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**Agenda Item No: 6 (i)**

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**11 September 2019**

**Report of the Executive Director for Children's Services**

**CHILDCARE SUFFICIENCY ASSESSMENT REVIEW 2019 - 2020  
(CHILDREN'S SERVICES)**

**1. Purpose of Report**

To report to Members on the outcome of the Childcare Sufficiency Assessment Review 2019 – 2020 as required by S11 of the Childcare Act 2006.

**2. Information and Analysis**

The Childcare Act 2006 was introduced to give every child the best start in life and parents/carers a greater opportunity to balance work and family life. The Act placed a duty on the local authorities to improve outcomes for young children, reducing inequalities between them. The Childcare Act gives local authorities a key role in shaping the childcare market for their area.

In April 2008, section 6 of the Childcare Act placed a duty on local authorities to secure sufficient childcare, so far as is reasonably practicable to meet the requirements of parents in their area who require childcare to enable them to take up or remain in work or undertake training or education which could reasonably be expected to assist them to obtain work.

Although the focus is on the number of places, the local authority also takes into account affordability of provision and the Ofsted inspection outcome, in order to ensure there are sufficient 'outstanding' or 'good' places available for as many children as possible.

In order to achieve this, information and data has been gathered relating to:

- Baseline socio- economic information including population profiles and employment rates.
- Analysis of childcare places within Derbyshire through data collection and consultation with providers.
- Demand for childcare services across Derbyshire, evidenced from statistical data and parental enquiries.

### **3. Financial Considerations**

The Childcare Sufficiency Assessment and sufficiency duty is not anticipated to incur any additional financial costs. Where a need to create new places or expand existing provision is identified, officer support is available from the Early Years Sufficiency Team for business issues such as financial planning and marketing.

### **4. Legal and Human Rights Considerations**

Section 6(1) of the 2006 Childcare Act places a duty on local authorities to secure, so far as is reasonably practicable, that the provision of childcare is sufficient to meet the requirements of parents who require childcare in order to enable them to take up or remain in work or to undertake education or training which could reasonably be expected to assist them to obtain work.

Local authorities must also have regard to the guidance issued by the Secretary of State. The current statutory guidance is “Early Education and Childcare, Statutory Guidance for Local Authorities, June 2018.

The Statutory Guidance for Local Authorities establishes a legal requirement on councils to report annually to elected members on how the duty to secure sufficient childcare is being met, and make this report available and accessible to parents.

### **5. Other Considerations**

In preparing this report the relevance of the following factors have been considered: human resources, equality and diversity, health, environmental, transport, property and the prevention of crime and disorder,

**6. Background Papers**

Draft Childcare Sufficiency Assessment Review 2019 – 2020

**7. Key Decision**

No

**8. Is it necessary to waive the call in period?**

No

**9. Strategic Director for Children's Services Recommendations**

That Cabinet agree the draft as Derbyshire County Council's response to the Government's requirements.

**Jane Parfremment  
Executive Director for Children's Services**



# CHILDCARE SUFFICIENCY ASSESSMENT



REVIEW

2019 – 2020

This document provides a summary of childcare in Derbyshire to meet the statutory requirements of the early education and childcare sufficiency duty.

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# Childcare Sufficiency Assessment

## 1. AIMS AND OBJECTIVES

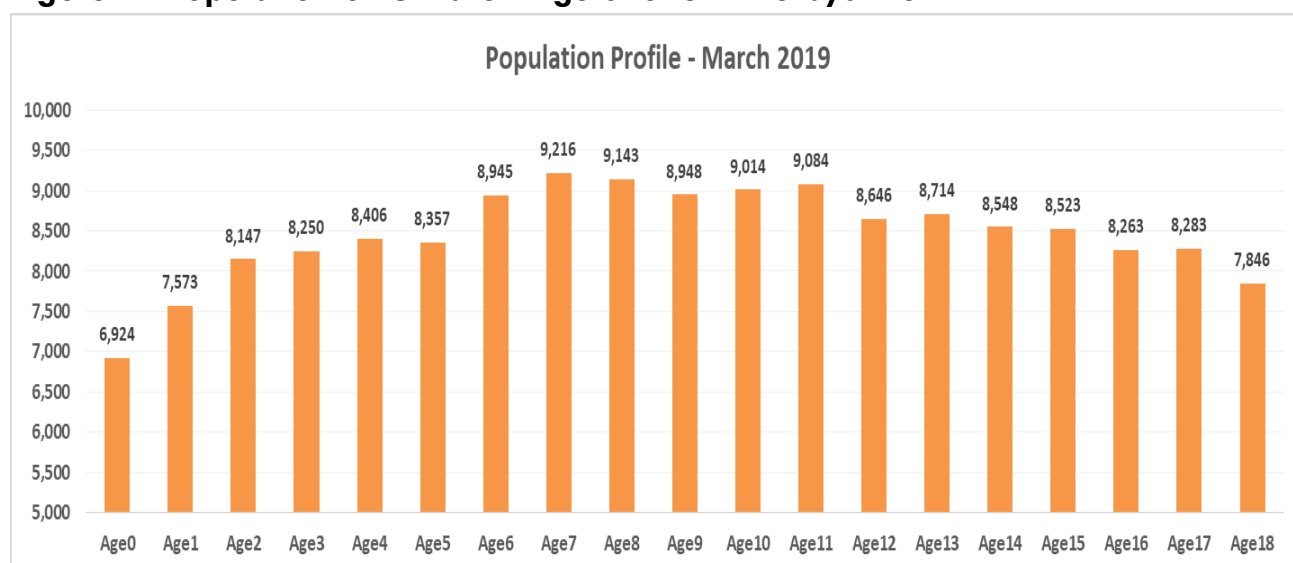
- 1.1 The purpose of this Childcare Sufficiency Assessment is to meet the statutory duty under sections 6, and 7 of the Childcare Act 2006 in line with the Early Education and Childcare Statutory Guidance. This requires the local authority to secure sufficient childcare, so far as is reasonably practicable, for working parents or parents who are studying or training for employment, for children aged 0 – 14 (or up to 18 years for disabled children).
- 1.2 It is also a requirement of the statutory duty to report annually to elected members and make this report available and accessible to parents. The report should include specific information about:
  - How the local authority is ensuring there is sufficient childcare to meet needs
  - Supply and demand of childcare, affordability, accessibility and quality of childcare provision
  - Details of how any gaps in childcare provision will be addressed.
- 1.3 The data in this report can only provide a snapshot and can change on a daily basis. While Derbyshire County Council believes this information to be correct, it does not guarantee its accuracy nor does the Council accept any liability for any direct or indirect loss or damage or other consequences, however arising from the use of such information supplied.

## 2. DERBYSHIRE OVERVIEW

### Population of Children in Derbyshire

- 2.1 Where possible the most current and relevant population data has been used in the compilation of this report, however, it is acknowledged that fluctuations in population can occur daily and therefore the figures quoted are only an estimate.
- 2.2 Understanding the population of children in the county is a key tool in the planning of early education and childcare to ensure there are sufficient childcare places, where reasonably practicable, for children age 0 – 14 and disabled children/young adults up to the age of 18.
- 2.3 Population data provided by NHS Digital based on the number of children on GP registers suggests a decline in the number of children being born in recent years which could have implications for the demand for childcare.

**Figure 1. Population of Children Age 0 to 18 in Derbyshire.**



Source: NHS Digital 4<sup>th</sup> March 2019

- 2.4 There are specific age groups that are relevant to the type of childcare required and are covered by this report in more detail. Figure 2 shows the population of Derbyshire by district and age group.



**Figure 2. Population size by age group 0 – 18**

District	Age 0 - 4	Age 5 - 11	Age 12 - 14	Age 15 - 18 (SEND)	TOTAL
Amber Valley	6,196	9,889	4,003	308	20,396
Bolsover	4,217	6,491	2,657	195	13,560
Chesterfield	5,239	8,432	3,207	246	17,124
Derbyshire Dales	2,737	4,948	2,333	184	10,202
Erewash	5,962	9,305	3,722	284	19,273
High Peak	4,451	7,209	3,052	232	14,944
North East Derbyshire	4,755	7,449	3,147	243	15,594
South Derbyshire	5,743	8,984	3,787	283	18,797
<b>TOTAL</b>	<b>39,300</b>	<b>62,707</b>	<b>25,908</b>	<b>1,975</b>	<b>129,890</b>

Source: NHS Digital 4<sup>th</sup> March 2019,

- 2.5 As shown above there are approximately 129,890 children in Derbyshire that could potentially require childcare of some form, but not all will. Some families may rely on family members rather than use formal childcare.
- 2.6 Additionally, changes in employment legislation and practices mean that there is now more flexibility in the workplace. A recent YouGov survey<sup>1</sup> has revealed that only 6% of working Britons still work the traditional 9am to 5pm day, with 42% already working flexibly in some form or another. 78% of those that worked flexibly and were parents said it allowed them to juggle work with family commitments. Clearly changes and trends in working patterns are likely to impact upon the demand for childcare.
- 2.7 Furthermore, the demand for childcare will differ in each age group, and as a child gets older the need for childcare will change or reduce. For example, Figure 2 shows there are around 25,908 children age 12 - 14 in Derbyshire that could potentially require childcare, however the demand here is significantly less than other age groups. Official consultation results released by the Department of Education in 2018

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<sup>1</sup> <https://yougov.co.uk/topics/economy/articles-reports/2018/08/24/over-nine-ten-not-working-usual-9-5-week>

suggest only 26% of children in this age group require formal childcare, therefore this figure could be as low as 6,736 <sup>2</sup>.

- 2.8 Because of all of the above factors it is only possible to estimate the potential numbers of children that will require childcare.
- 2.9 Defining the exact number of children/young people with a disability or additional needs in Derbyshire is difficult. The Office for Disability Issues (Dept. for Work and Pensions) estimates that 6% of children are disabled<sup>3</sup>. Using this figure it is estimated that there are 1975 children/young people in Derbyshire aged 15 to 18 with an additional need or disability.
- 2.10 Childcare provision for disabled children/young people with special educational needs and disabilities (SEND) is provided by mainstream childcare settings and a number of specialist services in both the maintained and PVI sectors. All childcare provision must be inclusive and not treat children less favourably because of a disability or additional need and is required by law to make 'reasonable adjustments'.
- 2.11 A feedback exercise was undertaken in 2018 with parents and carers of three and four year olds with SEND regarding the nursery education offer including the 30 hours. This small scale survey did not suggest there were any common barriers preventing children with SEND accessing the early years funded places.
- 2.12 The Derbyshire Local Offer brings together information about the services and support available for children/young people with SEND, and their families. The website can be found at <https://localoffer.derbyshire.gov.uk/>

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<sup>2</sup> [www.gov.uk/government/statistics/childcare-and-early-years-survey-of-parents-2018](https://www.gov.uk/government/statistics/childcare-and-early-years-survey-of-parents-2018)

<sup>3</sup> [www.gov.uk/government/publications/disability-facts-and-figures/disability-facts-and-figures](https://www.gov.uk/government/publications/disability-facts-and-figures/disability-facts-and-figures)

### 3. EARLY YEARS AND CHILDCARE PROVISION

#### SUPPLY OF EARLY YEARS PROVISION FOR CHILDREN 0 – 4 YEARS

##### Number of Early Years Providers in Derbyshire

- 3.1 The number of early years childcare providers in the county registered with Ofsted has reduced from 898 to 859 in the last 12 months, this is in line with nationally reported national trends.

**Figure 3. Ofsted Registered Early Years Childcare Providers in Derbyshire**

	Day Nurseries		Pre-School		Childminder		Schools		Total	
	May 18	May 19	May 18	May 19	May 18	May 19	May 18	May 19	May 18	May 19
Amber Valley	18	17	16	16	92	87	18	18	144	138
Bolsover	13	12	5	5	33	29	17	17	68	63
Chesterfield	21	21	4	4	62	54	23	23	110	102
Derbyshire Dales	9	9	24	24	25	21	7	7	65	61
Erewash	18	18	13	13	88	80	15	15	134	126
High Peak	25	26	17	18	66	62	12	12	120	118
NE Derbyshire	16	16	15	15	59	56	20	20	110	107
S Derbyshire	24	27	22	24	93	85	8	8	147	144
<b>TOTAL</b>	<b>144</b>	<b>146</b>	<b>116</b>	<b>119</b>	<b>518</b>	<b>474</b>	<b>120</b>	<b>120</b>	<b>898</b>	<b>859</b>
<b>Change since 2018</b>		<b>2</b>		<b>3</b>		<b>-44</b>		<b>0</b>		<b>-39</b>

**Source:** Derbyshire County Council, Information and ICT, Children's Services, May 2019

- 3.2 The data shows that the childminding sector is the only provider group in Derbyshire that has seen a reduction in numbers in the last 12 months, this is in line with a nationally reported trend, which has seen the number of childminders decrease by 15,700, or 27%, since 2012<sup>4</sup>. However, this will have a smaller impact on the number of overall places than the closure of group care settings as they generally care for fewer children.
- 3.3 Conversely, whilst the overall number of childminders is reducing there has been a significant increase in the number contracting with the Local Authority to deliver the Free Early Education places (FEE), therefore, whilst

<sup>4</sup> [www.gov.uk/government/publications/childcare-providers-and-inspections-as-at-31-march-2018/childcare-providers-and-inspections-as-at-31-march-2018-main-findings](http://www.gov.uk/government/publications/childcare-providers-and-inspections-as-at-31-march-2018/childcare-providers-and-inspections-as-at-31-march-2018-main-findings)

there are fewer childminders the number of FEE places in the childminding sector has increased (see figure 6 paragraph 3.20).

## Number of Early Years Places in Derbyshire

3.4 Derbyshire County Council holds data collected from Ofsted and providers on the number of places they are registered to deliver.

**Figure 4. Number of Childcare Places per Childcare Type and District**

District	Childminder		Day Nursery		Pre-School		Schools		TOTALS	
	No.	Places	No.	Places	No.	Places	No.	Places	No	Places
Amber Valley	87	554	17	1045	16	409	20	1140	140	3148
Bolsover	29	170	12	720	5	132	17	1115	63	2137
Chesterfield	54	311	21	1165	4	124	23	1123	102	2723
Derbyshire	21	97	9	536	24	498	7	232	61	1363
Erewash	80	516	18	1123	13	377	15	1176	126	3192
High Peak	62	368	26	1463	18	455	11	708	117	2994
NE Derbyshire	56	332	16	760	15	378	20	1470	107	2940
S. Derbyshire	85	519	27	1502	24	621	7	2642	143	5284
<b>Totals</b>	<b>474</b>	<b>2867</b>	<b>146</b>	<b>8314</b>	<b>119</b>	<b>2994</b>	<b>120</b>	<b>9606</b>	<b>859</b>	<b>23781</b>

Source: Derbyshire County Council, Information and ICT, Children's Services, May 2019

3.5 Despite the data in Figure 3 showing an overall reduction in the number of early years providers, an analysis of the data and other sources of information, including the number of contacts with the Families Information Service, concur that there are still sufficient childcare places in Derbyshire to meet demand.

3.6 The Early Years Sufficiency Service (EYSS) will continue to monitor the local childcare market to ensure it does not indicate a detrimental pattern of decline in available provision.

## DEMAND FOR EARLY YEARS PROVISION FOR CHILDREN 0 – 4 YEARS

### Early Years Free Entitlements

#### Free Early Education Places for Two Year Old Children

3.7 Nationally around 40% of all two year old children are eligible for 570 hours of government funded free early education (FEE) which can be taken as 15 hours per week term time or fewer hours per week for 39 or more weeks of the year.

- 3.8 Eligibility is determined by the Department for Work and Pensions (DWP). To be eligible parents/carers must meet certain financial criteria which includes being in receipt of Working Tax Credit or Universal Credit; but there are also some non-economic routes to eligibility, the full list of eligibility criteria can be found at [www.gov.uk/help-with-childcare-costs/free-childcare-2-year-olds](http://www.gov.uk/help-with-childcare-costs/free-childcare-2-year-olds)
- 3.9 In Derbyshire presently there are approximately 8,417 two year old children (see fig 1), which means in theory around 3,258 children in Derbyshire are eligible, however in reality the actual numbers provided by the DWP each term are much lower than this (see fig 5 below).

**Fig 5. Two Year Old FEE Take up Figures**

	Autumn 17/18	Spring 17/18	Summer 17/18	Autumn 18/19	Spring 18/19
No of eligible children	2431	2345	2312	2084	1951
No of children funded	1773	1641	1592	1593	1596
Take up (%)	73%	70%	69%	76%	82%

**Source:** Derbyshire County Council, Information and ICT, Childrens Services May 2019

- 3.10 The latest take up figure (Spring 2018/19) is 82% which is an increase of 12% on the same term in the previous academic year. The Early Years Sufficiency Service (EYSS) will continue to promote the take up of two year old places and investigate the reasons some parents do not take up the offer.
- 3.11 Plans are in place to trial a new system of issuing 'golden tickets' to eligible parents/carers, which it is hoped will make the parent journey much easier for parents. Work will continue in partnership with front line services such as Children's Centres, Health Visitors, Job Centre Plus and childcare providers to encourage take up.
- 3.12 Sufficiency of places for two year old children is not currently an issue. In the 2018/2019 Spring term there were a total of 21 school settings and 286 Private Voluntary and Independent (PVI) settings delivering funded places for 1596 two year olds.

- 3.13 There is no indication that the introduction of the 30 hours extended entitlement in autumn 2017 has had a detrimental effect upon the number of two year old places as take up has remained relatively consistent and Derbyshire has not received feedback from parents unable to find a place, however the EYSS will continue to monitor this term on term.

## **Free Early Education Entitlement for Three & Four Year Old Children**

### **The Universal Offer**

- 3.14 All three and four year old children are entitled to a maximum of 570 hours per academic year of free early education (FEE) from the term following their third birthday. This can be taken as 15 hours per week term time only or as fewer hours over 39 or more weeks of the year, but it cannot be taken over fewer than 38 weeks per year.
- 3.15 The free entitlement can have a number of advantages. It may allow a parent/carer to seek employment or training or reduce a parent/carers existing childcare bill, but equally as important is the positive effect it may have on a child's outcomes. It is largely accepted that good quality childcare can improve a child's aspirations and life chances as detailed further in section 5.
- 3.16 The Local Authority has a duty to ensure that every three and four year old child can access a FEE place, this includes universal and extended entitlement places for those children who are eligible, (see paragraph 3.21 for further details of the extended entitlement).
- 3.17 Due to single point entry for admissions into reception year, approximately 50% of all four year olds will be in full time school and will not need an early years place. According to the population figures available from NHS Digital's GP registrations (March 2019) the estimated figure for three year olds and four year olds not in full-time education in Derbyshire is approximately 8,250 and 4,203 respectively (12,453 in total).
- 3.19 The FEE entitlement is government funded and can be provided by Ofsted registered providers. In May 2019 there were 739 Private, Voluntary and Independent (PVI) childcare providers in Derbyshire registered with

Ofsted, of which 605 of these were delivering free early education which equates to 81%. In addition there are 120 schools that deliver FEE.

- 3.20 Historically, it has been primarily childminders who have chosen not to deliver FEE, however this is changing. Despite an overall reduction in the number of childminders there has been a significant increase in the number registering with the local authority to deliver the entitlement. This number has risen consistently since 2013 as the table below shows.

**Figure 6. No of FEE Registered Childminders per Year**

	2014	2015	2016	2017	2018	2019
<b>Registered to deliver EEF</b>	81	172	229	305	327	339
<b>Not yet registered to deliver EEF</b>	571	433	328	233	192	135
<b>% Childminders Registered to deliver EEF</b>	12%	28%	41%	57%	63%	71%

Source: Derbyshire County Council, Information and ICT & EYSS, May 2019

## The Extended Entitlement (30 Hours)

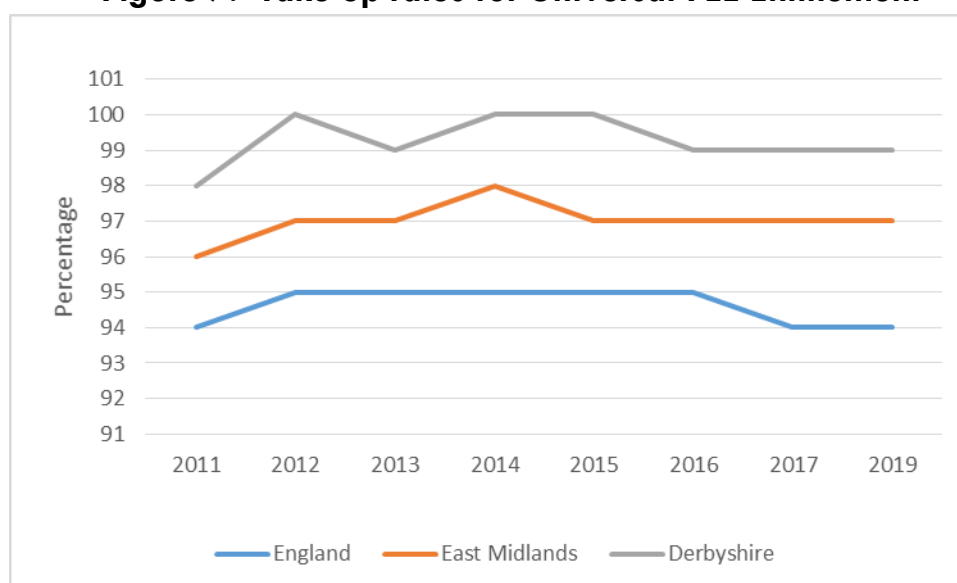
- 3.21 In September 2017 the FEE entitlement for three and four year olds increased for children of working families from 570 (15 hours per week if accessed term time) to 1,140 hours per academic year (30 hours per week if accessed term time).
- 3.22 This additional free childcare is intended to help working families by reducing the cost of childcare and will support parents into work or to work more hours, should they wish to do so.
- 3.23 To be eligible families must meet a number of criteria which can be found at [www.gov.uk/30-hours-free-childcare](http://www.gov.uk/30-hours-free-childcare).
- 3.24 Current data indicates that 92% of PVI providers and approximately 73% of schools are now offering the 30 hours, with more schools each term providing extended entitlement places. Derbyshire will work with schools and PVI providers to increase these figures further.

## Demand for Three and Four year Old FEE Places

### Universal Entitlement

3.25 In Derbyshire the number of parents who choose to take up some or all of their children's universal entitlement of FEE, is consistently around 99% each year this compares favourably to the national average of 94% in England as a whole and 97% in the East Midlands region<sup>5</sup>.

**Figure 7. Take up rates for Universal FEE Entitlement**



### Extended Entitlement (30 Hours)

3.26 The Government estimates that nationally around 80% of parents will be eligible for the 30 hours and of this figure approximately 80% will choose to take up the offer. Based on the latest population data this indicates a total of around 7,967 three and four year old children will require a place in the 2018/2019 academic year although not all of these will require a place for all three terms as children are only eligible from the start of the term following their third birthday.

3.27 For the spring 2019 term it is estimated that around 5,300 children will be eligible. Statistics released by the HMRC eligibility checking system

<sup>5</sup> [www.gov.uk/government/statistics/education-provision-children-under-5-years-of-age-january-2018](https://www.gov.uk/government/statistics/education-provision-children-under-5-years-of-age-january-2018), table7A



(Figure 8 ) shows that in the spring 2019 term just over five thousand parents had applied for an eligibility code for their three of four year old child and of this 91% were in a place.

**Figure 8. No of Eligibility Codes Issued by HMRC and Take up**

	Spring 2018		Spring 2019	
	Derbyshire	England	Derbyshire	England
No of eligibility codes issued	5016	32,9195	5257	35,3763
No of children in a 30hr place	4438	294,000	4769	325,000
Children in a place as a % of codes issued	88%	89%	91%	92%

**Source:** [www.gov.uk/government/statistics/30-hours-free-childcare-spring-term-2019](http://www.gov.uk/government/statistics/30-hours-free-childcare-spring-term-2019),  
[www.gov.uk/government/statistics/30-hours-free-childcare-spring-term-2018](http://www.gov.uk/government/statistics/30-hours-free-childcare-spring-term-2018)

- 3.28 This data shows an increase since spring 2018 but overall the take up is a percentage lower than the national average. Parents/carers automatically receive a code even if they apply for the Tax Free Childcare scheme only (see section 6), which could explain why the percentage is not nearer 100%. It may also be the case that some Derbyshire children could be getting their codes validated in any of the several other councils that border the authority.
- 3.29 Analysis at a ward level has shown that there are generally sufficient FEE places across Derbyshire. It is important to note, however, that parents do not always access childcare in the area or ward they live in, therefore, the data can only ever be a guide and surplus places in neighbouring wards/areas may offset what initially appears to be a deficit.
- 3.30 Although there have been issues around the HMRC systems and deadlines, Derbyshire has received no communications from parents/carers stating they are unable to find a universal or extended entitlement FEE place for their child which is an indicator that there are sufficient places.

## **Increasing Take up of funded places for Two, Three and Four Year Olds**

- 3.31 Increasing take up of all the free entitlements will be a priority for the EYSS in the 2019/20 academic year.

## **The Golden Ticket**

- 3.32 In 2020 the EYSS will trial a new voucher system for the two year old funded scheme known as the 'Golden Ticket'. This has been very successful in other authorities and has increase take up by simplifying the procedure thus making it easier for parents to access their entitlement.

## **Parent Champions**

- 3.33 With support from the Family and Childcare Trust the EYSS has established a Parent Champions Volunteer Scheme which aims to increase the take up of two, three and four year old funded places and promote the early years' services available to families. The scheme works with Children's Centres to help recruit volunteers and initially focused on the Bolsover district but has been rolled out to Chesterfield and North East Derbyshire.

## **Wrap Around Childcare for Early Years Children**

- 3.34 Parents are able to use their free entitlement in early years registered out of school provision or wrap around childcare such as breakfast or after school clubs. This allows parents to work a longer day or find childcare that meets their individual working pattern, and has resulted in an increase in the number of wrap around childcare provisions accepting HMRC eligibility codes. It is anticipated that demand for these type of places will increase further in the next few years as the 30 hours becomes embedded further.
- 3.35 The EYSS will continue to work with providers, particularly schools and out of school settings to encourage them to deliver flexible childcare to meet the needs of parents/carers such as offering 8am to 6pm childcare and accepting 30 hour codes in wrap around childcare provision.
- 3.36 It is also anticipated that the introduction of the extended entitlement will increase demand for wrap around childcare for school aged children as parents/carers will have become accustomed to having the flexibility of

childcare to suit their working patterns for their early years' child and will require this to continue into the statutory school phase.

## **CHILDCARE PROVISION FOR CHILDREN AGED 5 YEARS AND OVER**

### **Wrap Around Childcare for School Aged Children**

- 3.37 Out of school wrap around childcare for school aged children can operate either on or off a school site and may be run by the school directly or by Private, Voluntary or Independent partners (PVI).
- 3.38 Not all wraparound provision has to be Ofsted registered and there is no legal requirement to inform the local authority of operation. For example, settings that operate for two hours or less or only take children over eight years old are not legally required to register with Ofsted, but they may choose to join the voluntary part of the childcare register.
- 3.39 It is recognised that good quality wraparound childcare has a positive effect upon children's outcomes. Research has shown that children from disadvantaged backgrounds that attended after school clubs on average achieve two points higher score in their Key Stage 2 assessment in English, Maths and Science than those who did not take part in after school clubs<sup>6</sup> and research has shown that good quality wraparound childcare can improve a child's behavioural, social and emotional skills.
- 3.40 The EYSS is currently undertaking a large scale mapping exercise to provide a comprehensive picture of the availability of wraparound childcare in Derbyshire. The data will be available in the autumn 2019 term and will include an analysis of childcare available before and after school, holiday periods and irregular hours.

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<sup>6</sup> Wraparound Childcare and holiday childcare, Guidance for local authority maintained schools, academies and free schools, May 2016, p5, paragraphs 12 - 14

## 4. QUALITY OF CHILDCARE

### Quality of Provision

- 4.1 Evidence shows that the quality of childcare is a significant factor affecting a child's future chances. High-quality early education improves children's school readiness and cognitive development, whilst poor-quality early education does very little to boost children's development<sup>7</sup>.
- 4.2 The quality of early provision is measured through inspections undertaken by Ofsted (Office for Standards in Education). Ofsted is the sole arbiter of quality and each setting will receive one of four grades (outstanding, good, requires improvement or inadequate) depending on the inspection findings.
- 4.3 Figure 9 provides data on the inspection outcomes of registered early years and childcare providers at their last inspection.

**Figure 9. Ofsted Inspection Grades by Provider Type**

<b>Childminders</b>	<b>Outstanding</b>	<b>Good</b>	<b>RI</b>	<b>Inadequ</b>
England	17%	78%	4%	1%
Derbyshire	11%	86%	3%	1%

Source: [www.gov.uk/government/statistics/childcare-providers-and-inspections-as-at-31-december-2018](http://www.gov.uk/government/statistics/childcare-providers-and-inspections-as-at-31-december-2018)

<b>Group Care Providers (Childcare on non-domestic premises)</b>	<b>Outstanding</b>	<b>Good</b>	<b>RI</b>	<b>Inadequate</b>
England	24%	73%	3%	1%
Derbyshire	13%	84%	3%	1%

Source: [www.gov.uk/government/statistics/childcare-providers-and-inspections-as-at-31-december-2018](http://www.gov.uk/government/statistics/childcare-providers-and-inspections-as-at-31-december-2018)

<sup>7</sup> 2014 Joseph Roundtree Foundation, [www.jrf.org.uk/blog/30-hours-free-childcare-worth-fighting](http://www.jrf.org.uk/blog/30-hours-free-childcare-worth-fighting)

- 4.4 As the table shows the quality of provision across Derbyshire is high. The Early Years & Childcare Service will continue to support providers to improve the quality of delivery and meet the requirements of the Early Years Foundation Stage (EYFS) and Ofsted. The quality of provision plays an important part in the sufficiency of places.

### **Early Years Professional Development Fund**

- 4.5 Derbyshire have secured funding for the new DfE initiative for Early Years - The Early Years Professional Development Fund. This national initiative prioritises the development of communication, language and literacy in the Early Years.
- 4.6 The local authority will recruit early years practitioner volunteers to become 'CPD Champions'. The local authority will facilitate this initiative alongside the Education Development Trust who are working in partnership with Elklan. The CPD Champions will receive high quality training and coaching from Elklan before cascading their learning via a 'train-the-trainer' model to other early practitioners (settings, childminders & school nurseries) across Derbyshire. This is due to commence in early 2020.

### **Early Years Pupil Premium (EYPP)**

- 4.7 Since April 2015 childcare providers delivering the free nursery education entitlement for three and four year olds have been able to apply for additional funding of up to £302.10 per year, per eligible child, to support disadvantaged children. Children are also eligible if they are looked after by the local authority, adopted from care or have left care under a special guardianship or residence order.
- 4.8 EYPP is paid directly to providers who should use the additional funding effectively and with a clear plan of how it will make an impact upon identified children and reduce differences in outcomes between children. This should also be evidenced to Ofsted.
- 4.9 It is estimated that nationally around 20% of the population are eligible for EYPP, which means there are approximately 2,490 three and four year old eligible children in early years' settings in Derbyshire.

- 4.10 In the 2018/19 spring term EYPP payments were made for 1057 eligible children to childcare providers in both the PVI and maintained sectors across Derbyshire. This represents around 42% of the number of children who could claim this additional funding.
- 4.11 The identification of eligible children relies upon parents making providers aware of their financial situation so that they are able to apply for the funding. In order to ensure as many parents as possible notify their childcare provider, publicity work will continue to improve the take up and therefore benefit the setting and the children.

## 5. AFFORDABILITY OF CHILDCARE

### Childcare Costs

- 5.1 Cost can be one of the main barriers to childcare, however it can be difficult to compare providers with accuracy as opening times or sessions times will vary and costs will reflect this. In addition there will be differences in what is included in the fees, some providers may include items such as nappies, meals and may offer discounts for siblings or shorter sessions whilst others may not.

### Early Years Childcare Provision

- 5.2 Childcare for younger children is often the most expensive due to factors such as staff/child ratios etc. Most parents find that their childcare costs reduce as their child grows and all children are entitled to the universal 15 hours of Free Early Years Entitlement (FEE) from the age of three which can reduce a parent/carers childcare bill.
- 5.3 The introduction of the extended entitlement should assist with the cost of childcare and reduce a parents/carers childcare bill. This will vary dependent upon how different providers deliver the 30 hours and what is included in the funded hours and what is an additional charge. Parents are always advised to ensure they check a providers pricing structure to clarify this.
- 5.4 The Department for Education stipulate that providers are not permitted to charge 'top-up'. This is where a provider deducts the amount of funding they received from the local authority from their normal hourly rate and charge the parent/carers for the difference. All FEE hours must be completely free, although providers can make charges for additional hours, meals and sundries, however paying for such extras cannot be compulsory. This is again stipulated by the DfE and is a criteria in the Provider Agreement contract that providers must sign and comply with to deliver FEE places on behalf of the local authority. The EYSS monitor the adherence to the contract including the charging of top up through their compliance team.
- 5.5 The Early Years Sufficiency Service (EYSS) will continue to monitor the cost of childcare particularly in relation to the introduction of the extended

entitlement to measure any adverse impact this may have upon the cost of childcare.

## Help with Childcare Costs

- 5.6 There are a number of schemes available to parents and carers to help with childcare costs. The Childcare Choices website provides details of all the support available with childcare costs. The site is a one stop shop for information on childcare schemes and allows parents/carers to see if they are likely to be eligible and apply at the click of a button on-line at [www.childcarechoices.gov.uk](http://www.childcarechoices.gov.uk)
- 5.7 Parents and carers must select the scheme that is best suited to their personal circumstances as one scheme may affect the eligibility for other schemes or may impact upon other benefits. The Government has an on-line childcare calculator to help parents decide which scheme is best for them, this can be found at [www.gov.uk/childcare-calculator](http://www.gov.uk/childcare-calculator)
- 5.8 Information on the following schemes can be found at this website:
- 15 hours Free Childcare for Two Year olds
  - 15 hours Universal Childcare for all 3 & 4 Year Olds
  - 30 Hours Extended Entitlement for eligible 3 & 4 Year Olds
  - Tax Free Childcare (for 0 – 11 year olds)
  - Tax Credits for Childcare
  - Universal Credit for Childcare
  - Childcare Voucher Scheme (Salary Sacrifice Schemes)
  - Support Whilst You Study

## Sustainability

- 5.9 In order for childcare to be sustainable, providers need to ensure their operating costs are met by the income generated but at the same time childcare needs to be affordable to parents and carers.
- 5.10 Managing the childcare market is a part of the local authority statutory duty to secure sufficient childcare places. This involves not only creating, but supporting existing provision to ensure these places remain available to meet demand. The EYSS provides business support to providers as required.



- 5.11 Demand must always be balanced against sustainability. All providers, including schools, need to ensure they can function as a solvent business and it may not always be financially viable for a provider to meet the needs of just one or two parents. Any childcare provision whether in the maintained or PVI sector, will need to attract enough children to make it sustainable and ensure long term viability.
- 5.12 The local authority cannot determine the pricing structure of individual childcare providers, the Department for Education's Statutory Guidance stipulates that Local Authorities should not intervene in providers' private business outside of a child's early education place which includes charges for provision and services outside a child's FEE place.
- 5.13 However the local authority has a legal duty to ensure there is sufficient and *affordable* childcare and where a gap in the market is identified, it may consider providing alternative arrangements to meet this duty.

## **6. FUTURE PLANNING**

- 6.1 The publishing of the annual Childcare Sufficiency Assessment is only one part of the local authority's legal duty in managing the childcare market to ensure there is sufficient childcare. It must be recognised that statistics and data are fluid and constantly changing and as a result this document only provides a snapshot of the position of the childcare market at any given time. Nevertheless, this assessment still provides a good indication of trends or areas for further investigation and action, and the tools used in the production of the assessment enable on-going analysis and monitoring of the childcare data.
- 6.2 The Early Years Sufficiency Service (EYSS) will continue to manage the Derbyshire childcare market taking into account existing data and developing new data streams where possible to identify gaps in the market and future trends that may require action. Where a gap in the market is identified the EYSS will endeavour, where reasonably practicable, to meet the needs of parents/carers whilst taking into account the financial viability of new and existing provision.

### **Priorities for 2019 - 2020**

- 6.3 Based on the findings of this Childcare Sufficiency Assessment the following priorities have been identified for the EYSS:
- Continue to ensure there are sufficient good quality early years education places in Derbyshire, focusing on areas where an undersupply is indicated.
  - Increase take up of two, three and four year old FEE entitlement places by ensuring parents/carers are aware of their entitlements and are receiving them in accordance with the statutory guidance.
  - Undertake data analysis to ensure 30 hours has not had a detrimental impact upon the number of 2 year old places
  - Trial the Golden Ticket scheme for the early years FEE entitlement for two year olds

### **Priorities for 2019 – 2020 (cont.)**

- Increase take up of Early Years Pupil Premium
- Analyse data from the wrap around childcare survey
- Undertake data review to analyse the cost of childcare in Derbyshire