

**TITLE OF REPORT: Childcare Sufficiency Report 2016**

**REPORT OF: Sheila Lock, Interim Strategic Director, Care Wellbeing and Learning**

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**Purpose of the Report**

1. To inform Cabinet of the availability and sufficiency of childcare in Gateshead in order to fulfil the local authority duties as documented within the Childcare Act 2006 (amended by The Children and Families Act 2014).

**Background**

2. Since the last sufficiency assessment, September 2015, the number of childcare places has decreased from 5,943 in 2015 to 5,772 in 2016, a decrease of 2.9%. This is mainly in the west of Gateshead, although a number of these places are now being run directly by schools and, therefore, do not require a separate Ofsted registration. The number of childminders has also declined since last year from 149 in 2015 to 131 in 2016. This reduction is in line with the national trend.
3. Overall there are sufficient places to cater for current demand with the exception of places for funded 2 year old children who are statutorily eligible for 15 hours of early education per week. Additional places are needed in the Felling, Crawcrook and Whickham areas. A project is underway to create places in the Felling Hub and a provider has been selected to operate the provision. Funding has been secured to create places on the Emmaville Primary School site and funding is also in place in the Whickham area, subject to planning permission being granted.
4. Quality of childcare provision has remained high with the following types of provision being graded Good, Outstanding or Met by Ofsted; 100% of daycare providers, 100% of pre-schools, 95.5% after school clubs, 100% breakfast clubs, and 100% holiday clubs. The sector that requires the greatest support is childminders where 91% are graded Good, Outstanding or Met.
5. There are 38 childcare providers which are newly registered and have yet to be inspected. These comprise of 16 childminders, 7 day nurseries, 5 out of school clubs, 2 breakfast club, 2 holiday club and 6 home child carers. Ofsted now carry out first inspections within the first 30 months of operation following registration.
6. Evidence shows that higher quality provision has greater developmental benefits for children, particularly for the most disadvantaged. Government has indicated that, as far as is possible, early education for two-year olds should be delivered by providers who have achieved an overall rating of Outstanding or Good or has yet to be inspected. Within Gateshead, this continues to be achieved.
7. The level of occupancy of each type of childcare is a key indicator of sufficiency. As can be seen in the attached report, the very high levels of occupancy may indicate

that some unmet parental demand exists, especially on the more popular days of the week. However, there has been no unmet need reported to the Family Information Service.

8. Occupancy levels overall have risen from 83.3% in 2015 and now stand at 90% or above across the sector. The increase in occupancy is largely due to continued growth in the take up of two year old funded places and the reduction in the numbers of registered childminders.
9. The Council has a statutory duty to provide 15 hours per week of free early education for eligible 2 year olds. Across Gateshead in September 2014, take up was 67% of eligible families; by June 2015 this had risen to 77.6% and now stands at 83%.
10. The Council also has a statutory duty to provide sufficient 15 hour places of free early education for all 3 and 4 year olds across Gateshead. The current take up of Early Education for 3 and 4 Year Olds has increased since last year and is very high at 98%.
11. From September 2017 working parents of 3 and 4 year olds will be eligible to 30 hours of free early education instead of the current 15 hours. The Government intends that the extended entitlement should be delivered in a way that provides flexibility and quality for parents. Gateshead has been awarded Early Innovator status to support the national roll out of this initiative.
12. The DfE has indicated that there will be on average 1,370 eligible children in Gateshead. The number of new childcare places that will be needed depends not only on how many eligible children take up the new entitlement but also the extent of existing places currently being paid for by parents.
13. Costs of all types of provision with the exception of breakfast clubs has risen over the last year. Day nurseries and holiday clubs have increased the most at 5% which may be as a result of the increase to staffing costs as a result of the increase to the minimum wage and the introduction of the living wage.
14. In Gateshead there has been no increase in funding rates paid to providers since 2009. The Government has recently consulted with local authorities and the sector on reforms to the way local authorities are funded by Government and the way this money is distributed to providers. The outcome of this consultation is expected in December and some providers are postponing a decision as to whether they will offer the 30 hours until funding rates are confirmed.
15. There have been a small number of houses built over the last year in Gateshead none of which were large enough to have an impact on sufficiency.

## **Proposal**

16. Officers continue to monitor childcare sufficiency and take action as appropriate to address any gaps as and when identified, particularly in relation to the 30 hour entitlement to minimise any risk to current 2 year old places being allocated to 3 and 4 year olds.

## **Recommendation**

17. It is recommended that Cabinet note the contents of the report and the attached Childcare sufficiency Report of September 2016 and approves the proposal to allow officers to address gaps in provision when identified.

For the following reason

In order to fulfil statutory duties and ensure sufficiency of childcare places within Gateshead.

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## APPENDIX 1

### Policy Context

1. The Childcare Act 2006 (Section 6) places a duty on local authorities 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 for disabled children)”. In addition, Section 7 of the Act places a duty on Local Authorities to secure sufficient Early Years funded provision free of charge. These duties require Local Authorities to shape and support the development of Early Education and childcare in their area to make it flexible, sustainable and responsive to the needs of the local community.
2. Local authorities also have a duty (under section 11 of the Act amended by the Children and families Act 2014) to undertake an annual childcare sufficiency assessment and report the findings to elected members, published on the council website and made available to parents upon request.

### Background

3. Gateshead has a mixed childcare market consisting of; 32 day nurseries, 24 pre-schools, 27 after school clubs, 21 breakfast clubs, 14 holiday clubs, 131 childminders and 10 home childcarers, all of which are registered with Ofsted.
4. Some schools also provide their own breakfast and after school clubs and these are not registered separately with Ofsted.
5. An on-line template was created and pre-populated with each provider’s basic information. An email was then circulated to all settings to request that they review and amend this information. Results were imported directly to the database and where providers did not do this within a deadline they were encouraged by EY officers to do so. This led to a 97.6% return for group providers and 88% from non-group providers. Information was gathered via e-mail from all primary schools about breakfast, after school and holiday schemes directly delivered by schools.
6. This information has been analysed in order to report on any potential gaps in childcare.
7. Workshops have been held for the maintained and the private sector to assist with their planning for the implementation of the 30 hour entitlement although some concerns still exist about the funding rates to providers and hence their overall sustainability.

### Consultation

8. The Cabinet Member for Children and Young People has been consulted.

### Alternative Options

9. The childcare market is not monitored which may result in insufficient childcare places for all ages of children and therefore failure to comply with statutory duties.

## **Implications of Recommended Option**

### **10. Resources:**

- a) Financial Implications** – The Strategic Director, Corporate Resources confirms that there are no direct financial implications as a result of this report.
- b) Human Resources Implications** – None arising directly from this report.
- c) Property Implications** - There are no direct property implications arising directly from this report. Should any property be identified from within the council's property portfolio which could be used to deliver nursery provision for either 2 year olds or 3-4 year olds in areas where further places area required, it will be the subject of a separate report.

**11. Risk Management Implication** - Insufficient childcare places to meet parental demand.

**12. Equality and Diversity Implications** - No implications as childcare provision is inclusive.

**13. Crime and Disorder Implications** – None

**14. Health Implications** – This report supports the opportunity to give children the best start in life.

**15. Sustainability Implications** - None

**16. Human Rights Implications** - None

**17. Area and Ward Implications** - All

### **Background Information**

Statutory Framework for the Early Years Foundation Stage March 2014  
Early Education and Childcare: Statutory Guidance for Local Authorities September 2014  
More Great Childcare January 2013  
More Affordable Childcare 2013