

Report for Cabinet November 2019

Title: Childcare Sufficiency Assessment and Childcare Action Plan 2019-2022.

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Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1 The Childcare Act 2006 places a duty on the Council to ensure there is enough childcare within its area for working parents. Local authorities are required by legislation 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).
- 1.2 In fulfilling this duty, there is an expectation that an assessment of the childcare market within the borough is carried out every three years and informs a plan of action to address emerging and continuing needs. The scope of the duties contained within the Act, firmly positions the Council as market manager, required to take clear actions to encourage a wide range of good quality and accessible childcare that meets the needs of parents/carers seeking to work and/or study.
- 1.3 The benefits of having sufficient childcare provision for children and young people cannot be understated. From its contribution to improving family economic wellbeing to supporting the learning and development of children, childcare has a key role to play in increasing the potential for developing resilient and resourceful communities and in delivering Community Wealth Building ambitions. We know from research that children who attend high quality early years provision flourish when they reach school age and do far better than their peers who have not had the same opportunities. Central to any drive to improve access to high quality childcare, is to reduce barriers to access and ensure that all children and young people in Haringey are able to experience the benefits, regardless of circumstance or background and to achieve their potential.
- 1.4 This paper presents Haringey's third Childcare Sufficiency Assessment (CSA), at Appendix 1, providing an overview of the 2019 exercise and highlighting key findings. The report introduces a proposed childcare action

plan which encapsulates a response to the needs and trends drawn out through the CSA. This report seeks approval from Cabinet for the proposed Childcare Action Plan, 2019-2022 attached as Appendix 2, which addresses the key findings from the CSA and identifies areas for action.

2. Cabinet Member Introduction

- 2.1 This report provides an overview of the many issues related to provision of childcare in Haringey. Childcare is a service which straddles many different themes- early education; social and emotional support for children and families; early intervention; help for working parents or those seeking employment. As such it is an issue which is important in delivering many priorities within the Borough Plan.
- 2.2 This childcare sufficiency assessment (CSA) makes plain the complexity supporting the childcare market, where the council acts as a commissioner, broker and enabler, supporting a wide diversity of providers in a competitive market environment. Government policy in this area imposes many roles on local authorities, and this Childcare Sufficiency Assessment highlights key areas of development needed to ensure childcare places are taken up, especially by those who are hardest to reach and yet have the free entitlement.
- 2.3 The CSA sets out many challenges for the local authority, amongst which is the need to support providers in remaining sustainable and viable in a very volatile market. The report highlights key areas of work and issues raised during this assessment which can be found at para 6.3. These confirm the cross departmental nature of childcare provision, covering employment support, social regeneration, early intervention and prevention, health and well-being, family support as well as the critical and central issue of early childhood education. It follows that to achieve our goal of supporting providers in delivering childcare, a high level of inter-departmental and multi-agency working is necessary.

3. Recommendations

- 3.1. Cabinet is asked to:
 - 3.1.1 Approve the Childcare Sufficiency Assessment 2019 and key findings attached as Appendix 1 to this paper
 - 3.1.2 Approve the proposed Childcare Action Plan 2019-2022 attached as Appendix 2 to this paper

4. Reasons for decision

- 4.1. The reason for the recommendation is that a decision to approve the proposed Childcare Action Plan, 2019-2022, will ensure that the Council is fulfilling its statutory duty, under the Childcare Act 2006.

- 4.2. The proposed Childcare Action Plan, 2019-2022, provides a framework for action which should ensure that the Council is proactively addressing some of the key issues and challenges currently having an impact on the accessibility and sufficiency of childcare provision for 0-14 years olds and those aged up to 18 years of age if they have a disability. The implementation of an approved Childcare Action Plan underlines the Council's role as market manager and a drive to continually improve the sufficiency of and the access to childcare across the borough.
- 4.3. A further reason for the recommendation lies in the fact that the Childcare Sufficiency Assessment (CSA) has identified the need for focused work to address sustainability within the childcare market, to tackle barriers in access to, and the affordability of, childcare, to develop plans for future childcare demand in areas of economic growth and to maximise participation in the free early education entitlements. Having a robust Childcare Action Plan in place will enable the Council to further enhance work currently being undertaken with internal and external partners, to bridge gaps in childcare, support parents' childcare needs, support providers to deliver sustainable childcare and improve support to children with special educational needs.

5. Alternative options considered

- 5.1. The requirement to complete a CSA and produce an Action plan is part of the statutory requirement placed on the Council by the Childcare Act 2006. There are no alternative options to consider.

6. Background information

6.1. National Policy Context

- 6.1.1 The Childcare Act 2006 gives the local authority a key role in shaping the childcare market for children aged 0-14 (or up to 18 for disabled children).
- 6.1.2 Since 2015, there have been a number of national policy changes that have sought to tackle some of the wider determinants of child poverty, social disadvantage and inequality. One approach taken by Government has been to seek to increase parental and child access to high quality early education. A policy drive that has underpinned this approach has been the attempt to widen participation in high quality education particularly for some of the more disadvantaged young children in society. This has been in recognition of the beneficial contribution of access to high quality child care and early education towards narrowing gaps in education attainment and economic disadvantage.
- 6.1.3 These policy changes place a number of statutory responsibilities on the Council including the:
- Provision of Early Years Pupil Premium (EYPP) funding to schools and early years providers offering the free entitlement for the most disadvantaged 3 and 4 year olds.

- Implementation of the national funding formula for early years providers to maximise the amount of early education funding passed to providers and therefore benefitting the children in their care
- Creation of an early years inclusion fund, enabling early years providers to meet the needs of 3 and 4 year old children with SEND
- Distribution of the disability access funding (DAF), offering funding to early years providers to support the access needs of 3 and 4 year old children attracting Disability Living Allowance.
- Tax free childcare to support parents with their childcare costs
- Deliver an extended free entitlement for the working parents of 3 and 4 year old children.

6.2 Local Context

- 6.2.1 Haringey has a strong and diverse mix of childcare providers made up of private, voluntary, independent, maintained schools and childminders. There are over 300 providers offering childcare places for 0 to 4 year olds and two large nursery chains delivering childcare. Providers are committed to improving outcomes for children and have worked with the Council to improve the quality of their provision, reflected in the significant rise in the number of providers with Ofsted ratings of Good or Outstanding. In addition to this, there is a rich mix of provision for over 5 years old with just over 100 breakfast and after school clubs with 50% of them being delivered by schools and 16 holiday clubs all delivered by private providers.
- 6.2.2 The Council's implementation and delivery of the extended free entitlement for 3 and 4 year olds (30 hour offer) has been a great success and had a real impact in supporting parent/carers to work across Haringey, particularly in the St Ann's, Noel Park and Fortis Green wards. The number of Haringey children estimated by the Department for Education to be eligible for this offer amounted to 1,710 and the January 2019 census recorded 1,227 children in place (72%).
- 6.2.3 Haringey has a highly diverse and increasing population of resident children, 0 to 17 year olds, especially in the east of the borough, which accounts for one in five of the population. 67% of the resident population are identified as non-white British ethnic groups and the highest number of 0 to 4 year olds from Black, Asian and Minority Ethnic (BAME) communities lives in Tottenham Hale, Tottenham Green and Northumberland Park wards (NOMIS 2017). The most highly populated wards of 0 to 4 year olds are in the east of the borough with Northumberland Park and Seven Sisters accounting for the highest population of children.

- 6.2.4 Projections for the 0-3 year olds¹ across Haringey shows that overall wards in the East of the borough are projected to have greater levels of growth in their population between now and 2027. The 0-3 year population in Haringey's eastern wards is projected to increase from 10,659 (2019) to 11,329 (2027) an increase of 670. By contrast, in Haringey's western wards 0-3 population is actually projected to decrease from 3,755 to 2,975 over the same period, a decrease of 782. Monitoring the ongoing availability of childcare and available vacancies will help understand where pressure for future funded childcare exists.
- 6.2.5 Whilst Haringey children's attainment in the early years is above the national and inner London average, there are children from Black, African minority ethnic groups in some wards who are underperforming against targets.
- 6.2.6 Unemployment in the borough overall is lower than the London average as recorded by NOMIS 2018 using ONS 2011 data, however, focusing on the East of the borough there are more families proportionately living in workless households (42%). Average annual household income for Northumberland Park falls well below the London average (ONS 2017) and the east of the borough continues to have a significantly higher rate of income deprived families than the west.
- 6.2.7 The number of children and young people with statements is on an upward trajectory and the highest prevalence rates of children with SEND were also recorded in the East of the borough.

6.3 Key areas of challenge

- 6.3.1 Whilst improvements in participation and the impact of childcare have been seen over the last three years, it is recognised that some key areas of challenge remain.
- The highest number of resident 2, 3 and 4 year olds are in the east of the borough amongst Seven Sisters, Tottenham Hale and Northumberland Park wards. The ongoing availability of childcare places is key in these wards to meet the Council's sufficiency duty.
 - A high number of children with SEND is being identified in Northumberland Park and Tottenham Hale wards and adequate provision and budget is required to satisfy demand for children with SEND.
 - There are many children living in out of work benefit households and in temporary accommodation and there is work underway with regeneration teams to support families to access work and training opportunities.
 - Affordability of childcare is a barrier for parents who wish to work. Average cost of childcare in Haringey is higher than the national average.

¹ Source: GLA 2019 Borough preferred option population projection medium out migration

A more collaborative approach with childcare providers and employers is required to promote tax free childcare to parents/carers to reduce the cost of childcare.

- There is a shortage of provision for older children (5 to 11 year olds) across the borough, particularly in Harringay and West Green wards and more provision for working families is required.
- Sustainability of settings is a concern especially in areas of disadvantage with increasing costs, static funding, staff recruitment and retention challenges and fewer fee-paying parents. More support is required to help providers understand and work with their cost base.
- Take up of the Disability Access Funding (DAF) has been low and the Early Years Pupil Premium (EYPP) and Free School Meals (FSM), are areas where improved take up is essential to support vulnerable families. Families need to be further encouraged to claim funding to maximise on the support available to the children.

6.3.2 The Council is keen to understand the impact on sufficiency of 2-year-old places and ensure that all entitlements work together. Highlighting areas of risk, provider viability and sufficiency of places across the childcare market is essential to embed and develop partnership working across providers and accessible early education provision can be sustained and thrive.

6.3.3 In light of the reduced rate of funding for 2 year old providers from September 2019, delivery of one to one business support sessions supporting provider sustainability commenced in June and was aimed at their longer term viability. Support was targeted at all providers who stood to lose £1,000 or more. There was a low response rate from providers only working term time and the support is available and ongoing for providers who are identified at risk due to their sustainability, viability and low occupancy rates.

6.4 The 2019 Childcare Sufficiency Assessment Exercise

6.4.1 The CSA was carried out over a period of five months and involved the completion of a range of surveys, telephone interviews, fieldwork interviews and workshops to gather information and feedback on the childcare market in Haringey. The exercise sought to hear parents/carers views on the suitability of childcare. In addition, the views of providers across the borough were sought.

6.4.2 The CSA was focused on understanding the childcare landscape in Haringey, including the current profile of the childcare market, gaps and potential future demands. Areas of focus included a review of the impact of the introduction of the 30 hours extended free entitlement for 3- and 4-year olds, as well as the longer-term viability of the 2-year-old free entitlement offer.

- 6.4.3 The CSA exercise built on work that was already being undertaken to review participation and explore gaps in childcare provision, particularly for children aged 5-14 year of age and those with special education needs and disabilities.
- 6.4.4 The exercise followed a period of internal analysis of the take up of the free entitlements to assess participation, particularly amongst key community groups and specific groups of children. whether providers were flexible in the delivery of the entitlement and childcare offered was suitable for working parent's needs.
- 6.4.5 The 2019 CSA has highlighted some key themes in relation to childcare:

Headlines from CSA

- **Understanding and awareness amongst residents**

There is a need to raise the profile of information available to parent/carers and providers to increase awareness of the offers, particularly for the extended hours as 83% of the parents who completed the survey did not think they were eligible for the offer.

- **Accessibility**

In areas of housing development and regeneration, analysis of current and potential demand supporting engagement is required to ensure the sufficiency of childcare places corresponds to the changes in local need. An increased number of parents have flexible working patterns i.e. shift work, weekend work and a high percentage of respondents stated that they would look for the flexibility in childcare.

- **Access to childcare for children and young people with SEND**

There is a need to support Childcare providers overcome the challenges with accessibility, funding and supporting appropriately trained staff to care for children with SEND.

- **Childcare Market**

Providers are facing increasing cost pressures what could potential affect long term viability.

- **Affordability**

Childcare costs have been cited as a barrier to work and training opportunities.

- **Out of school and holiday provision**

There is a need to commission/support the development and expansion of out of school and holiday provision for children with SEND and the growing population of all 5 to 11 year olds. There is limited childcare provision for the 10-14 year age range and this is a priority area for action. As outlined in the young people at risk of violence strategy a collective and coordinated approach will provide activities for young people to keep them safe and free from harm.

6.4.6 The Childcare Action Plan, 2019-2022 at Appendix 1 sets out steps to for continued work with childcare providers, parent, frontline professionals and residents to improve access to good quality childcare across Haringey. Bringing together sufficiency data and demographic information, as well as a review of the needs and trends, the Action Plan has been developed to provide a robust framework for action over the next four years.

7. Contribution to strategic outcomes

7.1. The CSA and associated Action Plan contribution to the delivery of the Haringey Borough Plan (2019-23) and notably Priority 2, where the vision is for a Haringey where strong families, strong networks and strong communities nurture all residents to live well and achieve their potential and where three identified outcomes are:

- Outcome 4 - Best Start in Life: the first few years of every child's life will give them the long-term foundations to thrive
- Outcome 5 - Happy Childhood: all children across the borough will be happy and healthy as they grow up, feeling safe and secure in their family and in our community
- Outcome 6 -Every young person, whatever their background, has a pathway to success for the future

8. Statutory Officers comments (Chief Finance Officer, Head of Procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Finance

8.1.1 The sufficiency assessment provides a steer on where efforts for should be targeted. The report and the sufficiency assessment do not present any immediate significant additional financial burdens to the council, although the sustainability of settings remain a challenge. It is expected that the costs to the Council will be met by the Children's Services budgets

8.1.2 Haringey's Early Years Allocation for 2019/20 has been revised down to £20.09m from the initial indicative ESFA estimate of £20.25m to reflect the January 2019 census.

8.1.3 The indicative allocations for 2020/21 are expected to be announced in December 2019

8.2 Corporate Governance

8.2.1 Under Section 6 of the Childcare Act 2006 (**Duty to secure sufficient childcare for working parents**) the Council is under a duty 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 determining whether the provision of childcare is sufficient to meet these requirements, the Council – (a) must have regard to the needs of parents in their area for – (i) the provision of childcare in respect of which the child care element of working tax credit is payable, (ii) the provision of childcare in respect of which an amount in respect of childcare costs may be included under section 12 of the Welfare Reform Act 2012 in the calculation of an award of universal credit, and (iii) the provision of childcare which is suitable for disabled children, and (b) may have regard to any childcare which they expect to be available outside their area.

8.2.2 The Department for Education has issued statutory guidance to local authorities titled 'Early Education and Childcare' (June 2018) which the Council is obliged to have regard to. The guidance provides a list of matters that local authorities should take into account to secure sufficient child care places. They include the following:

- a) the state of the local childcare market, including the demand for specific types of providers in a particular locality and the amount and type of supply that currently exists;
- b) the state of the local labour market including the sufficiency of the local childcare workforce;
- c) the quality and capacity of childcare providers and childminders registered with a childminder agency, including their funding, staff, premises, experience and expertise;
- d) should encourage schools in their area to offer childcare from 8.00am until 6.00pm and in school holidays;
- e) should encourage existing providers to expand their provision and new providers to enter the local childcare market if needed.
- f) should encourage providers to take a sustainable business approach to planning and signpost providers to resources to support them.

8.2.3 The guidance further provides for annual report to elected members on how the duty to secure sufficient childcare is being met. The report should include:

- a) a specific reference to how they are ensuring there is sufficient childcare available to meet the needs of: children with special educational needs and disabilities; children from families in receipt of the childcare element of Working Tax Credit or Universal Credit; children with parents who work irregular hours; children aged two, three and four taking up free places; school age children; and children needing holiday care;
- b) information about the current and projected supply and demand of childcare for particular age ranges of children, and the affordability, accessibility and quality of provision; and
- c) details of how any gaps in childcare provision will be addressed.

8.3 Procurement

8.3.1 Strategic Procurement notes the contents of this report to which there are no immediate procurement ramifications. However, procurement will provide support and guidance in relation to external commissioning of child care provision to assist commissioning to discharge its duty, meet its action plan and deliver strategic objectives.

8.4 Equality

8.4.1 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

8.4.2 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

8.4.3 The number of children and young people with an Education Health and Care Plan statement is on an overall upward trajectory. In 2018, the Haringey Schools Place Planning report stated that there were 1,848 children with a statement or Education Health care plan and 1,348 children and young people resident in the borough with SEND.

8.4.4 There is a high incidence of children and young people with SEND in the East of the borough particularly within BAME backgrounds. The Council's action plan has addressed the need to create more provision for children and young people with SEND to satisfy the demand and ensure childcare places and services for young children are available to ensure equality and inclusion. By delivering services for children with SEND it will help to address inequalities in access to childcare places and ensure there is sufficient provision for these families.

8.4.5 The childcare sufficiency duty affects children and young people of 0 to 14 years and up to 18 for children with disabilities and/or additional needs. It will support the Council to meet its equalities duties and address any gaps in provision through the Childcare Sufficiency Action plan.

8.4.6 By providing good quality childcare and services it will embrace diversity and all children will have equal opportunities for learning. It will have a positive

impact on parents who wish to work or study and will be good for Haringey's local economy.

9. Use of Appendices

9.1. Appendix 1 – Childcare Sufficiency Assessment 2019

9.2. Appendix 2 – Childcare Sufficiency Action Plan 2019-2022

10. Local Government (Access to Information) Act 1985 (if not applicable state)

- 10.1. The following background papers have informed the preparation of this report:
- Early education and statutory guidance for local authorities, June 2018
 - Haringey Borough Plan 2019-2023