

Childcare Sufficiency Report 2016

Context

The local authority has a duty under the 2006 Childcare Act 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)’

DFE guidance states that local authorities should take into account what is ‘reasonably practicable’ when assessing what sufficient childcare means in their area and:

- The state of the local childcare market, including demand and supply in certain areas
- The state of the labour market
- The quality and capacity of childcare providers and childminders
- The need to develop an effective, phased programme to meet the sufficiency duty; and
- The local authority’s resources, capabilities and overall budget priorities.

Childcare is defined in the 2006 Childcare Act as “any form of care for a child including education and any other supervised activity”. This report brings into focus the three main themes we have used to measure sufficiency in Hackney: quantity, quality and cost. Under each of these there are sets of indicators laid out, usually by cluster, which assist us in identifying the strengths and weaknesses of childcare in Hackney today.

2,3&4 year old free entitlements and the extension of funded hours for 3&4 year olds

The biggest challenge in childcare provision over the coming year will come from the Government Childcare Bill which provides for an increase in free early education for 3 and 4 year olds from 15 to 30 hours per week in September 2017. There will be an eligibility criteria applied for these additional hours. The local authority currently has a legal duty to ensure 15 hours free provision and this duty will apply when the provision is extended, however the Government have not yet finalised the details of the revised early years funding formula. In early September 2016 Hackney Learning Trust will be consulting parents and providers to analyse further the demand and levels of supply at cluster level to accommodate the increase in funded hours and any change in central Government funding.

Between 2013 and 2016, capacity to provide the 2 year old free entitlement has been increased by approximately 1,000 new 15 hour 2 year old places. The DfE awarded £900,000 capital funding to the borough to support place creation. The funding has been used to run a grant programme open to all good and outstanding providers in need of capital funding to create spaces. All funding has now been awarded or allocated and overall capital funding of £2.3m (£1.4m private funding levered in by the £900,000 grant). In 2013-15 this capital has been used to create approximately 400 new places, with a further 410 due to come on board in 2015/16.

A further 200 additional places have also been created through supporting changes in nurseries that did not require capital input and assisting new and current providers in opening new settings in the borough. There is potential to continue grant and business support with additional funding and work continues with 15 more potential settings considering how best to increase their capacity. Alongside this, an extensive marketing campaign continues to promote the scheme to eligible families.

Headlines

Overall, Hackney has sufficient capacity across the sector to meet childcare demand

Childminders are evenly distributed across the Borough, however this does not reflect the child population in different clusters

Capacity across the network needs to be improved outside the core hours of 9 to 5 and at weekends and in some areas between 3 to 6 pm

Take up of 3 and 4 year old free entitlement funding (94%) is higher than the London average.

Planning is underway to ensure Hackney has capacity to meet demand for the new 30 hour entitlement to 30 hours for 3&4 year olds of working families (September 2017)

Although improving, take up of 2 year old free entitlement is 42% and ongoing promotion of the scheme must continue

There is a strong correlation between the quality of provision and levels of occupancy, indicating that improvements in standards will see occupancy levels rise across the borough

The quality of provision is good overall

Parents value high quality provision

Providers who are part of the Hackney Childminder Network are of better quality than the national average

Day nurseries and after school provision is less expensive than the London average, though levels of deprivation in some areas of the borough mean that this benefit may not be felt by all residents

Childminders are more expensive than the London average

Parents feel that childcare is too expensive, but may not always be utilising funding entitlements

Cluster A

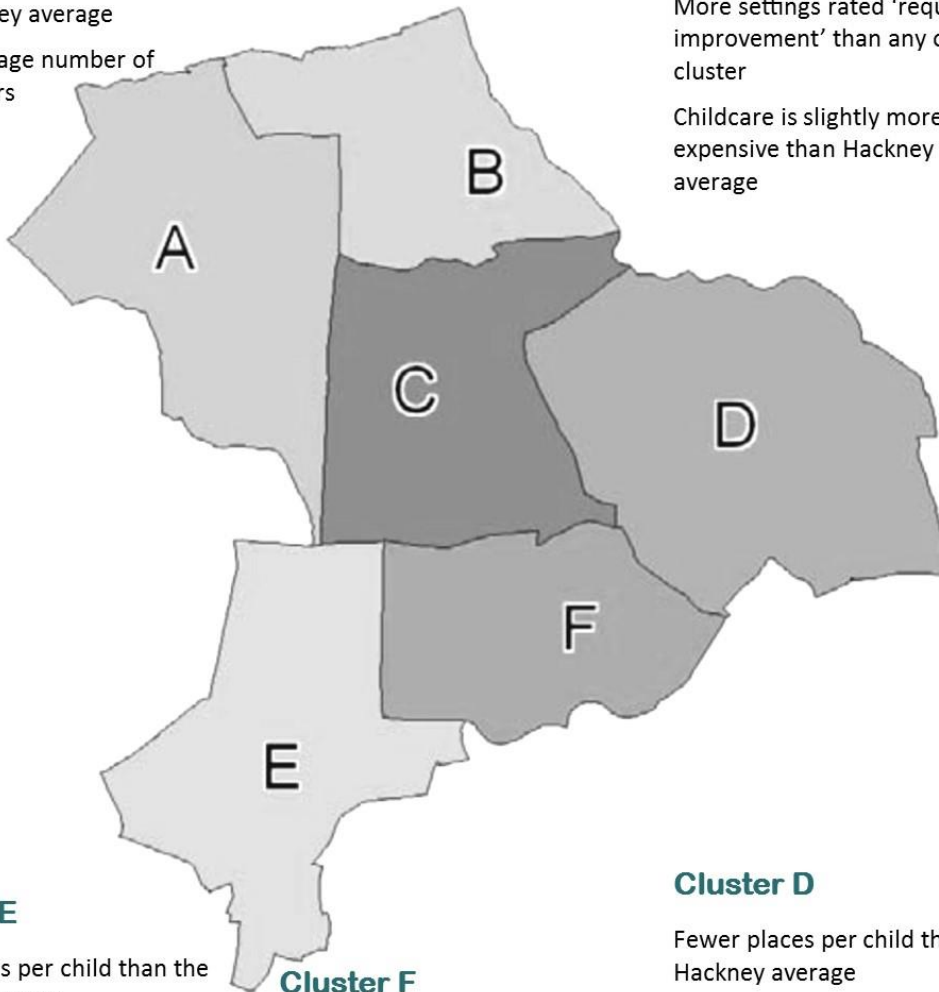
Places per child for under 5s in line with Hackney average
 40% settings open before 8am or after 5pm
 Average Ofsted rating 'good'
 Childcare slightly less expensive than Hackney average
 Above average number of childminders

Cluster B

More childcare places per child than Hackney average, and the highest occupancy rates
 Lowest % of childcare settings open before 8am or after 5pm
 Average Ofsted rating 'good', but more 'inadequate' settings than any other cluster
 Low number of childminders

Cluster C

Fewer places per child than the Hackney average
 More settings open before 8am and after 5pm than the Hackney average
 More settings rated 'requires improvement' than any other cluster
 Childcare is slightly more expensive than Hackney average



Cluster E

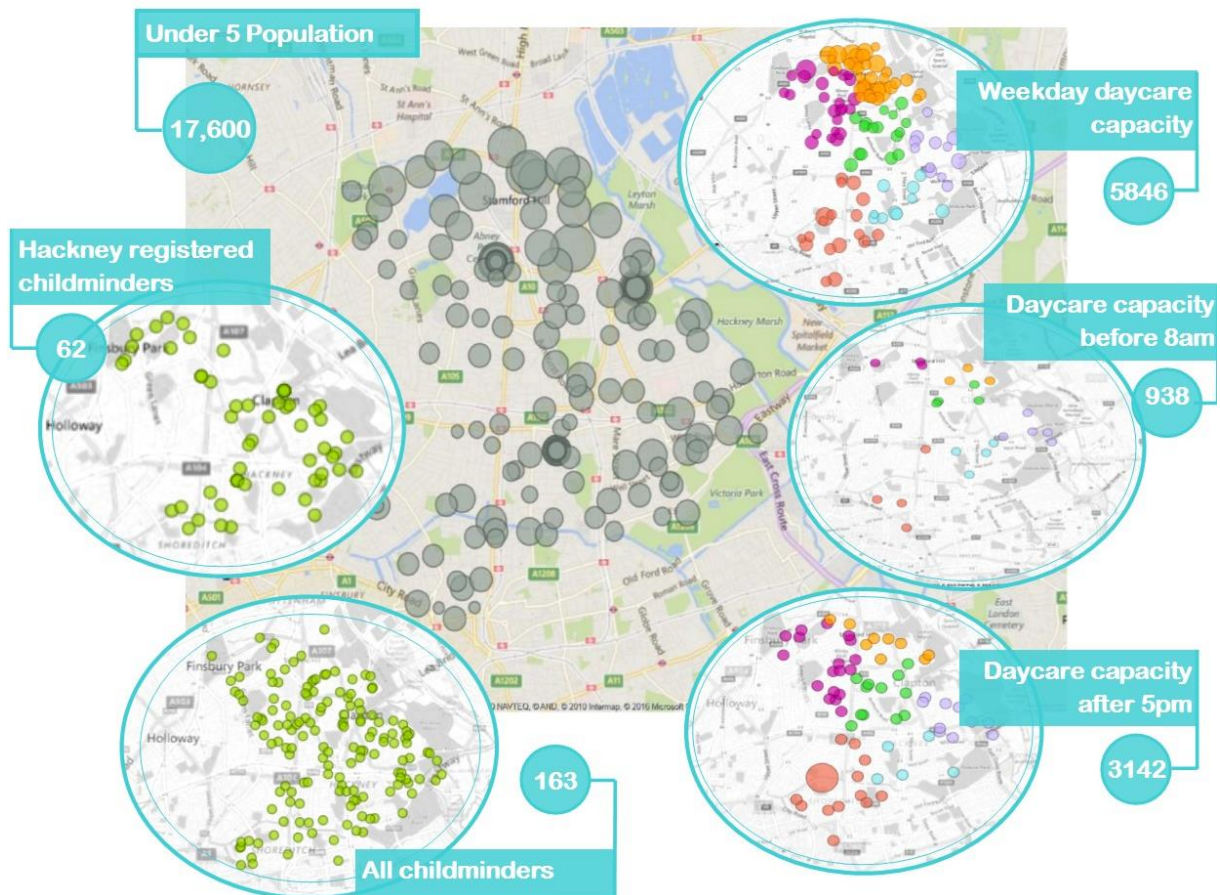
More places per child than the Hackney average
 % of settings open before 8am and after 5pm same as the Hackney average
 Average Ofsted rating of childcare providers 'good', with one 'requires improvement'
 Childcare slightly more expensive than the Hackney average

Cluster F

Places per child for under 5s in line with Hackney average
 Higher % of childcare settings open before 8am or after 5pm than Hackney average
 Average Ofsted rating 'good'
 Childcare less expensive than the Hackney average
 Lowest number of childminders

Cluster D

Fewer places per child than the Hackney average
 % of settings open before 8am and after 5pm same as the Hackney average
 Average Ofsted rating 'good'
 Childcare less expensive than the Hackney average
 Most childminders in the Borough



The population of Hackney is currently estimated at around 265,000 and is expected to rise steadily to 300,000 by 2027. Most of this population growth is expected to be within older age groups, however up until 2020 it is forecast that numbers will rise amongst young people, particularly for those between the ages of 10 to 19 years¹. The Orthodox Jewish community, largely concentrated in the North of the Borough, continues to experience birth rates above average levels. For this reason, the pressure on the supply of childcare will remain over the coming years, affecting both 0 to 5 year old provision along with services for older children.

The survey conducted as part of this report collected responses from 110 parents across the borough and although this is not a representative sample of the population clear patterns are apparent. Opening hours and location were rated as either important or very important to 100% and 91% of respondents respectively. This is contrasted with 61% of those surveyed agreeing or strongly agreeing that there was childcare available in easily accessible locations, though it is not possible to infer whether easily accessible childcare would be better provided nearer to places of work as opposed to near the home.

The poorest outcome from the survey comes when residents are asked about opening times of childcare providers. 20% and 12% of respondents either agreed or strongly agreed that there was enough childcare before 8am and after 6pm respectively. This is mirrored in findings presented below in table 1, showing that low percentages of daycare providers in some areas of the borough are open at these times. While 56% of respondents felt that there was enough childcare available during term time, just 13% agreed or strongly agreed that there was enough accessible at weekends.

¹ GLA Projections 2014 Round, Housing Trajectory Based. Data analysis provided by LBH Policy Team

Table 1 provides a summary of the levels of daycare provision for under 5s relative to the population², and highlights how looking at provision per cluster offers a more nuanced picture of provision, particularly given the concentration of the under 5 population in the north of the borough in clusters A and B.

Quantity	Cluster						
<p>Red = 0 to .25</p> <p>Amber = .25 to .5</p> <p>Green = .5 to 1</p>	A	B	C	D	E	F	Average overall rating
Number of places per child 0 to 2	.3	.51	.2	.22	.33	.24	.3
Number of places per 2 year old	.41	.47	.37	.46	.53	.42	.44
Number of places per 3 & 4 year old	.4	.95	.2	.22	.34	.23	.39
Average overall rating	.37	.64	.26	.26	.4	.3	.38

Table 1: Daycare places per child

Cluster B has the largest population of children in the Borough and also has the highest number of places for children under 5 in either day nurseries or sessional childcare providers. There is a place for nearly every 3&4 year old in the local area. In contrast, clusters B and C, whilst having similar levels of provision as the other clusters for 2 year olds, have a lower number of places for 3&4 year olds and under 2s than in the rest of the Borough.

Chart 1 illustrates that occupancy rates³ are similar across the Borough, indicating that a larger number of places per child does not result in a fall in occupancy levels. Occupancy rates in clusters A, B and D, for example, are similar to clusters C, D and F, which have a lower ratio of places to children.

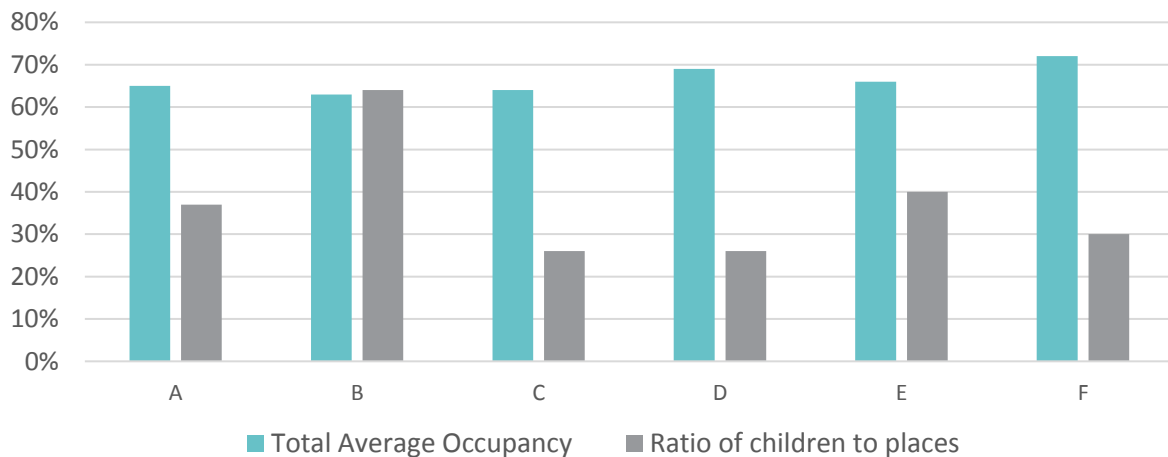


Chart 1: Comparison of occupancy rates with the number of places per child

The clusters with the largest number of daycare providers open before 8am or after 9am are A and F, although neither perform significantly better than other areas for settings open early mornings. This is in marked contrast to cluster B which, although having a higher number of providers overall, performs comparatively worse than its neighbours by a wide margin. This does not appear to be impacting on occupancy rates in this cluster which could suggest that

² See Appendix for a breakdown of the figures used to calculate these ratios

³ Appendix provides a breakdown of occupancy rates across age groups and clusters

the demand for childcare outside core hours is not as great as in areas with lower occupancy rates. Table 2 also illustrates that cluster F has the largest percentage of settings open before 8am.

Quantity	Cluster						Average overall rating
	A	B	C	D	E	F	
Red = 0 to 25% Amber = 26% to 50% Green = Over 50%							
% settings open before 8am	11%	8%	23%	29%	19%	40%	22%
% settings open after 5pm	68%	25%	82%	65%	67%	70%	63%
Average overall rating	40%	17%	53%	47%	43%	55%	42.5%

Table 2: Daycare opening times

Most Primary Schools now operate an ‘extended day’. This means they offer care and education services for children from 8am to 6pm, either within the school or in partnership with other local organisations. There are 48 breakfast clubs and 47 after school clubs run in Children’s Centres and Primary Schools across the Borough. The earliest breakfast clubs start at 7:30am, with most starting at 8am. Of the 47 after school clubs, 39 are open up to or after 5pm.

Data from the 2016 childcare census indicates that the Ofsted rating of a provider also affects the occupancy levels. Chart 2 shows a breakdown of occupancy by Ofsted rating and type of provider.

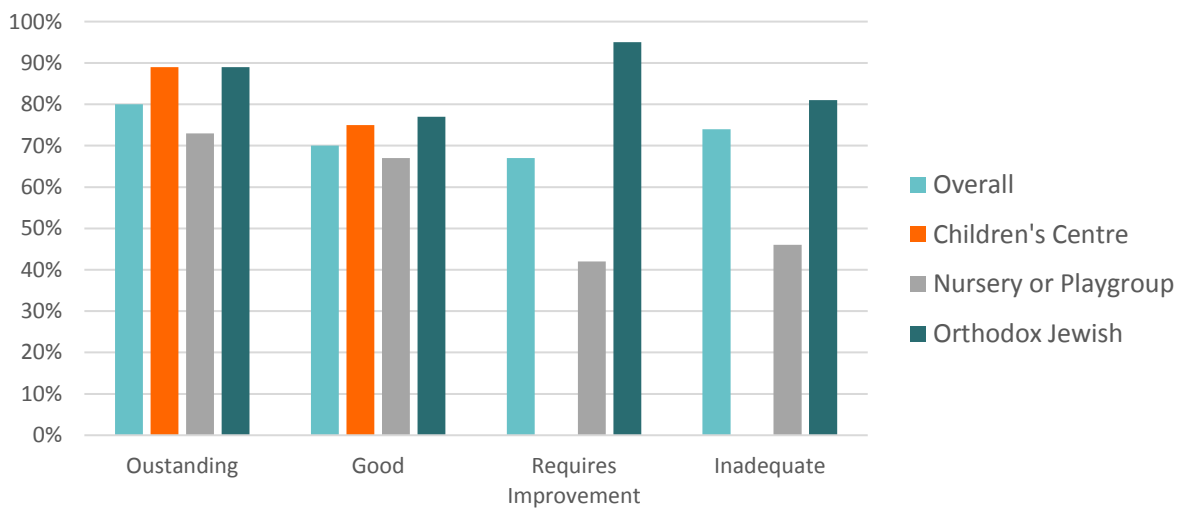


Chart 2: Occupancy rates by Ofsted rating and provider type

Children’s Centres and Orthodox Jewish providers have similar rates of occupancy at good and outstanding, while nurseries and playgroups have a slightly lower level. No Children’s Centres are rated below good, which is why there are no occupancy levels indicated. Nurseries and playgroups see their occupancy fall as their Ofsted ratings do, however the occupancy rates in Orthodox Jewish provision are unaffected, with inadequate settings reporting 95% occupancy. These settings are concentrated in cluster B, and could indicate that the link between high occupancy levels and the ratio of places to children in this area is as a result of parents being more willing to send their children to settings with poorer Ofsted results. In turn, an improvement in Ofsted results for nurseries and playgroups could see an increase in occupancy given that levels fall in line with Ofsted results.

Holiday Childcare

There are various holiday playschemes across the borough which complement 0-5 childcare provision and term time school provision during the school half terms and summer holidays. There were 11 summer play schemes advertised by FIS in 2015, there are additional schemes operating in the Borough but they chose not to supply their details. The age ranges covered per scheme varied but overall they catered for children from the age of 3 to 14. One scheme primarily for children using their Short Breaks allocation or Care Package allocation extended to 18 year olds). Hackney Learning Trust Summer ran schemes for Randal Cremer Primary School and De Beauvoir Primary School for 4 weeks over the summer holidays offering subsidised places to Hackney children between the ages of 4 and 12. Playschemes also run during half term and Easter holidays.

The schemes are well used and there is a high level of demand for the younger age range (4-7) but there is no indication that there is insufficient provision overall. For example there were vacancies in the scheme run at both schools in the 8-12 year old age range. The lowest daily rate for those schemes which applied a charge was £5.50 (subsidised by HLT) and the highest was £35.00 a day.

Childminders also provide a holiday service for many children and can provide an opportunity for school age children to be cared for with their younger siblings during the holiday periods (and after school during term time).

Before and after school provision

Most primary schools in Hackney provide some form of after school provision which may be an after school club open until 5.30 or 6.00pm or after school activity clubs which generally finish earlier. Some schools have a combination of both. Some schools do not provide their own After School Clubs but children can be escorted to nearby schools or other organisations. The majority of primary schools provide before school breakfast clubs. The table below shows the distribution of this provision.

Area	No. of schools	After school provision/clubs (ASC)	Cost range	Breakfast Clubs (BC)	Cost range
A	11	5 with ASC 4 with activity clubs	£3.00- £8.00	9 with BC 1 without BC	50p- £3.00
B	9	6 with ASC 3 with activity clubs	£4.50- £8.00	7 with BC 1 without BC 1- no information	Free - £2.50
C	8	4 with ASC 4 with activity clubs and escorts to other provision for extended service	£3.50- £7.00	8 with BC	Free - £1.50
D	9	5 with ASC 3 with activity clubs -1 of these also escorts to other provision for extended service	£1.75- £5.30	9 with BC	Free - £2.50
E	11	8 with ASC 2 with activity clubs 1 escorts to other provision for extended service	£3.00- £6.00	11 with BC	Free - £3.50
F	7	6 with ASC 1 with activity clubs	Free - £9.25	7 with BC	50p- £2.00

Table 3: Before and after school provision

There are also a number of schemes operated on non-school premises, including the following providers who advertise with FIS: Most childminders provide before and after school provision, with many offering drop-off and pick-up for specific schools. These details are included in the FIS childminder list, available on the HLT website.

Special Educational Needs and Children with Disabilities (SEND)

Most children's special needs can be met in the mainstream nursery environment with some intervention and differentiation. Hackney Learning Trust's Supported Childcare Places scheme funds additional support for individual children in a named early years setting to foster inclusion and assessment of their SEND. These places are reviewed every three months. Hackney also has 8 playgroups who receive funding to employ an additional member of staff to enable the inclusion of children with more complex needs. The two maintained nursery schools also receive targeted funding to support assessment and intervention for children with complex special educational needs with places allocated through a multi-agency panel.

The quality of provision can be measured most simply by Ofsted inspection results, and providers registered on the Early Years Register are subject to regular Ofsted inspections, which award judgements of inadequate, requires improvement, good or outstanding.

Table 3 shows an average of all inspection results carried out in daycare settings across the clusters, with most meeting ‘good’ overall. There are no ‘inadequate’ providers in clusters D, E and F, there is one in A and C and three in cluster B. There are two settings that ‘require improvement’ in clusters A and B, three in cluster C and one in cluster E⁴.

Quality	Cluster						Total average
	A	B	C	D	E	F	
Red = 1 Amber = 2 Green = 3 to 4							
Average OFSTED inspection result (1=inadequate, 4=outstanding)	3	3	3	3	3	3	3

Table 4: Ofsted inspection results for daycare settings

The Hackney Childminder Network currently lists 52 providers across the Borough out of the 163 total number of providers. Of these, 4 achieved ‘outstanding’ in their last Ofsted inspection, 46 ‘good’ or equivalent, and 2 ‘requires improvement’. There are no ‘inadequate’ settings in the Network. Chart 3 compares the Ofsted results of members of the Childminder Network against childminders in the Borough as a whole⁵ and shows that those that are part of the Network have better overall inspection results than those that are not. All England figures show that Hackney overall has slightly fewer good or outstanding settings, but that the Hackney Childminder Network settings perform better than the national figures⁶. This evidence suggests that the network is effective in supporting settings to provide high quality care for children via the Network Coordinators.

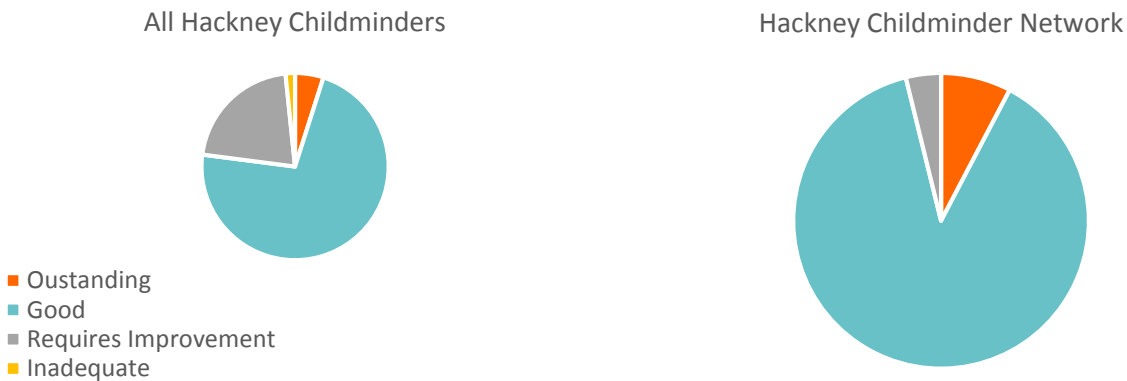


Chart 3: Ofsted results for childminders in Hackney, and members of the Childminder Network

In the survey, 96% of parents who had used childcare in the past year stated that the reputation of a provider was either important or very important when deciding which one to use. 88% of respondents agreed or strongly agreed that childcare in Hackney is high quality, although four out of the sixteen respondents who had children with a disability or special educational needs stated that they either disagreed or strongly disagreed that childcare was suited to their child’s needs.

⁴ See appendix X for a breakdown of Ofsted ratings by cluster.

⁵ Most recent Ofsted inspection results, data published online at <https://www.gov.uk/government/publications/management-information-for-early-years-inspection-outcomes-to-31-october-2015>

⁶ All England: 83% good or outstanding, Hackney all: 77%, Hackney Childminder Network: 96%

The cost of childcare is dependent on both the number of funded hours provided by settings and on the price of settings without funding being applied. Table 4 shows the cost variation analysis of providers of various types of childcare in Hackney with the London average. Day nurseries and after school provision are less expensive than the London average in all areas of the Borough. Childminders are more expensive in all clusters, with cluster B coming in marginally less expensive than other areas.

Cost	Cluster						
Red = More than 10% Amber = 10 to -10% Green = Less than -10%	A	B	C	D	E	F	Overall rating
Cost variation from London Average of day nurseries	-18%	-25%	-34%	-33%	-18%	-21%	-25%
Cost variation from London average of childminders	12%	10%	18%	18%	19%	12%	15%
Cost variation from London average of after school provision	-68%	-61%	-58%	-74%	-58%	-74%	-65.5%

Table 5: Cost comparison of childcare

The Income Deprivation Affecting Children Index (IDACI) is derived from Government statistics measuring the proportion of children living in income deprived households, with 39% of geographically defined super output areas (LSOAs) in Hackney falling into the top 10% most deprived nationally. Hackney has the tenth highest percentage of children living in income deprived households in England, with 32% of children living in these LSOAs⁷.

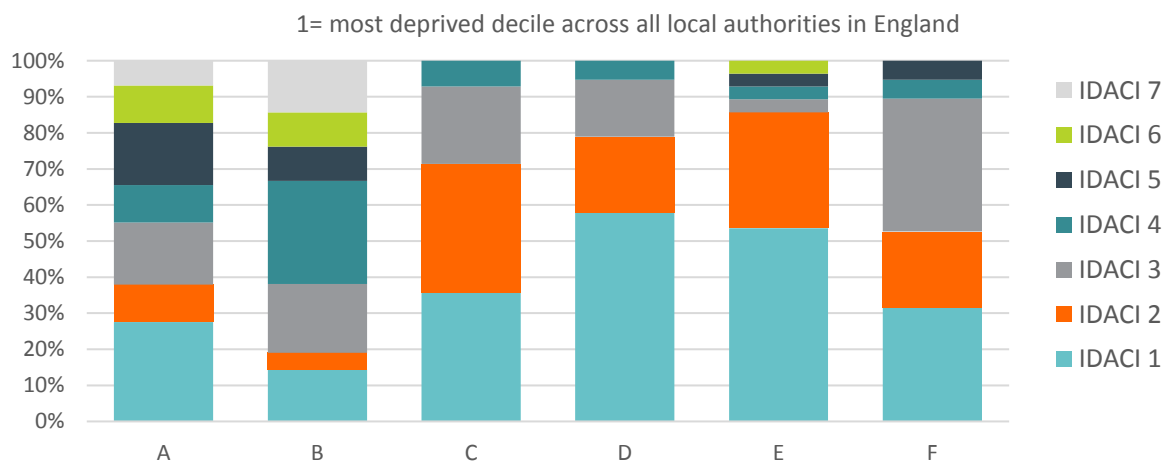


Chart 4: IDACI rankings of LSOAs by cluster

Chart 4 illustrates the IDACI rankings within clusters, and shows that clusters C, D and E have the most LSOAs in the bottom decile, meaning that in these areas the need for childcare at a cost significantly below the London average is more acute. This is in part because 43% of children in the lowest decile are income deprived compared to 19% of children on average⁸. Table X shows that while clusters C and D have costs that are well below the national average, cluster D is one of the most expensive in the Borough though costs are still 18% lower than average. Deciles 4 and above have below average percentages of income deprived children,

⁷ English Indices of Deprivation 2015

⁸ <https://www.gov.uk/government/publications/english-indices-of-deprivation-2015-research-report>

meaning that a lower than average cost of childcare could be more affordable to these families, who are largely concentrated in clusters A and B.

All 3 and 4 year olds in England are entitled to 15 hours free childcare each week over no fewer than 38 weeks. Take up in January 2015 was 94% of this cohort of children, above the inner London total of 87% and just below 96% for the whole of England. Of these 7114 children, 58% attended a maintained nursery or state funded school while the rest attended either private and voluntary providers or independent schools⁹.

Free entitlement funding for 2 year olds is available for children according to certain economic criteria or if they are: looked after, have a statement of special educational needs or an education, health and care plan, they get Disability Living Allowance or if they are under certain care orders. In Hackney, most of the children that receive this funding do so under the economic criteria. Current take up of this funding in Hackney is 42%, and chart 5 illustrates that this is the average for inner London boroughs.



Chart 5: Inner London percentage take up of 2 year old free entitlement

Results from the survey show that 84% of parents factored cost as important or very important when deciding on which childcare provider to use, with all but two of these respondents also rating reputation highly showing that a reduction in cost would not necessarily increase the occupancy of a poorly recognised provider. Only 23% of respondents agreed that childcare is affordable in the borough. Chart 6 shows lower earners reported marginally more positively, and that the number of those claiming funding was higher than for respondents with household incomes of over £25,000.

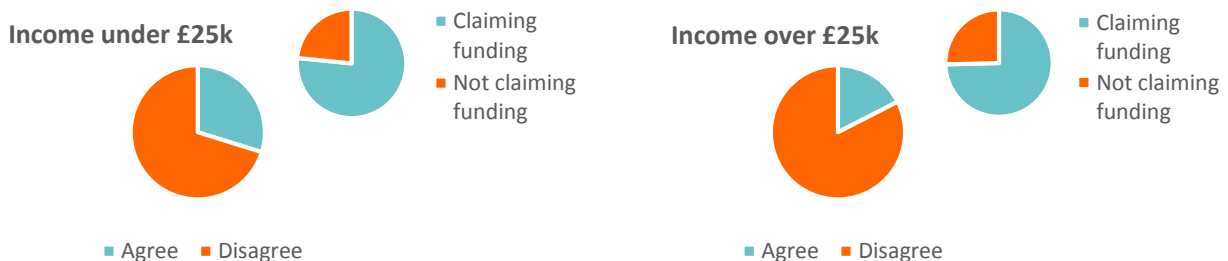


Chart 6: Survey responses to the statement “Childcare is affordable in Hackney” by income

⁹ <https://www.gov.uk/government/statistics/provision-for-children-under-5-years-of-age-january-2015>

¹⁰ From DfE statistical release education provision: Children under 5 years of age, January 2016

The appendix contains the data tables for all information included in this report.

Population							
Cluster	A	B	C	D	E	F	Total
0 years	600	936	569	428	494	333	3360
1 year old	619	965	588	441	508	344	3465
2 year olds	641	1004	609	458	526	357	3595
3 year olds	642	1000	605	459	527	357	3590
4 year olds	642	1000	605	459	527	357	3590
Total number of 0 to 4 year olds	3144	4905	2976	2245	2582	1748	17600
5 to 10 years	3445	5040	3610	3010	3235	2335	20675
11 to 15 years	2515	3405	2635	2140	2365	1645	14705
Total number of 5 to 15 year olds	5960	8445	6245	5150	5600	3980	35380

Source: Estimate based on child benefit data

Childcare Places							
Cluster	A	B	C	D	E	F	Total
Full Daycare	214	130.5	184	151	256	134	1069.5
Sessional	53	340	44	59	25	17	538
Total number of 2 year old places	267	470.5	228	210	281	151	1607.5
Full Daycare	323	156.5	202	152	302	136	1271.5
Sessional	189	1738	34	51	59	28	2099
Total number of 3 & 4 year old places	512	1894.5	236	203	361	164	3370.5
Full Daycare	721	370	521	386	772	373	3143
Sessional	242	2142	78	110	86	45	2703
Total number of places under 5s	963	2512	599	496	858	418	5846

Source: Early Years Census 2015/16

Opening Hours							
Cluster	A	B	C	D	E	F	Total
Before 8am	3	3	4	5	4	4	23
After 5pm	18	9	12	11	14	5	69

Source: Early Years Census 2015/16

Ofsted ratings of daycare settings							
Cluster	A	B	C	D	E	F	
Outstanding	2	1	3	0	5	1	
Good	17	29	8	12	11	7	
Requires Improvement	2	2	3	0	1	0	
Inadequate	1	3	1	0	0	0	

Source: Early Years Census 2015/16

Cost of childcare per week (25 hours)							
Cluster	A	B	C	D	E	F	Average
Daycare							
Average cost Hackney	£121.25	£111	£98.50	£99.25	£122	£117.25	£111.54
Average cost London	£148.74	£148.74	£148.74	£148.74	£148.74	£148.74	£148.74
Childminders							
Average cost Hackney	£165	£162.50	£175	£175	£177.50	£165.75	£170.00
Average cost London	£146.81	£146.81	£146.81	£146.81	£146.81	£146.81	£146.81
After-school club							
Average cost Hackney	£26.70	£29	£30.03	£25	£30	£25	£27.62
Average cost London	£54.39	£54.39	£54.39	£54.39	£54.39	£54.39	£54.39

Source: Early Years Census 2015/16, Childcare Costs Survey 2015 – Family & Childcare Trust