

Impact of COVID-19 on Childcare in Haringey

This paper is intended to provide a brief overview of the impact being seen on the childcare market in Haringey because of the COVID-19 pandemic and the national response to the outbreak.

1. Childcare in Haringey

- 1.1 The borough of Haringey is fortunate to have a very diverse childcare market, delivered across a landscape that encompasses primary schools, nursery schools, children's centres, childminders, and private, voluntary, and independent sector providers. When childcare is under consideration, it is important to note that what is being referred to is the wide range of provision for children aged 0-14 (up to 19 for those with SEND) that may focus on early education, before and after school services, and holiday schemes.
- 1.2 In Haringey, childcare continues to play a key role in meeting key council objectives, such as:
 - Improving outcomes for all children; narrowing gaps in attainment, access, and outcomes for the most disadvantaged groups of children.
 - The availability of affordable and accessible childcare to support resident employment and pathways into employment.
- 1.3 The largest number of childcare providers within this borough fall within the early years sector. These providers represent most of the settings that have continued to operate since late March, albeit in vastly reduced numbers.

2. National response to COVID-19 – Lockdown

- 2.1 Since 23rd March 2020, when the Government imposed a national lockdown, we saw the delivery of childcare and early education provision cease in the borough for all children apart from those identified as vulnerable or those who were the children of critical workers. At that time, the Government also restated the statutory role of Local Authorities under the Childcare Acts, 2006 and 2016; which is essentially to act as Commissioner and Market Manager, assessing and retaining oversight of the sufficiency of childcare places within the borough, understanding and tracking demand and providing appropriate support and guidance to the sector in order to ensure that there is sufficient childcare in the borough to meet the needs of working parents.

- 2.2 During this crisis period, the local response required from Haringey Council has been set out in regular policy briefings from Government and includes:
- coordinating local response to the new arrangements, maintaining support and provision for children meeting the government criteria
 - Monitoring **demand** (no. of vulnerable children and critical workers needing childcare) and **capacity** (ensuring the sufficiency childcare places)
 - Supporting childcare settings to assess the risks for vulnerable children and children and young people with EHCPs

3. Funding for the free Entitlement

- 3.1 An early action by the Government was to agree the continuation of education funding, confirming that Local Authority DSG funding levels for 2020-21 would continue to be paid, at the levels indicated prior to the pandemic. From a childcare perspective, this meant that all providers delivering free early education places for 2, 3- and 4-year olds could expect to receive funding as normal despite being closed. This was highlighted as a policy decision to support business continuity and an attempt to mitigate the impact on the childcare sector of losses from private fee income.
- 3.2 Further to this, the Secretary of State for Education decided to temporarily extend eligibility for the free early education entitlement to 2-year-olds from families in receipt of Section 17 support who have no recourse to public funds (NRPF), for the duration of the coronavirus (COVID-19) outbreak only. This is to support their safety and wellbeing whilst restrictions are in place. Eligible children are British-born child(ren) who are entitled to be in the country yet are not receiving support by virtue of their parents' immigration status, which triggers the NRPF. Local Authorities are expected to reclaim expenditure post COVID through a mechanism to be advised by Government at some point in the future.
- 3.3 On this basis, Haringey Council has continued to fund free entitlement places in early years provision in the normal way, with mechanisms in place to track, on a weekly basis, which settings are open or closed. Given that we are required to continue to fund places in settings that have closed due to COVID-19 or where children have been withdrawn because of COVID-19, there is the issue of vulnerable children or critical workers' children, on the register of a setting that is closed, taking up a place at an alternative setting that has remained open. The free entitlement is an entitlement attached to the child and to this end, funding normally follows the child from setting to setting. The government's stated commitment that Local Authorities continue to fund providers who are closed, means that in a small number of cases, a funding

payment for a child will need to be made to two different settings. We are capturing information on the take up of places across settings that have remained open to establish a profile of where funding duplication might have occurred.

- 3.4 We anticipate a further policy position from Government on the continued funding of settings that are closed, as well as an approach to auditing the use of funding sometime in the future.

4. Tracking the impact on Haringey's Childcare Market

- 4.1 Since the end of March 2020, work has been ongoing to fulfil the responsibilities placed on the Council and remain on close contact with the childcare sector. Through regular forums, briefing notes, 1 to 1 conversations and surveying, we have sought, and continue seek to:

- Understand the impact on each childcare provider
- Gather regular feedback from early years and childcare sector
- Develop an appropriate Business Support offer – focused on business sustainability.
- Work with our early years sector on post-lockdown sufficiency planning.

- 4.2 The full picture of the impact of COVID-19 on our Childcare Market is still emerging. However, through the activities above, we are aware that there continues to be significant challenges being faced by many across the childcare sector because of the pandemic. A negative financial impact of lockdown on the viability of business is being felt by many, as is the ability to plan a future provision that is financially sustainable moving out of lockdown.

- 4.3 Adapting to new delivery models, with social distancing and flexibility central to planning, is key to the reopening of childcare across the borough. These requirements, alongside fluctuating parental demand and confidence are impacting on anticipated childcare place capacity across the borough and the longer-term financial viability of some provision.

- 4.4 The imperative is to ensure that as part of Haringey's recovery from the effects of the pandemic on the local economy and residents, we are able to sustain and secure sufficient childcare places for children to enable parents and carers to return to work, as lockdown is steadily lifted. In addition, making sure that children and families are able to benefit from high quality childcare and early education will support mental health and wellbeing and is likely to go some way to reducing any potentially negative impact for some of our most vulnerable children in the coming months and years.

5. Childcare Place Sufficiency and Demand

5.1 The tables below have been included to provide some sense of the patterns of supply and demand we have seen in the borough in relation to childcare for young children over the past 12 weeks. We have maintained contact with providers of childcare for children over 5 years of age and all are currently closed. Some have adapted their offer to a range of online activities and support for children and families. As residents begin to return to workplaces and require access to childcare across a much broader age range, we will need to work closely with providers of before and after-school provision, as well as holiday provision, to consider how delivery of such childcare can return and adapt to demand in as safe and as flexible a way as possible.

5.1.2 At this stage, we can only speculate about the impact of furloughing, redundancies and changing work patterns amongst residents might have on demand for childcare. It may be that increased levels of worklessness feed through to a drop in demand for childcare. Work will be undertaken across key Council departments and partner agencies to understand how patterns and levels of employment have changed and continue to change over the coming months.

5.1.3 A trend of increasing worklessness in households and fragile employment could compound the vulnerability of the childcare market as parents and carers become less able to afford childcare.

5.2 Sufficiency

5.2.1 In Haringey, there are currently approximately 322 providers of childcare for under 5's. This comprises of:

177 Childminders.

85 Group-based providers (Ofsted registered nurseries, pre-schools, and playgroups).

60 School-run providers (nursery classes in schools, maintained nursery classes and school-run childcare).

5.2.2 Since early April, an average of **25 %** of all providers of under 5's childcare has remained open. School settings have remained open throughout the lockdown period for vulnerable pupils and those who are the children of critical workers.

5.2.3 *Recording the number of nursery classes that are open and have pupils attending had proved to be challenging and therefore figures shown for school-run provision are confirmed numbers of schools recorded as being open, rather than a reflection of the nursery classes open for children.

Table 1 below sets out the number of open settings based on twice weekly counts.

DATE	OPEN - ALL	OPEN – Childminders	OPEN -Private, Voluntary, independent and LA maintained	*OPEN – School-run
07/04/20	70	19	10	41
09/04/20	59	19	12	29
14/04/20	55	19	10	26
20/04/20	61	19	7	35
23/04/20	86	19	8	55
27/04/20	79	19	8	52
30/04/20	79	19	8	52
04/05/20	90	24	8	58
07/05/20	94	28	7	59
11/05/20	93	28	7	58
14/05/20	95	29	7	59
18/05/20	95	29	7	59
21/05/20	95	29	7	59

5.3 Reopening after Lockdown – the Emerging Sufficiency Picture

5.3.1 Since June 1st, the early years sector in Haringey has been responding to the government decision that all providers of early years childcare could reopen for all children. We have seen a steady increase in the number of settings open.

Table 2

DATE	OPEN - ALL	OPEN – Childminders	OPEN -Private, Voluntary, independent and LA maintained	**OPEN – School-run
04/06/20	83	34	33	16
08/06/20	99	37	40	22
11/06/20	109	41	45	23

5.4 Demand

Table 3 below has been provided to help illustrate the impact of the current pandemic on levels of children’s participation in childcare and early education since April.

Child Population	Haringey Population (*ONS,2018)
0-1-year olds	7,758
2-year olds	3,784

3- and 4-year olds	7,388
Total 0-4 years olds	18,930

- 5.4.1 In normal times, we would see approximately **80 %** (@ 5,900) of all our 3- and 4-year olds in an early education/childcare place at this time.
- 5.4.2 Of the **1000** 2-year olds estimated to be eligible for a free entitlement, we would expect to see approximately **60 %** accessing an early education/place at this time.
- 5.4.3 At the beginning of the lockdown period, it was anticipated that we would see most of our vulnerable children taking up the offer of continued childcare and early education. In Haringey, the pattern that has emerged has been a steady demand for places for the children of critical workers and a lower than expected take up of places by some of our most vulnerable children. This matches the picture that has been seen nationally with approximately 1% of vulnerable children accessing provision.
- 5.4.4 We are aware that for many eligible parents and carers, the ‘strong stay at home’ messaging and on-going anxieties about the spread of the Coronavirus has influenced decision-making in relation to taking up a childcare place.

Table 4 provides an overview of numbers of children accessing childcare since the beginning of the lockdown period.

DATE	ALL CHILDREN (aged 0-5)	CRITICAL WORKER CHILDREN	VULNERABLE CHILDREN
07/04/20	171	141	30
09/04/20	200	141	59
14/04/20	182	152	30
20/04/20	168	137	31
23/04/20	189	157	32
27/04/20	177	141	36
30/04/20	167	133	34
04/05/20	184	150	34
07/05/20	197	153	44
11/05/20	193	156	37
14/05/20	198	161	37
18/05/20	200	154	46
21/05/20	215	168	47

5.4.5 Reopening after Lockdown – the Emerging Demand Picture

Since June 1st, we have seen a significant increase in the number of children attending settings.

Table 5

DATE	ALL CHILDREN	CRITICAL WORKER CHILDREN	VULNERABLE CHILDREN
04/06/20	233	211	34
08/06/20	835	245	45
11/06/20	1106	330	53

6. Risks to Haringey’s Childcare Market

6.1 Our assessment of impact to date has highlighted some key areas of risk to the sustainability of Haringey’s childcare market, thus putting at risk the sufficiency of childcare as an aide to economic recovery.

6.2 A survey of the childcare sector was undertaken in May 2020 and sought feedback in several areas. 250 providers were contacted and asked to participate. The response rate was **35 %** and yielded some initial findings which we are keen to explore further as part of identifying areas of risk and any mitigating actions to reduce the negative impact COVID-19 on our childcare market. As a snapshot of the current climate for childcare providers, it was noted that around half of the respondents were concerned about their business’ financial stability, with a quarter indicating that they were ‘extremely concerned’.

6.3 Income Loss

6.3.1 It is becoming clear, that for many providers, their insurers will not cover their loss of income incurred as consequence of the COVID-19 outbreak. This is recognised by government and underpins some of the measures introduced to mitigate the impact on nurseries and childminders, such as the continuation of statutory funding for the free entitlement.

6.3.2 Loss of income from private sources is one of the main challenges that the many providers need to overcome. 22% of respondents indicated that their income was derived solely from private fees. Survey feedback also indicated

that losses might range from very small amounts to significant levels with the upper ranges falling between £ 20k and £75k for the month of May alone. The circumstances for individual providers vary and this was reflected in survey responses.

6.3.3 Childcare providers have been advised by government to take a 'reasonable' approach to charging parents and carers fees during the crisis. It has, however, relied on clauses in providers' contracts with parents and carers in relation to unforeseen closure, to determine whether there has been the continuation or cessation of fee payments. 78% of respondents had not continued to charge parents fees, with half of those who had, receiving voluntary contributions from parents, rather than full fees.

6.3.4 A significant proportion (two thirds) of respondents felt that their projected income for this year would be insufficient to meet their costs.

6.4 Business Continuity

6.4.1 The range of government support for childcare providers during this crisis has extended to the following:

- Small Business Rates Relief (SBRR)
- Small Business Grant Funding (SBGF)
- Coronavirus Job-Retention Scheme (CJRS) - staff furlough scheme
- Business Interruption Loan Scheme (BILS)
- Self-Employment Income Support Scheme (SEISS)
- Bounce Back Loan Scheme (BBLs)

About a quarter of survey respondents had successfully applied for the CJRS and almost the same number had successfully applied for the SEISS.

6.4.2 For providers who currently pay business rates to Haringey Council, the government has made provision for the introduction of a business rates holiday, for one year, commencing on the 1st April 2020. The Council will be compensated by the government for this loss of income. The numbers of providers eligible, and successfully applying for SBRR and the associated SBGF has been small (Amongst survey respondents there were 2 for the SBRR and 1 for the SBGF). Further work is being undertaken to look the potential of a Local Discretionary Grant Scheme to encompass more childcare businesses and potentially support those who may be contributing to business rates through their rent payments.

7. Ability to adapt service delivery models for re-opening

- 7.1 Many childcare providers in the borough have been able to implement changes to their service delivery model to reopen safely. We are aware that for some providers, doing so may require physical changes to site, depending on the type of site they occupy. There has already been an indication that, in some cases, financial and planning support may be needed to be facilitate reopening. The scale of this is unknown but work continues to be undertaken to assess need and determine an appropriate response.
- 7.2 An initial programme of support events has been developed and is being delivered throughout June 2020. With a focus on the practicalities of delivering childcare post lockdown and business and financial planning for sustainable delivery, the intention is to facilitate peer support and learning, gather feedback on risks and issues, and inform strategic planning in Haringey for the short, medium, and longer-term provision of childcare in the borough.
- 7.3 This is a hugely uncertain time and any scope to mitigate significant risks to the availability of childcare contribute to economic resilience and recovery within the borough.