



# **Childcare Sufficiency Assessment**

**Executive Summary March 2011**



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Hempsall's is an independent provider of training, research and consultancy for everyone working with children, young people and families, with a specialism in the early years, childcare, extended services and children's centres sector.

## I Introduction

The Childcare Act (2006) requires North East Lincolnshire Council (the council) to ensure a sufficiency of childcare for working parents, parents studying or training, and for disabled children.

The duties in the act (section 6) require the council to shape and support the development of childcare in North East Lincolnshire in order to make it flexible, sustainable and responsive to the needs of the community. This role is described as a ‘market management’ function, supporting the sector to meet the needs of parents, children and young people, parents and stakeholders.

The council also has a duty (section 11 of the act) to undertake a detailed childcare sufficiency assessment (CSA) every three years, with annual updates as and when new data becomes available. In doing so, the council should consult with a range of stakeholders including parents and carers, children and young people, employers, community groups, schools and providers of childcare. The CSA should include a detailed analysis of local demographics and include an overall up-to-date picture of the supply, parents’ use of, and demand for, childcare in the local authority area. The assessment’s purpose is to complete a gap analysis identifying where childcare supply does not match the needs of families and communities. This gap analysis informs the council’s sufficiency action plan which should be published alongside the assessment. The action plan shows how the council aims to meet its section 6 duty to ensure a sufficiency of childcare.

Sufficient childcare is defined as<sup>1</sup>:

“Sufficient to meet the requirements of parents in the [local authority’s] area who require childcare in order to enable them:

- a) To take up, or remain in, work, or
- b) To undertake education or training which could reasonably be expected to assist them to obtain work.

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<sup>1</sup> Securing Sufficient Childcare DCSF April 2010

In determining whether provision of childcare is sufficient a local authority:

- a) Must have regard to the needs of parents in their area for:
  - the provision of childcare in respect of which the childcare element of the working tax credit is payable, and;
  - the provision of childcare which is suitable for disabled children.
  
- b) May have regard to any childcare, which they expect to be available outside their area.”

North East Lincolnshire Council commissioned Hempsall's in July 2010 to undertake all aspects of the childcare sufficiency assessment 2010 – 2011 on behalf of the local authority.

## **2 Methodology**

A range of different qualitative and quantitative methods were used to collect the childcare needs and demand for the CSA. Questionnaire surveys of parents and carers were complemented by one-to-one interviews and focus groups with parents and carers, children, young people, employers, providers and other stakeholders. All fieldwork was completed between July and November 2010.

We gratefully acknowledge the support and cooperation of everyone involved with the assessment, including schools, children's centres, local authority staff, childcare providers, key stakeholders and local employers.

The consultation draws heavily on the views and experiences of parents, carers, children and young people. Their contribution to the research and the sufficiency findings has been invaluable.

### 3 Gap analysis

A key task of the childcare sufficiency assessment is to consider all the collected data and undertake a 'gap analysis'. The analysis should identify where there are childcare sufficiency gaps against a prescribed range of headings: geographical; income; specific needs; time; age; and information. The gap analysis is a major area of consideration for the development of the local authority's childcare sufficiency action plan, published alongside this assessment on the local authority's website: [www.nelincs.gov.uk](http://www.nelincs.gov.uk).

**Geographical Gaps:** where a geographical area has a general shortage of supply

- There is a general shortage of supply in: Fiveways Neighbourhood Area; Cleethorpes; and in rural areas.

**Income Gaps:** where there is a shortage of affordable childcare for the income groups populating an area.

- Affordable childcare is lacking in Fiveways and Central neighbourhood areas, and in households with an income of between £12,000 and £23,999.

**Specific Need Gaps:** where there is a shortage of suitable places for disabled children, or children with other specific needs or requirements, including those from particular faiths or community groups

- There is a shortage of suitable places for disabled children, or children with other specific needs or requirements, and for Traveller families. 54% of providers say they require support to better meet the needs of disabled children and children with additional needs.

**Time Gaps:** where there is a shortage of childcare at a time that parents would wish to use childcare

- There are some shortages of childcare at the following times: after school (3.30pm to 6.00pm); early morning (before 8.00am); shift patterns; and emergency or occasional childcare. There is little provision across the area available outside of core 'standard' working hours (e.g. 8.00am to 6.00pm).

**Age Gaps:** where there is a shortage of childcare suitable to the needs and requirements of a certain age group (for example, school-aged children up to 18 years, if they are disabled). This may be difficult to detect if it is masked by overprovision of childcare suitable for other age groups.

- There is evidence of some unmet need for older children (aged 11 years and above).

**Type Gaps:** where there is a shortage in the type of childcare for which parents may be expressing a preference.

- Parents express there is a shortage of out of school (including after school and holiday provision). However, there are vacancies in existing provision and a relatively high percentage of providers operating below their capacity.

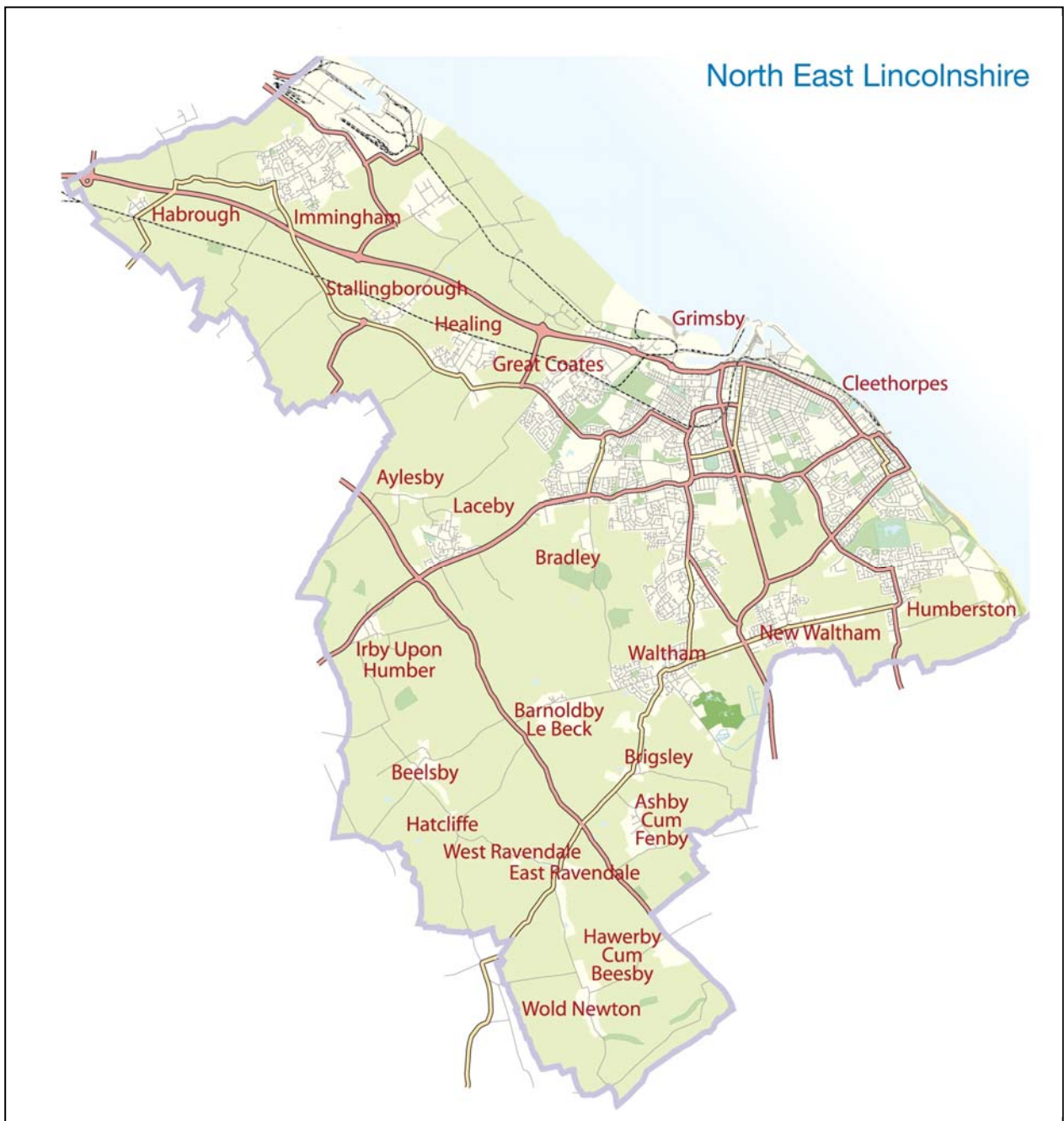
**Information Gaps:** where information and knowledge is not reaching parents, or understanding is not developing into knowledge about provision and services on offer.

- Information and knowledge is not always reaching parents, particularly for term-time provision. There are relatively low levels of awareness and use of the council's Families Information Service which if increased could better support parents and carers developing knowledge about provision and services on offer. Parent and carers need additional information about the support available for the costs of childcare.

## 4 The assessment's key findings

### 4.1 About North East Lincolnshire

North East Lincolnshire is a small unitary authority with an estimated population of 157,000. The population has shown a marginal decrease (0.5%) between 2004 and 2009. The majority of the resident population live in the towns of Grimsby and Cleethorpes with the remainder living in the smaller town of Immingham or in surrounding rural villages.



Source: North East Lincolnshire State of the Borough April 2011



The population is changing. In 2001, 97.5% of the population were White British; and in 2007 White British accounted for an estimated 95% of the overall population.

North East Lincolnshire faces a number of challenges, including: relatively high levels of deprivation; low pay; higher than average levels of unemployment and; health inequalities impacting on the lives of children and families. The area is relatively deprived ranking 49<sup>th</sup> out of 354 local authorities on the Indices of Multiple deprivation 2007 with 41% of Lower Level Super Output Areas falling within the top 20% most deprived in the country.

North East Lincolnshire Council is the largest employer in the district with around 7,000 employee jobs (2007 figures). The economy is traditionally based on manufacturing and food processing with more than a third of local people employed in these industries. Unemployment in the area is relatively high, particularly for women where unemployment levels are 57% greater than found across GB as a whole.

Average weekly income is low in comparison to the Yorkshire and The Humber region and to Great Britain, particularly for female workers. However, data suggests annual salaries (as opposed to weekly or hourly pay) were increasing at the time of the assessment.

## **4.2 Use of childcare**

Across all parents and carers responding to the survey, and taking all age ranges of children into account, 54% are using formal childcare for at least one child. Some parent or carers may use childcare for all children, others for only some of their children.

Patterns of use of formal childcare differed amongst age ranges of children. Parent and carers of younger children (under 3 years old) used fewer numbers and types of formal childcare, predominantly crèche and day nursery for very young children (0-1 year old) and crèche, day nursery and pre-school for 2 year olds.

Patterns of take-up of formal childcare become more complex with children from the age of 3 years. Here, pre-school and day nursery provision is still predominant and parent/carers report using out of school care and to a lesser extent, holiday provision.

Out of school provision predominates for children aged 5-10 years old including high use of after school activities, breakfast, and holiday provision.

There is generally very low use of formal childcare for children aged 11-14 years (up to 17 years for disabled children) and where formal childcare is used it focuses on after school activities, out of school childcare, and holiday provision.

The highest use of formal childcare is for children aged 3 and 4 years of age (79% of parents and carers with a child in this age range report using formal childcare for that child). The lowest levels of use are for children aged between 11 and 14 years of age (up to 17 years for disabled children and children with additional needs) where fewer than a quarter of parent/carers (23%) use formal childcare for children in this age range.

Patterns of formal childcare use differ across neighbourhood areas; the lowest use according to the parent and carer survey is in the Fiveways Neighbourhood Area where six out of 10 parent and carers use formal childcare compared to seven out of 10 overall.

In general terms, use of formal childcare increase as household income increases; use of formal childcare in households where no adult works is much lower than for working households. This may reflect the majority of people using formal childcare do so because they work, or it may indicate a barrier to taking up of employment. However, respondents who had not used formal childcare in the past 12 months were asked why and findings suggest for the majority this is due to the use of informal childcare (friends and family) and preference or choice for using informal childcare.

### **4.3 Location of childcare**

Where formal childcare is used, the vast majority of parents and carers responding (93%) indicate their childcare is based in the North East Lincolnshire Council area. Satisfaction levels with the location of childcare were uniformly high across all neighbourhood areas and age ranges of children. Only 2% of respondents expressed dissatisfaction with the location of their childcare.

90% reported childcare (in general) was well located. However, a small and not insignificant percentage of parent and carers identified travel or transport to childcare is a problem (21%), with this being a particular issue for parent/carers living in the Fiveways Neighbourhood Area.

Proximity to the home is the most important factor for choosing the location of childcare for parent and carers. However, closeness to school is also an important consideration.

Stakeholders working with families identify transport and/or travel can be a barrier to using childcare provision or limit the choice of what is available, particularly for families living in more rural areas.

#### **4.4 Satisfaction with childcare used**

Generally, parents and carers report being satisfied with their childcare arrangements. 91% were either very satisfied or satisfied with only a small percentage (3%) reporting dissatisfaction. Satisfaction levels with childcare were high across all neighbourhood areas, and slightly lower than the average in Fiveways Area. Whilst satisfaction levels were high across all age ranges of children, parent/carers of children aged 3-4 years old reported being particularly satisfied. In contrast, parent and carers with children aged 11-14 years old were slightly less satisfied.

A very high percentage of survey respondents were happy with their term-time childcare (95%) and whilst satisfaction with holiday arrangements was lower, it remained high (81%). This suggests some level of unmet need with nearly one in five dissatisfied with their holiday childcare.

A relatively high percentage responding from the Immingham Area identified they had a problem with childcare arrangements that are unreliable (57% compared to 37% overall).

The quality of childcare is highly regarded, with 94% saying the quality of childcare is high and 91% reporting that childcare caters for their child's needs.

#### **4.5 The cost of childcare**

There were greater levels of dissatisfaction expressed about the cost of childcare. Only two-thirds of parents and carers (67%) said they were satisfied with costs and 15% were dissatisfied. Satisfaction with the costs of childcare arrangements was lowest in the Central and Fiveways Neighbourhood Areas and amongst households with an income of between £12,000 and £23,999.

Whilst two-thirds of survey respondents (67%) felt childcare offered good value for money, only 53% felt that it was affordable.

Stakeholders report that childcare providers ask for deposits, advance fees and/or retainers and this impacts on affordability for parents and carers. For many low-income households (including some of those who do not qualify for discounts, subsidies or additional funding) childcare costs remain significant barriers to work or training. A high percentage of providers (43%) are planning to increase their charges in the coming year, which may further impact on affordability.

#### **4.6 Times at which childcare is required**

The assessment identifies a relatively high proportion of working parents employed during 'traditional' office hours (taken to be between 9/9.30am and 5/5.30pm). However, there are also relatively high levels of shift work patterns for partners. There is very little evidence of weekend working and a low number of people working nights and evenings (excepting those working shift patterns).

There is demand for childcare outside of 'traditional' office hours, including early mornings, childcare to cover shift patterns and emergency/occasional childcare and limited demand for evening, weekend or overnight care. A lack of flexibility and a lack of availability at the times required were identified as barriers to accessing childcare by stakeholders. Provider survey findings show there is little provision available outside of the core 'standard' hours of between 8am and 6pm, and where provision exists the majority is offered by childminders.

There is evidence of parent/carers working around school hours and/or term-time only, or in some cases deciding not to work as a result of experiencing difficulties in accessing childcare, or their ability to pay for formal childcare.

For those requiring childcare, the majority need full daycare (either 8am to 3pm or 8am to 6.30pm). The after school period (3.30 to 6pm) is also identified as a key time when childcare is required.

#### **4.7 Disabled children and children with additional needs**

Findings suggest higher levels of unmet demand amongst parents and carers of disabled children (or with additional needs). Satisfaction levels with childcare during term-time and during the school holidays are in line with overall findings however, one in five felt childcare did not cater for their child's needs (compared to 8% of all respondents). A higher percentage would like their child to attend more childcare and a lower percentage of parents expressed a preference for using friends and family to provide childcare (56% compared to 61% overall).

Trust was identified as a key issue. Stakeholders report a lack of confidence in childcare providers' ability to meet such needs representing a barrier to access and use. In a related point, the majority of providers indicate they require support to better meet the needs of children. Across all provision, 54% require support; in full daycare this increases to 65%.

#### **4.8 Free flexible entitlement**

The council has a duty to ensure there are enough places to allow all three and four year olds and eligible two year olds to take up their offer of free childcare, regardless of parents' working or training status. In doing so, the local authority supports their statutory duty under section 7 of the Childcare Act (2006).

All three and four year olds have been able to access the extended free entitlement of 15 hours since September 2010 in North East Lincolnshire. Some families have been accessing this provision since September 2008 as part of a national pilot. Stakeholders indicate take up of the free entitlement was very good across the local authority area, with early

education being delivered by a diverse range of providers from the voluntary, private, independent and maintained sectors.

35% of settings responding to the provider questionnaire reported they were registered to offer flexible funding entitlement for 3 and 4 year olds. The majority (83%) stated they were offering full days flexibly to meet the needs of parents and carers; 17% were offering the entitlement over 3 days (and some of these settings also stated they offered the entitlement flexibly); 8% of settings were offering morning only sessions; 2% were offering afternoon sessions only.

91% of parents stated that their free nursery place was flexible enough to meet their needs. The majority of those accessing their free entitlement place were doing so in school nursery (53%) with 31% accessing in a pre-school. 5% of parents were using a combination of providers and only 1% accessed the free place through a childminder.

The majority of parents and carers indicated they used all their free nursery education place for their child (88%). Respondents indicated a preference accessing a place for five days a week, three hours a day, however, a three day a week model also found support. Just under half of all respondents expressed a preference for 9am to 3pm with 43% preferring half day (morning or afternoon) sessions. Full day provision was preferred by 14% of respondents.

#### **4.9 Stretching the free flexible entitlement**

Currently, parents and carers can access 15 hours a week free nursery education for 38 weeks a year – an annual total of 570 hours. From 2012, the local authority needs to ensure parents and carers can take their free entitlement over a longer period of time if they choose to e.g. 12 hours a week over a 47 week period.

Settings were asked if they would be in a position to enable parents to stretch their entitlement; 63% stated this would be the case. Where settings were unable to support stretch, for the majority it was because they operated term-time only.

57% of settings registered to offer the free flexible entitlement for 3 and 4 year olds have contracts with parents accessing it.

74% of respondents indicated they preferred the status quo of 15 hours a week across 38 weeks and were not interested in spreading their free nursery place over fewer hours a week across more weeks of the year.

A number of parents and carers indicated they would be interested in stretching their entitlement, the most popular option being 12 hours a week over 47 weeks a year (22% of respondents). Very few respondents were interested in stretching their entitlement to 14 or 15 hours a week (2% in each case).

#### **4.10 Two year old offer**

The free entitlement for two year olds is a relatively new government initiative. 25% of the most disadvantaged two year olds have been able to access at least 10 hours per week of free provision. In time it is expected such provision will be universally available.

North East Lincolnshire's implementation started in September 2009, the authority received central government funding to deliver 77 places in 2009-10 and 77 places in 2010-11. 80% of places were achieved. The places are specifically linked to economic disadvantage and parents/carers must qualify for national and local criteria before a place is allocated. The take up of the two year-old pilot had been significant in the region and it was noted that if places allocated to North East Lincolnshire had been higher they would have still achieved the targets required.

#### **4.11 Information about parenting, activities or services for families**

Research findings indicate there is a need to increase awareness of available information, advice and brokerage for locating and paying for childcare with 19% of survey respondents not aware of where to access information about childcare and 39% not aware of where to obtain information about support for the cost of childcare.

Awareness and use of the Families Information Service (FIS) was quite low - just over half of survey respondents had heard of the FIS - and of those, a third had contacted the service in

the past 12 months. Young people identified a lack of information, in particular about term-time activities, as a gap.

#### **4.12 Unmet demand for childcare**

Survey findings are somewhat contradictory. Asked explicitly if they would like their child to attend more childcare (excluding family and friends), 58% of survey respondents would and 61% expressed a preference for informal or personal care.

A higher percentage of parent/carers in the Fiveways and Central Neighbourhood Areas would like their children to attend more childcare, with particularly high numbers in Fiveways Neighbourhood (68% compared to 58% overall).

Amongst parents and carers currently accessing formal childcare, findings suggest low levels of unmet need across all age ranges. Parents and carers of older children (11 years and over) are much less likely to be using formal childcare. In this age group, unmet demand, as a percentage of those using childcare, is highest (23%).

Whilst unmet demand amongst current users of formal childcare is low, where it does exist it is for out of school provision, including after school and holiday care and to a lesser extent, breakfast childcare.

There is capacity within existing childcare provision to cater for unmet need. Childcare provider data shows a high percentage of providers of all types with vacancies and 25% of providers operating at below 50% capacity.

41% of survey respondents stated childcare is a barrier to accessing employment or training. In focus group discussions, parents shared they had decided to stay at home rather than return to work due to, at least for some, the cost of childcare. This was a particular issue in the Immingham Neighbourhood Area. Stakeholders agreed with the issue of cost, and added that travel, a lack of flexibility and availability at the times required were also barriers.



Amongst non-users of childcare, findings suggest on balance that non-use of formal childcare does not indicate a lack of sufficient childcare rather a choice or compromise for the majority.

Young people identify a need for more activities, in particular for the 13 to 15 year old age group, outside of the school.

#### **4.13 Other issues for consideration**

Research was undertaken before the Comprehensive Spending Review (CSR), the outcome of which is predicted to impact on employment, particularly in the public sector, and use of childcare; and before the change in benefits impacting on single parents. 29% of employee jobs in North East Lincolnshire are in public administration, education and health and the impact of any employment change needs to be monitored over the next few months to assess impact on childcare demand.

Tax credits will also be affected, with the threshold for eligibility being raised from an adult in the household working for a minimum of 16 hours a week to 24 hours, and to the childcare element covering 70% of childcare costs, from the previous maximum of 80%.

During discussions with key stakeholders, contributors noted changes in benefit rules (such as those affecting the age of the youngest child at which lone parents would be expected to seek work and changes to incapacity benefit) and those affecting funding for local authority early years and childcare, and youth provision and other services, could affect supply as well as demand.

Concerns for the future funding of local authority and community-based initiatives underline the uncertainty expressed by many stakeholders about the impending impact of the current economic climate and budget cuts.

## 5 Further information

The full report of North East Lincolnshire's childcare sufficiency assessment 2011 can be found on the local authority's website: [www.nelincs.gov.uk](http://www.nelincs.gov.uk) or contact Helen Seward Consultation and Evaluation Officer, North East Lincolnshire Council [helen.seward@nelincs.gov.uk](mailto:helen.seward@nelincs.gov.uk) (01472) 326763 for further details.