements of childcare than there was in the last CSA.

⁶ 50.9% of parents with a child with SEND were very/fairly satisfied with childcare arrangements overall, compared with 77.6% of parents who did not have a child with SEND.

⁷ 68.3% of single parent households wither very/fairly satisfied with childcare arrangements overall, compared with 75.3% of two parent households.

⁸ 77% of early years providers stated that they had difficulty recruiting/retaining staff

⁹ Ofsted data

¹⁰ 2018 costs in brackets

- 4.13 Average price for a full day¹¹ of childcare £65.51 (£54.00 per day in 2018). Additional hours (early opening, late closing) £11.23 per hour
- 4.14 The average price for sessional care is £6.42 per hour (£5.57 per hour in 2018).
- 4.15 The average of price of childminding is £5.73 per hour (£5.43 per hour in 2018).
- 4.16 The average price of an after-school club session is £12.99, (£12.18 in 2018).
- 4.17 The average price of a holiday playscheme is £33.64 per day,¹² (£29.56 in 2018).
- 4.18 Childcare costs in Brighton & Hove are higher than South East and England averages.
- 4.19 Childcare providers' reported significant challenges with staff recruitment and retention.¹³
- 4.20 The number of children under five in the city has fallen since 2018, which means that there are now fewer children per early years childcare place, which should result in more choice for parents. However, falling child numbers also has an impact on childcare providers' sustainability with closures as a result of low numbers.

5. Analysis & consideration of any alternative options

- 5.1 The recommendations follow statutory guidance which requires local authorities to report on how they are meeting their statutory duty to secure sufficient childcare.

6. Community engagement & consultation

- 6.1 Parent survey data was collected through Brighton & Hove City Council's consultation portal between 14th December 2022 and 29th January 2023.
- 6.2 The survey was publicised through the school's bulletin and by email to all early years providers and community groups.
- 6.3 Amaze shared the survey through its Compass database.
- 6.4 The survey was shared through social media (Facebook and Twitter) including being regularly re-tweeted by the council.
- 6.5 All Ofsted-registered childcare providers were contacted for childcare supply information, both through an online survey and directly by telephone.

6. Conclusion

¹¹ For a 10 hour day

¹² The price is for a standard day, excluding any earlier or later hours that can be purchased; day lengths range from six to 10 hours

¹³ The DfE has stated "We are continuing to explore how we best support the early years sector to recruit and retain the staff it needs. We will work closely with the sector to develop plans to grow and improve the quality of the workforce."

- 6.1 High quality childcare should continue to be supported in Brighton & Hove as part of the council's early years action plan, and as outlined in the recommendations above.

7. Financial & other implications

Financial Implications:

- 7.1 Funding for the EYFE for eligible two, three and four-year-olds is from the Dedicated Schools Grant (DSG).
- 3.1 Current funding for two-year-olds is now above the national average, but 29p per hour below the average for the southeast. Brighton & Hove's gross rate of £5.02 per hour for three and four-year-olds remains below the national average of £5.31 per hour and the southeast average of £5.36 per hour. We are still the lowest funded of unitary authorities in the southeast.

Finance Officer Consulted: Steve Williams

Date: 17/05/2023

Legal Implications:

- 7.1 Local authorities are required to report annually to elected council members on how they are meeting their duty to secure sufficient childcare in accordance with Section 6 of the Childcare Act 2006 (as amended) and make this report available and accessible to parents.

7.2 Lawyer Consulted: Serena Williams

Date: 16/05/2023

SUPPORTING DOCUMENTATION

Appendices:

1. Childcare Sufficiency Assessment

Documents in Members' Rooms

Background Documents