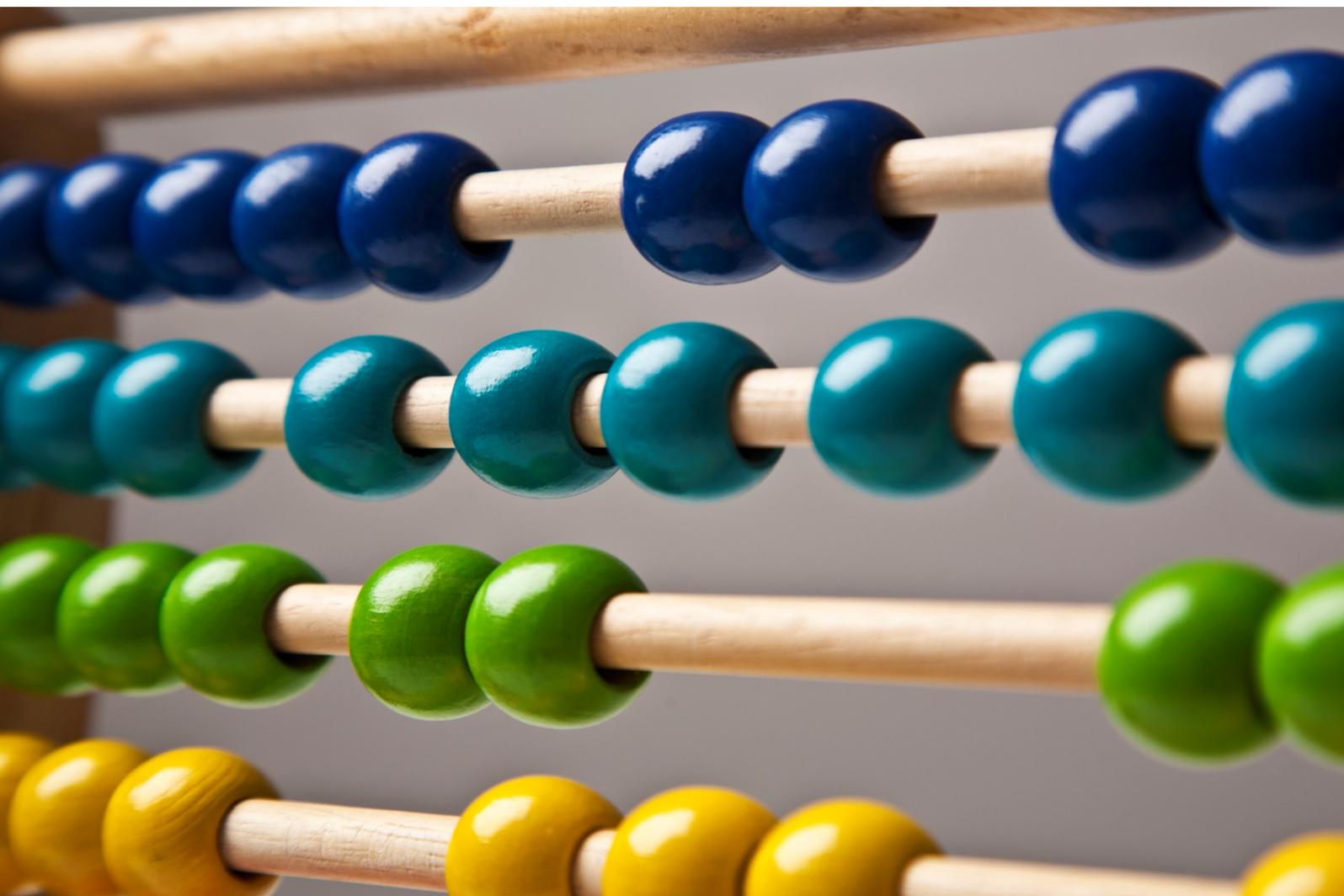




Childcare Sufficiency for Pre-school Children in Darlington

Executive Summary

October 2018



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Executive summary

From September 2017 parents in working households meeting specific income and/or other eligibility criteria are entitled to 1,140 hours free childcare for 3 and 4-year old children not in full time education. As a significant expansion of the universal childcare offer for this age group, Darlington Borough Council commissioned research to evaluate the sufficiency of childcare supply for children aged under five years in the borough.

Childcare supply and demand has been measured via surveys of parents, childcare providers and Darlington businesses. A total of 244 households with pre-school children, 75 Darlington employers and 80 childcare and early education providers participated (including 69% of all nursery and primary schools, 61% of childminders and 52% of day nurseries and pre-schools). Analysis also draws on secondary data sources from Darlington Borough Council and Ofsted.

Overview of supply and demand

Parents were asked to report their ideal childcare arrangements, assuming there are no barriers to use. 'Ideal' arrangements reflect latent demand, barriers such as availability and affordability will impact on the level of take-up in practice. At the borough-level, supply is sufficient in terms of the overall volume of places, but parents would ideally like to see more provision in school nurseries and pre-school playgroups. A small gap in day-nursery provision was identified in area three.

Overview of childcare supply and demand for under 5s in Darlington at borough and planning area level

Type of provision	Supply FTE places	Demand FTE places	Gap FTE places
Borough level			
Day nursery	1,380	1,264	116
Pre-school playgroup	214	261	-47
Childminder	216	118	98
Nursery school/class	784	913	-129
All types of provision	2,594	2,556	38
Planning Area 1			
Day nursery	620	524	96
Pre-school playgroup	92	133	-41
Childminder	107	51	56
Nursery school/class	117	161	-44
All types of provision	936	869	67
Planning Area 2			
Day nursery	565	514	51
Pre-school playgroup	76	72	4
Childminder	83	61	22
Nursery school/class	370	442	-72
All types of provision	1,094	1,089	5
Planning Area 3			
Day nursery	195	224	-29
Pre-school playgroup	46	57	-11
Childminder	26	7	19
Nursery school/class	297	310	-13
All types of provision	564	598	-34

Sources: Parent survey summer 2018, Provider survey summer 2018

30-hour capacity

Again, the overall volume of 30-hour places was found to be sufficient to meet Department for Education estimates of the eligible population in Darlington, with 1.18 places per eligible child.

There is evidence to suggest a possible shortage of 'stretched' places (fewer funded hours per week taken across more weeks of the year), with only 3 out of 7 day nurseries responding to the survey offering stretched places and 55% of childminders doing so. More than one in two parents (57%) would prefer to use a stretched place, amounting to approximately 467 places. There is a willingness to work in partnership to address capacity issues.

30-hour places by provider type

30-hour places by provider type	Full places	Partnership ^A	Total	% of supply
Day nursery	530	90	575	60%
Pre-school playgroup	121	28	135	14%
Childminder	42	39	61.5	6%
Nursery school/class	168	48	192	20%
All types of provision	861	205	963.5	100%

A: partnership places counted as 0.5

Source: Provider survey summer 2018

Timing and flexibility of care

As well as requiring care throughout the year, many parents need provision to meet the typical hours of a full working day. Most families need care before 8:30 am (70%) and 72% require pick up from 5:00 pm or later.

Childcare after 5:00 pm is almost exclusively offered by day nurseries and childminders. Just 5% of places in school nursery provision and 9% of places in pre-school playgroups are in settings operating after 5:00 pm. In most cases parents looking to cover a full working day would need to use a day nursery or childminder, or a mix of wrap-around arrangements.

Flexibility to make short-term changes to childcare arrangements is also important: just 45% of parents agree childcare is sufficiently flexible.

The need for flexible childcare becomes apparent when looking at work patterns in Darlington businesses. Of those businesses surveyed, 29% operated at weekends, 30% on mornings before 07:45, 31% in the evening later than 17:45, 14% ran night shifts and 11% gave staff less than one-weeks' notice of shift patterns.

Barriers to using childcare

Cost is by far the biggest barrier to using formal childcare. This is felt across all income bands; 59% of families with a total household income of less than £20,000 said cost was a barrier, falling to 50% with income up to £39,999, 53% of those with income up to £59,999 and 31% with household incomes of £60,000 plus.

Most parents have heard of universal credit (70%), awareness is lower for child tax credit (62%) and the childcare element of working tax credit (55%). One in two parents of under 5s have heard of the employer childcare voucher scheme, closed to new entrants from October 5, 2018.

Almost one in five parents responding to the survey said they had opened a tax-free childcare account (18%), a further 2% had tried and failed (6 cases). A quarter of parents of under 5s said they had not heard of the accounts. There were mixed reviews regarding ease of use, and confusion around eligibility.

Lack of flexibility to change arrangements when needed is cited as a barrier for almost one in five parents using or wanting to use formal childcare (19%). Lack of early start (10%) and late finish times (10%) were a barrier for one in ten parents.

Impact of 30-hour places

The study explored any actual or potential impact of the 30-hour offer on other free entitlements and provision for children with special educational needs and disabilities (SEND).

A small number of providers (1 school, 1 childminder and 4 non-domestic settings) felt their ability to meet the needs of children with SEND had been affected; due to the disparity between funding rates for 30-hour places and the cost of supporting a child with SEND.

8 out of 19 nurseries and pre-schools providing feedback felt the flexibility they could offer families had changed (42%), as did 4 out of 6 schools and 14% of childminders.

The impact on flexibility was not always negative however, with some identifying changes introduced to accommodate 30-hour places having a wider benefit for other families e.g. changing from sessional to full day-care models.

Childcare provider views and business confidence

Those providers offering 30-hours were asked about the benefits and drawbacks. Providers mainly identified benefits for parents in terms of enabling a return to work (35 providers), longer working hours (30) and a reduction in childcare costs (45). Benefits for children's development were also flagged (36). Fewer reported financial benefit for their setting (5 nurseries and 3 childminders) or increased occupancy because of 30-hours (6 nurseries/pre-schools and 3 childminders).

The most frequently cited problems pertained to parents' confusion both around eligibility criteria (20 providers) and the fact that the offer was 1,140 hours, not 30 hours a week every week of the year (15).

Increased time spent on administering the offer (21) and funding rates failing to meet delivery costs (14) were also reported as challenges.

One in three childminders were expecting their income to decrease in the next twelve months, and 13% were unconfident that they would be trading in 12 months' time. Almost one in three day nurseries and pre-schools (31%) were less confident about their financial performance in the next 12 months, compared to the last year. Two settings giving feedback lacked confidence that they would be trading in 12 months' time. These settings offered a combined capacity of 130 places.

The views of employers

One in two businesses surveyed (50%) reported occasional problems of unplanned absence due to childcare issues, 38% said effective performance at work was occasionally compromised and 30% occasionally struggled to recruit the staff they needed due to childcare barriers.

Employers reported a range of issues including the cost of childcare being a barrier to use (25), lack of flexibility to meet changing work commitments (13) and lack of childcare at specific times including:

- When the child is ill (21)
- During school holidays (21)
- At weekends (14)
- Early on a morning (14)
- Late in the afternoon/evening (8)
- Night shifts (3).

Surveyed employers were offering a range of support to their staff, the most common being childcare vouchers (29%) and unpaid parental leave above statutory minimums (22%). Flexible working practices were also evidenced, or being considered in the future, the most common being brief reductions in working hours to support personal circumstances (44%).

Conclusions

Research with parents has shown that there is latent demand for childcare in the borough with cost being the main barrier to higher take up of private hours. Parents would also welcome more flexibility to accommodate their often complex mix of work and training commitments, including earlier starts, later finishes and the ability to change arrangements at short notice.

Analysis of the overall volume of supply shows there is sufficient capacity to meet demand in all three planning areas. When the mix of supply is compared to parents' ideal arrangements however, there are modest gaps in school and pre-school playgroup provision.

Given the relatively small sample sizes involved and the significant factors suppressing childcare demand, further targeted research would be required to ascertain if the relatively modest gaps identified for specific types of provision would justify development of new places.

Parent and provider feedback also suggests there is sufficient capacity to meet overall demand for 30-hour places. There is a risk however, that future demand for stretched places may be higher than supply.

The research has not identified any widespread negative impacts of the 30-hour offer on the 15-hour entitlement for 3 and 4 or 2 year olds in the borough. Some providers report a reduction in the flexibility they can offer families, whilst others find the changes they have introduced to accommodate 30-hours have provided more flexibility for families.

There is evidence to indicate that providers are under increasing financial pressure, with several settings reporting that their operating costs are higher than funding rates. One day nursery and one pre-school anticipate possible closure within the next 12 months, as do more than one in ten childminders. Financial pressures are also impacting on the capacity of some providers to meet children's special educational needs and disabilities.

Echoing feedback from parents, employers also call for greater flexibility and lower childcare costs. There is evidence to suggest that childcare issues are impacting on employers' ability to recruit and retain staff and manage effective performance a work.

There are tensions evident in the messages here which are common across the wider childcare sector: whilst parents and employers seek highly flexible, high quality childcare at an affordable price, childcare providers are under increasing pressure to generate fee income to bridge funding gaps and structure their provision in ways which maximise staffing efficiency – choice can often be curtailed in this mix.