



Leicester  
City Council

**WARDS AFFECTED**  
All

## **FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**

**Divisional Management Team meeting**  
**Departmental Management Team meeting**  
**Lead Member Briefing**

**12<sup>th</sup> September 2013**  
**18<sup>th</sup> September 2013**  
**1<sup>st</sup> October 2013**

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### **Reviewing Leicester's Childcare Sufficiency Assessment**

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#### **Report of the Service Manager (Strategy), Early Prevention**

##### **1. Purpose of Report**

- 1.1. To inform Divisional and Departmental Management Teams, the Lead Member for Children's Services, other Elected Members and members of the public, of the current position of Leicester's Childcare Sufficiency Assessment process
- 1.2. To inform all of the above of the changes in statutory guidance provided by the Government regarding Local Authorities' duty to assess and report on the sufficiency of childcare provision in their area

##### **2. Recommendations**

Members of each meeting are requested to:

- 2.1. Note the content of the report
- 2.2. Agree for this report to be published alongside the current Childcare Sufficiency Assessment on the Council's website, forming the 2013 review of Leicester's childcare sufficiency position

##### **3. Summary**

- 3.1. This report sets out the background and recent changes to Government policy on Local Authorities' duty to assess and report on the level of sufficiency of childcare provision in the local area.
- 3.2. The report reviews Leicester's population and our current position in terms of the level of childcare provision. Information about known demand for childcare is presented, along with the issues that influence prioritisation for growth and support for new provision.

3.3. The report discusses where there are known gaps in provision and our priorities for development over the next year. The final section presents the next steps for a full review of the Childcare Sufficiency Assessment for publication in 2014.

## 4. Report

### 4.1. Background and Government policy

4.1.1 Local Authorities are required by legislation to secure sufficient childcare, so far as is reasonably practicable, for working parents (or those studying or training) for children aged 0 to 14 (or up to age 18 for disabled children). The provision should be available, accessible and affordable and delivered flexibly at a range of high quality settings.

4.1.2 In order to be informed about the current local childcare market and plan how to address any unmet need, Local Authorities have a duty to regularly assess and report on their childcare sufficiency position. Until recently this statutory duty entailed a detailed assessment to be undertaken every three years with an annual review to update where necessary. The guidance Government provided to Local Authorities about how to undertake the assessment and what should be included was lengthy and prescriptive.

4.1.3 The recent review of the statutory guidance (September 2012) has changed this duty and the new Children and Families Bill currently going through the parliamentary process repeals the duty to assess childcare sufficiency every three years.

4.1.4 The new guidance requires Local Authorities to “report annually to elected members on how they are meeting their duty to secure sufficient childcare and make this report available and accessible to parents”. The guidance allows Local Authorities to determine the content and level of detail that is appropriate for their area and stipulates only that the report should include:

- A specific reference to how they are ensuring there is sufficient childcare available to meet the needs of:
  - Disabled children
  - Children from families in receipt of the childcare element of working tax credit or universal credit
  - Children aged 2, 3 and 4 taking up free early education
  - School age children and children needing holiday care
- Information about the supply and demand of childcare for particular age ranges of children, and the affordability, accessibility and quality of provision
- Details about how any gaps in childcare provision will be addressed

4.1.5 The current published Childcare Sufficiency Assessment for Leicester is operational until 2014 and was devised following a large scale research and consultation process, involving parents, providers and local employers. This assessment remains in place for this year, with this report providing an update for the key areas based upon current information. The process for renewing this assessment in full is set out in section 4.7.

## **4.2 Leicester's population and childcare needs**

- 4.2.1 There are currently approximately 5000 children in each age year group in Leicester with an increase expected alongside the predicted population increase. Therefore, the demand for all forms of childcare in Leicester would be predicted to increase in line with the population.
- 4.2.2 Leicester currently has 1,224 children (0-19 years) that have been assessed as 'Children in Need' by Social Care and Safeguarding. Also, as of March 2013, there were 523 children Looked After by the Local Authority (with 225 of these placed outside the city). Good quality early education opportunities are particularly important for these groups of children to enable them to have the best start to achieve their full potential.
- 4.2.3 Leicester has a very diverse population with varying customs and attitudes towards childcare and early education. We need to ensure that there is a flexible childcare market to meet the varying needs and demands of the population.
- 4.2.4 As a Local Authority we have in place a range of quality criteria for settings to be approved to deliver childcare provision. These criteria enable us to address learning issues and priorities faced by the city, such as improving communication skills. The criteria are generally welcomed by the providers themselves as they feel they help them with their own quality improvement and prepare them to meet Ofsted standards. From September 2013, the revised statutory guidance for local authorities no longer allows us to compel settings to participate in local quality improvement programmes. However, it is hoped that many who value this support will continue to engage.

## **4.3 Current childcare sufficiency position (supply)**

Nursery Education Grant (NEG) funding is available to approved settings and schools, not childminders at present. We are currently exploring opportunities to develop the variety of provision available to families across the city, including childminders, particularly in the light of the statutory requirement to increase the number of nursery education places available for the most disadvantaged two year olds.

### **4.3.1 Two year olds:**

The city has been allocated funding to provide 1,122 places for vulnerable two year olds in the city from September 2013 – this equates to approximately 20% of the expected cohort of children aged two. Leicester was part of the national pilot that has developed the two year old offer across the country and so we already have a number of providers that meet the current criteria for delivery of two year funded places.

This year we have implemented a detailed plan and increased the number of available places from 244 to our current level of 1,205 that will be available from September 2013, exceeding our target of 1,122 places. The DfE are using a working prediction of an 80% take up which would suggest we would need to have at least 897 places available.

There has been a citywide analysis of the number of places that would potentially be required across the city, broken down into neighbourhood areas, to enable support to be offered to providers to develop places for children living in these most needy areas.

From September 2013 the revised statutory guidance removes the requirement for settings delivering funded two year old places to employ a graduate. This enables us to explore the opportunity to develop further places with settings that do not currently meet this element of the quality criteria.

By September 2014 the number of places we will be required to make available will increase to 2,244, allowing access to the most vulnerable 40% of two year olds. The DfE have provided each Local Authority with some capital funding through the Dedicated Schools Grant to support the development of further provision to achieve this target number of places.

#### 4.3.2 **Three and Four year olds:**

There are 74 schools providing both N2 (nursery) and R (reception) provision which equates to NEG provision for 3 and 4 year olds. Schools contribute an additional 7,679 places across the city.

In addition, there are currently 125 early years settings across the city, including a number of Local Authority settings and Private, Voluntary and Independent (PVI) settings, providing a total of 2,467 places for three and four year olds.

The combined numbers of places offered through both schools and settings give us a total of 10,146 places available for free Nursery Education Grant (NEG) eligible children.

#### 4.3.3 **Quality and standards:**

The Local Authority currently operates a Quality Improvement Programme scheme (QIP) which enables us to work with settings to improve practice and quality where there has been a drop in the level indicated by a reduction in the setting's OFSTED judgement to a 'Satisfactory'. The scheme supports settings to identify the areas they need to improve and provides links to additional support. This enables us to ensure that all children accessing their funded places are in good quality settings that have high aspirations for the children and good standards of practice.

#### 4.3.4 **Costs:**

Eligible two year olds and all three and four year olds are entitled to 15 hours of free childcare per week for 38 weeks per year. Settings can charge for additional hours that children are placed with them and these charges vary according to the service provided (e.g. meals) and the setting themselves. Surveys undertaken by the Daycare Trust this year state that the average full day care costs for England are currently £217 per week, with the average for the East Midlands slightly below this at £208 for a full time place. Charges for full day care in Leicester are between £160 and £190 per week which indicates that the city has lower costs than other areas in the region.

#### 4.3.5 **After school and Holiday care:**

There is a wide range of after school and holiday care provision across the city including after school clubs in schools and voluntary settings, specialist support provision, childminders and play schemes. Since the current Childcare Sufficiency Assessment was published in 2011 the Local Authority has ceased a number of internally managed and

externally commissioned after school clubs in line with the outcomes of the 0-19 Commissioning Review. The impact of these closures is not yet evident but will be assessed as part of the full review to be carried out in 2014.

#### 4.3.6 **Gaps in provision:**

A recent analysis of the provision for early years settings indicates that there are areas of the city with a surplus of places, in particular the North neighbourhood, and other areas that are lacking provision in one or more age groups (see appendix A).

A Neighbourhood Improvement Plan is produced for each neighbourhood with an ongoing process in place to review, update and implement. The Childcare Strategy Team has worked with the senior management team in each neighbourhood to ensure that childcare provision is prioritised and addressed in their plans. The key priorities to be included are to increase both the number of settings providing early education opportunities and the number of children taking up their free entitlement.

#### 4.4 **Current demand for childcare**

##### 4.4.1 **Vacancy levels:**

Across the city there are generally vacancies in settings and schools and this gives us an indication of the level of demand for the places available. In the last assessment period there were 714 vacancies across all NEG providers, equating to an approximate 10% vacancy rate across the city. All areas across the city had some level of vacancy with some having higher levels than others and in general higher vacancy levels in settings than in schools.

##### 4.4.2 **NEG take up:**

It is a key priority for Children's Centres to work to increase the take up of NEG and a range of activities and interventions take place that aim to increase our performance in this target. Whilst take up in Leicester has been lower than the national average of 93%, recently we have seen a substantial increase in the 3 year old take up rate, rising from 70.6% in 2011 to 85% in 2012.

The figures are slightly lower for 4 year olds in terms of take up (national average - 98%, Leicester - 79.5% in 2012). However, if the assumption is made that the majority of 3 year olds in provision remain for their 4 year old entitlement then the figures suggest that there is a yearly increase in each cohort of children accessing their NEG entitlement.

#### 4.5 **Drivers for prioritisation**

4.5.1 The main driver for supporting the development of further childcare provision across the city is the impact on our priority to improve attainment outcomes for vulnerable children. Our Closing the Gap strategy seeks to establish robust processes to ensure that the most vulnerable children in the city have access to good quality early learning opportunities. With this in mind, Children's Centres have been working to identify the children most likely to fall into the bottom 20% (FSP scores) and strive to engage them in learning opportunities as early as possible. The analysis of the bottom 20% indicates the priority areas of the city in which to build sufficiency of good quality provision.

- 4.5.2 The Government's drive to increase nursery places for vulnerable 2 year olds has created a primary driver in terms of childcare sufficiency across the city. We are working on increasing the number of places to our funded level for the 40% most disadvantaged children equating to 2,244 places from September 2014. This work will be aligned with the development of 3 and 4 year old NEG provision to enable children to have clear transition routes between settings and consistency in routine.
- 4.5.3 The number of children in the city is steadily increasing year on year and there is a predicted population increase across the country. In the 10 years between the 2001 census and the 2011 census the 0-4 year old population has grown by 5,241 in the City and the ONS projects that by 2021 this will have grown by another 2,436 to over 26,000 as a whole population. This means that we need to continue to work with the market to develop new provision and expand current provision to meet changing needs, allowing for parental choice in the market but ensuring that provision is sustainable for the future.
- 4.5.4 The Troubled Families agenda seeks to enable vulnerable families to access targeted support and guidance in a range of areas, including returning to work. The impact on childcare sufficiency may mean that more children are requiring places in formal provision than the current situation. Parents looking to return to work may need to access training to enable them to enter the employment market. Therefore, local childcare provision needs to be flexible enough to match the requirements of parents in training, along with their transitional needs when they gain employment.

#### **4.6 Gap analysis and action planning**

- 4.6.1 The full Childcare Sufficiency Assessment and the most recent gap analysis undertaken indicates that there is a variance in availability across the city, with some areas having a surplus and others having fewer places than are necessary.
- 4.6.2 The Childcare Sufficiency team are currently working with existing providers to expand their businesses and establish new provision in areas where there is substantial need, as well as engaging with potential new providers to guide them in their choice of location for their new provision. There are plans in place to hold a number of engagement events with providers to ensure that we are able to meet the requirements of each group.
- 4.6.3 As part of the development of the two year offer there are training opportunities for providers to develop skills around supporting vulnerable children; assessing children's development and business support. This training has been funded through the national support program and is being delivered over the next few months to ensure that providers are sustainable and prepared to meet the needs of the children.
- 4.6.4 The capital funding associated with the development of the 2 year offer will enable us to explore and expand the variety of provision and number of places available across the city, to ensure that children are consistently able to access high quality provision. We have now completed the first phase of our strategy to develop the 2 year offer, with the next phase currently being developed to ensure we are able to meet the increase in entitlement and demand for places.

4.6.5 Neighbourhood Networks and Provider Forums are being developed to ensure that all providers are able to directly communicate their issues to the Local Authority and improve partnership working.

#### **4.7 Next steps and planning for 2014**

4.7.1 This report is presented as Leicester's annual report for 2013 on our childcare sufficiency position. It meets the requirements of the new statutory guidance but is not as extensive as the previously tightly-prescribed assessment, mainly because it does not include up-to-date consultation information provided by parents, childcare providers and employers.

4.7.2 It is recognised that the process of consultation with parents, providers and employers brings with it a valuable source of information to inform Leicester's assessment of its sufficiency position and better understand demand and supply issues. However, the process of consultation requires a lot of staff time and can be lengthy.

4.7.3 It is therefore proposed to continue with the 3-yearly cycle of carrying out consultation and therefore enabling the annual Childcare Sufficiency Assessment report to be informed by fairly recent views gathered from service providers and users.

4.7.4 On this basis, the review to be published in September 2014 will include revised consultation information; with the subsequent reports to managers, elected members and local people in 2015 and 2016 following the same format as this report.

### **5 FINANCIAL, LEGAL AND OTHER IMPLICATIONS**

#### **5.1 Financial Implications**

There are no direct financial implications arising from this report. The NEG provision (which is part of the Dedicated Schools Grant) in 2013/14 for 2 year olds is £4.3m and £6m for 3 and 4 year olds. There is an additional capital fund of £793k to help develop the increased 2 year old provision.

#### **5.2 Legal Implications**

This report outlines the duties placed upon a Local Authority pursuant to Section 11 of the Childcare Act 2006. This Act requires local authorities to;

- Secure sufficient childcare provision for the needs of working parents in their area for children up to the age of 14 (or 17 for disabled children)
- Carry out a sufficiency assessment of all the childcare in their area at least every 3 years.
- Publish details of their assessments in the prescribed manner

The duty to carry out sufficiency assessments is also governed by Childcare regulations 2007 and statutory guidance. As highlighted within the report the statutory requirements are the subject of change.

This report provides a summary update on the assessment and proposed changes and outlines how the Local Authority will seek to continue to fulfil its duty in light of changes being brought into effect by the Children and Families Bill in April 2014.

### 5.3 Climate Change Implications

The Council has adopted a city-wide carbon dioxide (CO<sub>2</sub>) reduction target of 50% of the 1990 level by 2025/26. Where the expansion of the existing childcare provision/new provision will require an increase in energy use then opportunities should be taken to implement energy saving measures. This is particularly the case with building projects that may increase the total area of the built estate in the city.

### 5.4 Other Implications

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within the Report
Equal Opportunities	Yes	Paragraph 4.2 - Children with special educational needs and disabilities are considered as their needs should be addressed within the childcare sector
Policy	Yes	Paragraph 4.1 - The content of this report is based upon a change in Government policy regarding Local Authorities' statutory duty to assess and report on childcare sufficiency
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	Yes	Paragraph 4.2/4.3 – Families on low incomes are considered as their needs should be addressed within the childcare sector
Corporate Parenting	Yes	Paragraph 4.2/4.3 – Looked After Children are considered as their needs should be addressed within the childcare sector in relation to their entitlement to a nursery education place
Health Inequalities Impact	No	



## **6. Report Authors**

Service Manager (Strategy), Early Prevention

Strategy Manager (Childcare Sufficiency and Sustainability)

## Appendix A

2, 3 and 4 year NEG provision					
Neighbourhood	Current number of 2 year old places available	Current number of 3 & 4 year old places available	Number of 2 year old places required from September 2013 (approx. 20% of cohort)	Number of 3 & 4 year old places required (100% of cohort)	Notes
Central	191	1802	136	1410	A number of the settings in this neighbourhood are based in the city centre and so accommodate children from across the city
East	100	1003	58	1107	
West	156	1056	147	1105	
North East	140	1386	158	1572	
North West	146	1134	170	1102	A number of the settings in this neighbourhood are LA settings - providing 94 3 & 4 year old NEG places
South	146	1097	136	1488	
South West	124	1268	170	1176	
North	202	1400	148	1184	There are high levels of vacancies in the settings in this neighbourhood (from 281 places in settings there were 149 vacant places)
<b>Totals:</b>	1205	10146	1123	10144	