

Report No.

London Borough of Bromley

**CEF  
21035**

**PART ONE - PUBLIC**

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**Decision Maker: CHILDREN, EDUCATION AND FAMILIES PDS COMMITTEE**

**Date: Tuesday 14 September 2021**

**Decision Type:** Non-Urgent                      Non-Executive                      Non-Key

**Title: EARLY YEARS SUFFICIENCY ASSESSMENT**

**Contact Officer:** Carol Arnfield, Head of Service for Early Years, Schools Standards and Adult Education  
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**Chief Officer:** Director of Education

**Ward:** (All Wards);

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1. Reason for report

The Childcare Act 2006 section 6 places duties on local authorities to ensure sufficient childcare for working parents. Local authorities are also required to report to elected council members on how they are meeting this duty and make a report available to parents.

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2. **RECOMMENDATION(S)**

2.1 **Members are asked to note and comment on the information regarding local childcare sufficiency in this report.**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: Ensuring sufficient good quality early years places enables parents to access their full entitlement and helps provide a good educational start for all children. It enables vulnerable children especially to be better prepared for school and adult life.
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### Corporate Policy

1. Policy Status: Existing Policy
  2. BBB Priority: Children and Young People
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### Financial

1. Cost of proposal: Not Applicable:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre:
  4. Total current budget for this head: £
  5. Source of funding:
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### Personnel

1. Number of staff (current and additional):
  2. If from existing staff resources, number of staff hours:
- 

### Legal

1. Legal Requirement: Statutory Requirement: Childcare Act 2006, section 6.
  2. Call-in: Applicable Not Applicable: Further Details
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### Procurement

1. Summary of Procurement Implications: 0
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected):
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: N/A

### **3. BACKGROUND**

- 3.1 The Childcare Act of 2006 Section 6 places a duty on local authorities to secure sufficient childcare for working parents. In addition, Section 7 places a duty that local authorities secure early years provision for young children within their area, free of charge and in accordance with the Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2014. The act also requires the Local Authority to ensure that there is sufficient childcare for children aged 0-14 and up to 18 years for children with additional needs, for working parents.
- 3.2 This requires all local authorities to secure early years education places offering 570 hours a year, over no fewer than 38 weeks of the year, for every three- and four-year-old child in the borough from the term after their third birthday until the child reaches compulsory school age. This is known as universal entitlement. There is also a requirement to secure early years education provision for eligible two-year-old children, from the term after their second birthday.
- 3.3 From September 2017 the Childcare Act 2016 Section 2 placed a further duty on the local authorities to secure free childcare for qualifying children as set out at regulation 33 of Childcare (Early Provision Free of Charge) Extended Entitlement Regulations 2016. This requires childcare places to be made available to working parents who meet eligibility criteria to secure for their three and four-year-old children up to a further 15 additional free hours known as "extended entitlement". This is in addition to the 15 hours of universal entitlement. Early years education and childcare provision should be accessible, flexible, inclusive and provided through a range of settings to meet parental demand.

### **4 THE POSITION IN BROMLEY**

- 4.1 Bromley Council has a strategic role in the provision of childcare locally as a market facilitator rather than provider, with the exception of the two maintained nurseries at Blenheim and Community Vision.
- 4.2 The London Borough of Bromley has a higher number of Ofsted registered sessional childcare settings on non-domestic premises (i.e. premises that are not somebody's home) than any other London borough. Between them they currently provide 9,239 childcare places. Bromley also has a significantly higher number of childminders than any other London borough, and between them they provide 1,373 childcare places. 15% of all Ofsted registered early years places within the borough are provided by childminders.
- 4.3 The childcare market since late March 2020 has fluctuated both in supply and demand due to the current pandemic. Some providers remained open throughout the first lockdown, providing places for vulnerable children and the children of keyworkers. All providers were asked to reopen from 1 June 2020 and the vast majority did so, adapting their business hours and operations to be able to provide a COVID-19 safe environment for staff and children. However, with many parents continuing to work from home and levels of anxiety about the risks of infection within local communities, some providers reported significant reductions in demand.
- 4.4 Six pre-schools closed in July 2020; however, two businesses have opened operating out of the same premises as new providers. In addition, two small nursery chains were sold to new ownership during the pandemic. Early years officers have also started to identify some small-scale growth in day nursery expansion within the borough, which is an encouraging sign.
- 4.5 Accurately assessing supply and demand during a pandemic presents many challenges as the market is unlikely to remain stable. It is anticipated that demand will continue to fluctuate for some time as the full economic impact of the COVID pandemic takes effect. For example, elements such as patterns of homeworking may reduce the need for wraparound childcare, whilst family income has been impacted. This may reduce the need for paid for childcare but

equally place more children eligible for 2-year-old funding. The situation is clearly complex and made more so set against a background of potential new housing developments which could result in increased childcare demand within certain borough wards.

- 4.6 Given the complexities involved in undertaking the assessment, in January 2021 Bromley Early Years commissioned Hemsalls Ltd to support with the task of completing a full Childcare Sufficiency Assessment (CSA). The contractor was specifically asked to consider how the Covid-19 pandemic has impacted on the Bromley Childcare market and make recommendations that could support recovery planning.

## **5 EXECUTIVE SUMMARY OF SUFFICIENCY ASSESSMENT REPORT**

- 5.1 The main purpose of the Childcare Sufficiency Assessment was to enable the Council to meet its statutory duties with regard to:
- Assessing the local demand for childcare to support parents to work or study.
  - Securing free childcare for qualifying children (Childcare Act 2016). This includes eligible 2-year olds, universal entitlement for 3 and 4 year olds and the 30 hour extended entitlement for 3 and 4 year olds of working parents.
  - Securing; sufficient childcare for working parents, for children aged 0-14 and up to 18 if they have additional needs (Childcare Act 2006).
- 5.2 In addition, local authorities are required to report to elected members on sufficiency and be informed regarding current and projected supply and demand for particular ages of children, affordability, accessibility and quality of childcare and how any identified gaps in sufficiency will be addressed.

## **6 KEY FINDINGS**

### **6.1 Context**

- 6.1.1 The report comprehensively sets out the complex environment the early years sector has operated in since March 2020, specifically the reasons underpinning the everchanging shifts in demand. Whilst at the time of writing there had been a total of three national lockdowns, early years settings had remained open to all children throughout two of them. Yet local demand for places remained depressed from 1 June 2020 onwards, including autumn 2020 and spring 2021.
- 6.1.2 At the time of the report, there were a total of 732 registered childcare settings in Bromley, of which 470 were childminders, 63 day nurseries, 101 pre-schools and 25 academy nurseries. Collectively they were registered to deliver 9,239 places for children aged 0-5 years old. A breakdown of the numbers of settings and places at ward level are presented in section 4.1 of the full Childcare Sufficient Assessment report (pages 34-37).
- 6.1.3 In addition, there were 39 out of school settings and 34 holiday clubs offering childcare for school aged children.
- 6.1.4 In March 2021 Hemsalls undertook an online snapshot survey of all registered early years and childcare providers in Bromley. The aim of the survey was to establish the impact of COVID-19 on registered childcare provision in Bromley in terms of demand and how settings have responded.
- 6.1.5 A total of 392 settings completed the survey. This included 53% of registered childminder, 87% of day nurseries, 72% of academy nurseries and 69% of preschools.

## **6.2 Sustainability and risks**

- 6.2.1 The wide range of support provided to early years providers by Bromley Council is highlighted and recognised as important to the sustainability of the local sector. This includes the continuation of payments for the funded entitlements during lockdown periods as well as the training and advice on infection prevention and control provided by Bromley Public Health. The move to paying providers for their funded entitlement claims monthly was also identified having been an important contributory factor for sustainability in the case of some businesses.
- 6.2.2 The extent to which providers accessed and used the full range of Government financial support during the pandemic is identified as a risk factor for financial sustainability. Providers that may have used their own reserves or non-Government loans could now be experiencing considerable financial pressure, especially if the take up of places for their setting has remained depressed. For those settings where demand has remained low there will be a need to review their business operating model and consider changing delivery models (e.g. fewer hours/fewer places/less flexibility) or the mix between funded hours and fee-paying hours). However, at the time of the snapshot survey, approximately 47% of respondents stated they had not made any changes to the way they offered their provision since the start of the pandemic.
- 6.2.3 The sufficiency risk assessment reveals a very mixed picture in Bromley. The provider snapshot survey indicated a high proportion of registered places were vacant (35%) whilst around 52% of settings reported demand had increased compared to spring term the previous year. There was a decrease in the demand for paid-for places which has the most impact on pre-schools and day nurseries.
- 6.2.4 On average, amongst providers offering the funded entitlement, 45% of income was derived from early years funding. Therefore, settings that rely more heavily on the paid-for hours are likely to be carrying a higher risk of financial instability. Around 26% of respondents stated they were not confident in their settings financial sustainability over the next 6 to 12 months. This was highest in pre-schools (31%).
- 6.2.5 If demand for childcare places continues to remain at a low level, this will have a negative impact on the long-term sustainability of some businesses.

## **6.3 Childcare ratios and sufficiency**

- 6.3.1 As the data presented shows, the ratio of children to the number of childcare places varies across the borough from 0.77 to 0.11. For example, the childcare ratio is highest in the wards of Farnborough and Crofton, Hayes and Coney Hall and West Wickham. The childcare ratio is lowest in Darwin, Crystal Place, Cray Valley West and Shortlands. However, low childcare ratios do not necessarily mean there is a shortage of provision. Some parents may choose to access childcare in other wards. This may be due circumstances such as travel patterns to the workplace or near to a school attended by an older sibling. A high proportion of group-based settings in Bromley are term-time only. This may limit parental choice in terms of available childcare to support them to work.
- 6.3.2 Bromley's pre-schools have a history of linking with local childminders, to support family's childcare needs. During the pandemic this way of working was challenged, as Government guidance promoted the need for children to attend just one setting if possible. Some parents chose to move their childcare to one provider, usually a childminder who was able to offer more flexibility in hours.
- 6.3.3 Overall take-up of the funded entitlements in Bromley in 2020 was generally in line with national averages and higher than the outer London average. Take up of the universal entitlement for 3-

and 4-year olds was higher than both the average for outer London and the national average (see table 17, page 44 in the Childcare Sufficiency Assessment report).

- 6.3.4 As society moves through the current pandemic and the subsequent changes it brings to the regional economy, increased levels of unemployment will have an impact on the demand for childcare places. This will be most noticeable on the demand for paid for places.
- 6.3.5 In the medium to long term, new housing development will have a more positive impact on the demand for places within some wards. However, it may not always be possible for this demand to be met within the existing capacity.
- 6.3.6 Three wards, Bromley Town, Copers Cope and Penge and Cator, were identified as highly likely to have future sufficient problems if all the currently planned new home developments are delivered.
- 6.3.7 The above assumptions do not consider the unknown impact that the current pandemic will have on the demand for places. At this time, whilst take-up is gradually increasing following the lockdown and periods of restrictions, it is not yet certain if or when the demand for places will return to pre-pandemic levels.

## **6.4 Children with SEND**

- 6.4.1 The Hemsalls report identified that many children with SEND may not have accessed their childcare provision since the start of the COVID-19 pandemic. This could be partially because of lockdowns and partially due to heightened parental anxiety around health risks to their child. Government guidance asked the most vulnerable children with additional needs to shield, during the peak periods of the pandemic.
- 6.4.2 Pre-schools in Bromley were identified as being receptive to accepting children with additional needs and working in an inclusive way for all children. In the survey some settings reported there may be an issue of access for younger children who are not funded but have a high level of need.
- 6.4.3 Where applicable, the Special Education Need Inclusion Fund (SENIF) is used by settings to provide additional staffing to support children. The funding can also be used for resources and training. There was also evidence that settings are using the advice from the early years SEN Advisory Team to support the use of SENIF to support children appropriately.

## **6.5 Out of school provision in Bromley**

- 6.5.1 The sufficiency duty covers children aged 0-14 (up to 18 for SEN) and the risk assessment report recognises a lack of central information and support with regards to out of school provision.
- 6.5.2 At the time of the snapshot survey there were 39 out of school settings and 34 holiday clubs offering childcare and registered with Ofsted.
- 6.5.3 Only one out of school setting responded to the survey. There were no responses from any of the holiday clubs. There is an historic lack of engagement that goes back over several years with this sector. Currently there is a lack of information about the capacity of the out of school sector in Bromley, both pre-and post Covid. Therefore, it is not possible currently to produce a detailed sufficiency assessment for out of school places for school aged children.

## 6.6 Recommendations arising from the Childcare Sufficiency Assessment

- 6.6.1 The report by Hemsalls makes several recommendations for the local authority (section 2.5, Appendix 1) to mitigate the risks identified. These are set out in Appendix 2 alongside the council officer response to each recommendation.
- 6.6.2 In addition, Bromley early years officers will seek to propose the establishment of a process aimed at seeking parental views on childcare sufficiency in the borough. This would include provision for children with SEND up to the age of 18, and other children up to the age of 14 years, in addition to early years.

## 7. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 7.1 Ensuring sufficient good quality early years places so local parents can access their full entitlement helps provide a good educational start for all children. It enables vulnerable children especially to be better prepared for school and adult life.
- 7.2 Access to early years education can be a key lifeline for vulnerable children and help reduce vulnerabilities by identifying problems early in a life course. Early years practitioners work with families to identify and address emerging educational and social vulnerabilities which can make a huge difference to children's lives.

## 8. POLICY IMPLICATIONS

- 8.1 The monitoring of the sufficiency of early years and childcare places in the borough contributes to the Transforming Bromley Vision. By ensuring Bromley families have access and choice with regards to their children's education contributes to a healthy and independent start in life for our youngest residents.

## 9 LEGAL IMPLICATIONS

- 9.1 The issues raised in this Report appear to be non-procurement related. However, this Report demonstrates good statutory compliance generally. If Officers require legal advice, they may consult Legal Services.

<b>Non-Applicable Sections:</b>	Financial implications; Personnel implications; Procurement implications;
Background Documents: (Access via Contact Officer)	N/A