

# Childcare Sufficiency Report

September 2014

Gateshead Council

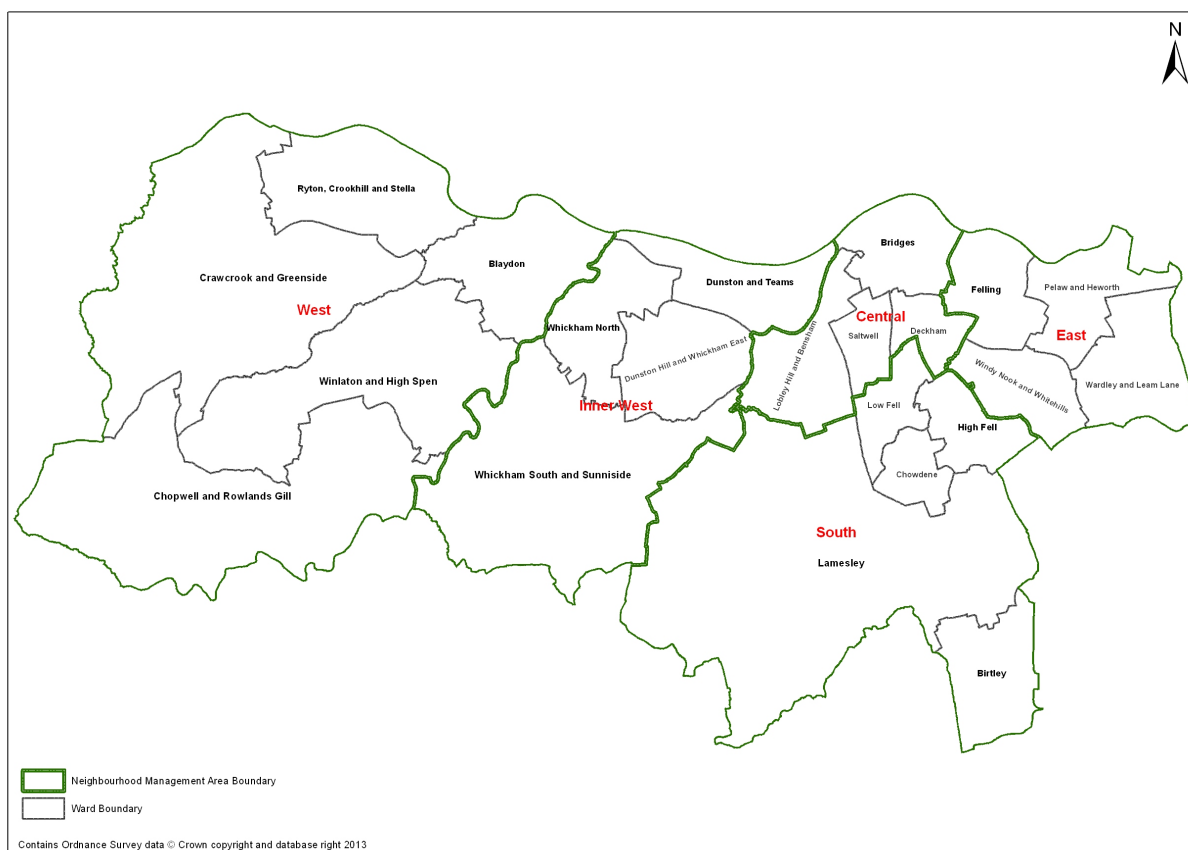
## Introduction

The Childcare Act 2006 (Section 6) places a duty of 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 years (or up to 18 for disabled children).” This duty requires Local Authorities to shape and support the development of childcare in their area to make it flexible, sustainable and responsive to the needs of the local community.

Local Authorities also had a duty (under Section 11 of the Act) to undertake a childcare sufficiency assessment (CSA) every three years, with annual refresh reports to update of changes affecting the childcare market. Assessments and reports were published on the Council website and made available to parents upon request.

The Children and Families Act 2014 has repealed Section 11 of the Childcare Act 2006. This means that Local Authorities no longer have to undertake and publish a detailed and prescribed CSA every 3 years. Instead, an annual sufficiency report will be published.

Information given below is divided between the 5 Neighbourhood areas in Gateshead, Central, East, Inner West, South and West (Refer to map).



The data used to inform this refresh largely covers the period 1<sup>st</sup> April 2013 to 31<sup>st</sup> September 2014. Comparisons with the last report therefore cover an 18 month period.

There has only been minor changes in population when compared against last year's figures.

## **Methodology**

Data collection forms were e-mailed to all Ofsted group providers and childminders. Follow up telephone calls were made by Early Years Officers to each provider to arrange a date and time convenient to the provider to complete the form over the telephone. This approach worked well leading to 100% return for group providers and a 30% return from non-group providers (childminders and home childcarers).

## **Number of Providers and Places**

We have a mixed market providing childcare places in Gateshead, comprising 149 childminders, 29 day nurseries, 25 pre-schools, 28 after school clubs, 25 breakfast clubs, 16 holiday clubs and 11 home childcarers.

The number of childminders has declined over the last 18 months by 7%. This reduction is in line with reductions in previous years in Gateshead and reflects the national trend. The decrease applied to all Neighbourhood Management Areas (NMAs) except the Central area which had a small increase.

There are 3 new pre-schools. One in the East and 2 in the Inner West. These 3 new provisions as well as small increases to existing provision gave a total of 138 new places.

Two new day nurseries have opened and 1 closed, all in the South. Overall there was a net increase of 16 places.

There is 1 new out of school club, in the South. Giving an extra 22 places.

There is one new breakfast club, in the Inner West. Giving an increase of 31 places.

Two holiday clubs have closed, 1 in the Central and 1 in the South. Giving a reduction of 60 places.

Home childcarers have decreased by 25%, from 15 to 11.

In spite of this movement in the sector, the number of places on offer has remained very stable. 5,836 places in 2013 and 5,929 in 2014, an increase of 1.6%.

## **Occupancy**

The level of occupancy of each type of childcare is a key indicator of sufficiency. The very high levels of occupancy shown in the analysis indicate that there may be some unmet parental demand, especially on the more popular days of the week. However, there has been no unmet need reported as an enquiry to FIS.

Since 2013, occupancy levels have risen in all childcare sectors and now average over 90% (Day nurseries, pre-schools, out of school clubs, breakfast clubs and holiday clubs) with the exception of childminders. From the information that we have received from childminders, occupancy has fallen from 87.7% in 2013 to 80.7% in 2014.

Whilst breakfast and after school clubs are registered for children up to 8 years of age, there are no regulations governing how many children 8 years and over that may attend. Occupancy has been assessed against Ofsted registered places.

## **Costs**

The cost of all types of childcare has risen over the last year.

Costs at day nurseries, breakfast clubs and after school clubs have had small increases of approximately 3%. Pre-schools offer a combination of 3 hour and 5 hour session, on average they show an increase in cost of 9%.

Cost of holiday club has risen most significantly with a 35% average daily increase. Average daily costs in 2013 were £14.95 and are now £20.17. This increase may be a reflection of the fact that private providers find it difficult to make holiday provision sustainable due to the long hours staff are needed to work. Places that are available can therefore charge a premium rate.

Costs charged by childminders have overall only increased by 1.5%. Childminders are competing on cost with group providers such as day nurseries, pre-schools and out of school clubs. However, the hourly rates of childminders on average are still higher when compared to the hourly rates of day nurseries, pre-schools and out of school clubs.

A recent survey by the national children's charity, 4Children, of 1,000 parents of children aged between 0 – 16 years, found that 28% of parents said they would need to cut down on treats in 2015 in order to meet high costs of childcare. A further 16% said they would have to cut back on essentials in 2015 to pay for childcare.

From Autumn 2015, the government have already announced the introduction of tax-free childcare. This will give almost two million families the opportunity to receive up to £2,000 of support per child per year. This support is available to parents of children under 12 years or 17 years in the case of disabled children. This may increase demand.

## **Funded Early Education**

The Council 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 Three and Four Year Olds remains stable and very high at 96.8%.

The Council also has a statutory duty to provide 15 hours per week of free early education for eligible 2 year olds. This duty came into effect from September 2013 for 20% of all 2 year olds and was extended to include 40% of all 2 year olds from September 2014.

Eligibility for the initial 20% of children is the same as for Free School Meals (FSM) and included Looked After children (LAC). The eligibility criteria for the additional 20% of 2 year olds are an extension of benefits criteria, some children with Special Educational Needs and Disabilities and children who have left care through special guardianship, adoption or arrangement orders.

Across Gateshead in September 2014, take up was 67% of eligible families. The East had the lowest level of take up but this could be due to a lack of places being available. This situation should improve with the completion of a project in the Pelaw and Heworth Ward although data analysis indicates that further provision is needed in the Felling ward.

Other areas where analysis indicates that further places for two year olds are required are Whickham North and Crawcrook.

## **Quality**

Within Gateshead all funded 2 year olds are in Good or Outstanding provision or provision that is yet to be inspected. Evidence shows that higher quality provision has greater developmental benefits for children, particularly for the most disadvantaged children. 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 in their most recent Ofsted inspection report or awaiting their first inspection.

Ofsted now carry out first inspections within the first 30 months of operation following registration. The previous time scale was between 5 and 7 months.

Quality is generally high across Gateshead with the following types of provision being graded Good or Outstanding by Ofsted; 89% of daycare providers, 96% of pre-schools, 92% after school clubs, 88% breakfast clubs 94% holiday clubs. However, as can be seen from Appendix A, 25% of childminders have failed to achieve at least a 'Good' grade at inspection. The childminder sector is the one that requires the greatest level of support and Officers from the Early Years and Childcare Service and EducationGateshead have put strategies are in place to support childminders to raise their standards but not all childminders are willing to engage fully with officers.

## **New Housing Developments**

The Gateshead Local Plan provides a strategy for delivering 11,000 new homes and it will take until 2030 for the full plan to be completed.

Between 2012 and 2015, a relatively small number of homes have been built in Bensham, Birtley and Gateshead town centre. These developments have not posed any sufficiency issues.

Between 2015 and 2020, housing developments are planned in a number of areas. The potential increased demand for childcare places may give rise to sufficiency issues in Bensham, Birtley, Crawcrook, Felling and Ryton areas.

Officers will continue to monitor supply and demand of places and continue to report their findings year on year.

## **Conclusion**

In Gateshead we have a strong and stable mixed economy providing a range of childcare places and apart from Felling, Whickham and Crawcrook , there are sufficient childcare places. The quality of the vast majority of these places has been judged by Ofsted to be high.

Although costs have risen, they are in line with regional and national charges.

There is little flexibility to be found in schools that offer early education for 3 and 4 year olds but this does offer private providers a unique selling opportunity.

The existing high levels of occupancy matched with growth in demand for two year old places and significant housing developments in certain areas, could lead to the need to develop new childcare places in a number of areas.

Officers will continue to provide information on a yearly basis and will endeavour to continue to manage the childcare market on behalf of the Local Authority and work in partnership with interested partners.

<b>Appendix A</b>							
<b>Childcare Sufficiency Data</b>							
	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Total</b>
<b>Population</b>							
Persons 0 - 2	1,679	1,374	1,182	1,467	1,530		<b>7,232</b>
Persons 3 - 4	1,041	817	806	994	999		<b>4,657</b>
Persons 5 - 11	2,910	2,725	2,419	3,399	3,258		<b>14,709</b>
Persons 12 - 14	1,150	1,159	1,070	3,399	3,258		<b>6,434</b>
(Based on Office for National Statistics Mid Year Population Estimates for 2012)							<b>33,032</b>
<b>Provider Statistics</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Total</b>
<b>Number of Providers</b>							
Childminder	21	25	22	39	42		<b>149</b>
Day Nursery	9	3	3	9	5		<b>29</b>
Pre School	1	2	7	7	8		<b>25</b>
Out of School Club	4	3	9	5	7		<b>28</b>
Breakfast Club	2	4	9	4	6		<b>25</b>
Holiday Club	4	1	4	3	4		<b>16</b>
Home Childcarer	4	1	3	3	0		<b>11</b>
<b>Total</b>	<b>45</b>	<b>39</b>	<b>57</b>	<b>70</b>	<b>72</b>		<b>283</b>
<b>Child Registered Places</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Total</b>
Childminder	98	129	103	181	206		<b>717</b>
Pre School	35	51	193	209	358		<b>846</b>
Day Nursery	674	131	271	590	222		<b>1888</b>
Out of School Club	188	84	290	198	237		<b>997</b>
Breakfast Club	88	110	301	176	201		<b>876</b>
Holiday Club	154	30	150	112	159		<b>605</b>
<b>Total</b>	<b>1237</b>	<b>535</b>	<b>1308</b>	<b>1466</b>	<b>1383</b>		<b>5929</b>
<b>Occupancy and % occupancy</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Total</b>
Childminder	45 78.9%	57 80.3%	42 75%	103 83.7%	87 81.3%		<b>334</b> <b>80.7%</b>
Pre-school	30 85.7%	35 68.6%	147 76.2%	187 89.4%	338 94.4%		<b>737</b> <b>87.1%</b>
Day Nursery	572 84.9%	115 87.8%	253 93.0%	416 70.5%	216 77.1%		<b>1572</b> <b>87.8%</b>
Out of School Club	143 76.0%	71 84.5%	225 77.6%	162 81.8%	171 72.1%		<b>772</b> <b>77.4%</b>
Breakfast Club	88 100%	106 100%	262 87%	150 100%	168 79.6%		<b>774</b> <b>90.4%</b>
Holiday Club	106 93%	30 100%	132 86.8%	82 100%	108 71.5%		<b>458</b> <b>86.6%</b>
<b>Total</b>	<b>984</b>	<b>414</b>	<b>1061</b>	<b>1100</b>	<b>1088</b>		<b>4647</b> <b>82.4%</b>

<b>Costs (in pounds - £)</b>							
<b>Childminder hourly cost under 2</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>	<b>OOB</b>	<b>Gateshead</b>
Max	4.32	6	4	5	6.5		
Min	3.5	3.5	3.25	3	3		
Average	<b>3.9</b>	<b>3.9</b>	<b>3.6</b>	<b>3.73</b>	<b>3.79</b>		<b>3.78</b>
<b>Childminder hourly cost over 2</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Gateshead</b>
Max	4.32	6	4	5	6.5		
Min	3.5	3.5	3.25	3	3		
Average	<b>3.9</b>	<b>3.9</b>	<b>3.6</b>	<b>3.73</b>	<b>3.71</b>		<b>3.77</b>
<b>Pre-School session</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Gateshead</b>
Max	9	12.5	12	13.50	14.55		
Min	9	12.5	8	7	8.50		
Average	<b>9</b>	<b>12.5</b>	<b>10.29</b>	<b>9.94</b>	<b>11.86</b>		<b>10.72</b>
<b>Day Nursery under 2</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Gateshead</b>
Max	42.51	38.75	39	45.6	45		
Min	29	38	37.65	35	37		
Average	<b>36.79</b>	<b>38.38</b>	<b>38.38</b>	<b>40.70</b>	<b>39.7</b>		<b>38.79</b>
Average cost per hour (based on 10hr day)	<b>3.68</b>	<b>3.84</b>	<b>3.84</b>	<b>4.07</b>	<b>3.97</b>		<b>3.88</b>
<b>Day Nursery over 2</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Gateshead</b>
Max	38	36.7	36	41.50	41		
Min	27	33.50	34.50	35	32.50		
Average	<b>33.22</b>	<b>35.10</b>	<b>35.33</b>	<b>39.56</b>	<b>36.3</b>		<b>35.90</b>
Average cost per hour (based on 10hr day)	<b>3.32</b>	<b>3.51</b>	<b>3.53</b>	<b>3.96</b>	<b>3.63</b>		<b>3.59</b>
<b>OOSC</b>	<b>Central*</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Gateshead</b>
Max	8.95	9	9	12	12		
Min	8.45	6.50	6.50	7.30	7		
Average	<b>8.63</b>	<b>7.60</b>	<b>7.77</b>	<b>8.78</b>	<b>8.69</b>		<b>8.29</b>
Average cost per hour (based on 3 hr session)							<b>2.76</b>
<b>Holiday Club (per day)</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Gateshead</b>
Max	23	15	20	30	35		
Min	18	15	16	18	17		
Average	<b>19.50</b>	<b>15</b>	<b>19</b>	<b>24.33</b>	<b>23</b>		<b>20.17</b>
<b>Breakfast Club</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Gateshead</b>
Max	8.25	4.50	5	8	4.50		
Min	4.25	3.50	2.50	4.2	3		
Average	<b>6.38</b>	<b>4.05</b>	<b>4.06</b>	<b>5.15</b>	<b>3.78</b>		<b>4.68</b>



<b>Funding Statistics</b>							
3 & 4yr funding take-up %	96.8%						
<i>(OOB – Out of borough)</i>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>	<b>OOB</b>	<b>Total</b>
2yr take up (Sept 2014)	209	111	89	146	125	5	<b>685</b>
2yr eligible children	299	204	137	213	169	0	<b>1,022</b>
2yr % take – up	70%	54%	65%	69%	74%	0	<b>67%</b>
<b>Ofsted Grades</b>							
<b>Childminders</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Total</b>
Outstanding	1	1	2	0	2		<b>6 (4%)</b>
Good	8	17	14	28	23		<b>90 (68%)</b>
Satisfactory/Requires Improvement	4	5	2	5	12		<b>28 (21%)</b>
Inadequate	0	0	0	0	0		<b>0 (0%)</b>
Met	0	2	1	0	1		<b>4 (3%)</b>
Not Met	2	0	2	1	0		<b>5 (4%)</b>
New – No Grade	6	0	1	5	4		<b>16</b>
<b>Total</b>	<b>21</b>	<b>25</b>	<b>22</b>	<b>39</b>	<b>42</b>		<b>149</b>
<b>Day Nurseries</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Total</b>
Outstanding	1	0	0	2	0		<b>3 (11%)</b>
Good	8	1	3	4	5		<b>21 (78%)</b>
Satisfactory/Requires Improvement	0	2	0	1	0		<b>3 (11%)</b>
New – No Grade	0	0	0	2	0		<b>2</b>
<b>Total</b>	<b>9</b>	<b>3</b>	<b>3</b>	<b>9</b>	<b>5</b>		<b>29</b>
<b>Pre-Schools</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Total</b>
Outstanding	0	1	1	0	2		<b>4 (17%)</b>
Good	1	1	5	7	5		<b>19 (79%)</b>
Satisfactory/Requires Improvement	0	0	0	0	0		<b>0 (0%)</b>
Met	0	0	1	0	0		<b>1 (4%)</b>
New	0	0	0	0	1		<b>1</b>
<b>Total</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>7</b>	<b>8</b>		<b>25</b>
<b>Out Of School Clubs</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Total</b>
Outstanding	0	0	0	0	0		<b>0 (0%)</b>
Good	3	1	8	4	7		<b>23 (85%)</b>
Satisfactory/Requires Improvement	0	2	0	0	0		<b>2 (7%)</b>
Met	0	0	1	0	0		<b>1 (4%)</b>
Not Met	1	0	0	0	0		<b>1 (4%)</b>
New – No Grade	0	0	0	1	0		<b>1</b>
<b>Total</b>	<b>4</b>	<b>3</b>	<b>9</b>	<b>5</b>	<b>7</b>		<b>28</b>
<b>Breakfast Clubs</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Total</b>
Outstanding	0	1	0	0	0		<b>1 (4%)</b>
Good	2	1	7	4	6		<b>20 (84%)</b>
Satisfactory/Requires Improvement	0	2	0	0	0		<b>2 (8%)</b>
Met	0	0	1	0	0		<b>1 (4%)</b>
New – No Grade	0	0	1	0	0		<b>1</b>
<b>Total</b>	<b>2</b>	<b>4</b>	<b>9</b>	<b>4</b>	<b>6</b>		<b>25</b>

<b>Holiday Clubs</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Total</b>
Outstanding	1	0	0	0	0		<b>1 (6%)</b>
Good	3	0	4	3	4		<b>14 (88%)</b>
Satisfactory/Requires Improvement	0	1	0	0	0		<b>1 (6%)</b>
<b>Total</b>	<b>4</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>4</b>		<b>16</b>
<b>Home Childcarer</b>	<b>Central</b>	<b>East</b>	<b>Inner West</b>	<b>South</b>	<b>West</b>		<b>Total</b>
Met	1	0	1	2	0		<b>4 (80%)</b>
Not Met	0	0	1	0	0		<b>1 (20%)</b>
New – No Grade	3	1	1	1	0		<b>6</b>
<b>Total</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>0</b>		<b>11</b>

## Schools

A questionnaire was emailed to all the schools in Gateshead at the end of the Summer Term and Autumn Term asking for information on any Breakfast Clubs, Out of School Clubs and Holiday Clubs that they might run.

These clubs do not require a separate Ofsted registration and are therefore not included in any of the analysis above.

We received 31 responses from a possible 84 schools, a (37%) return. The following is an analysis of those forms that were returned although this may not give a true overall analysis.

From these responses there were 19 schools with Breakfast clubs = (61%)

The average cost for these breakfast clubs was £1.24. The highest cost was £4.50, the lowest free.

10 (52.7%) of these Breakfast clubs charge a fee – 9 (47.3%) are free.

10 Schools ran an Out of School Club = (32.2%)

9 (90%) of the schools charged a fee, and the other 1, (10%) was free of charge.

The highest cost per Out of School club was £8.25 and the lowest £2.00. The average cost was £4.98.

2 (6.4%) of the schools who responded ran a Holiday Club.

Out of 31 that could have answered the question “How do you deliver your 15hr free entitlement?” only 16 (51.6%) responded. 7 (43.8%) deliver their free entitlement morning and afternoon sessions, while 9 (56.2%) deliver their entitlement in morning sessions only.