

# Annual Childcare Sufficiency Report

March 2018



## **Document Details**

**Title:** Annual Childcare Sufficiency Report

**Description:** A summary of childcare sufficiency in Birmingham for 2017/18

**Date Created:** March 2018

**Produced by:** Kevin Caulfield, Childcare Quality and Sufficiency Manager,  
Early Years and Childcare Service,  
Lancaster Circus,  
Birmingham City Council.  
Tel 0121 464 1690  
Email: [kevin.caulfield@birmingham.gov.uk](mailto:kevin.caulfield@birmingham.gov.uk)

**Geographical Coverage:** Birmingham

**Copyright and Disclaimer:** This publication is the copyright of Birmingham City Council. Birmingham City Council, while believing the information in this publication to be correct, does not guarantee its accuracy nor does the Council accept any liability for any direct or indirect loss or damage or other consequences, however arising from the use of such information supplied

## Table of Contents

1. Introduction .....	5
1.1. Statutory requirement .....	5
1.2. Purpose of the Report.....	6
1.3. Methodology .....	6
1.4. The strategic context for sufficiency.....	6
1.5. Achievements in 2017/18 .....	7
2. Executive Summary .....	8
3. City Wide Demographics .....	9
3.1. Wards .....	9
3.2. Birth rates .....	10
3.3. Under 5's Population .....	10
3.4. Black and Minority Ethnic Groups.....	10
4. Early Education and Childcare Provision .....	12
4.1. Number of childcare providers.....	12
4.2. Childcare places and vacancies in Birmingham.....	13
4.3. Affordability.....	14
4.4. Opening Hours.....	15
4.5. Vacancies .....	16
4.5.1. Early Education Entitlement (EEE).....	16
4.5.2. Out of School (OOS) .....	17
4.5.3. Holiday Play-Schemes .....	17
5. Free funded early education places for two, three and four year olds .....	18
5.1. Two Year Old Early Education Entitlement (EEE) .....	19
5.2. Three and Four Year Old Early Education Entitlement (EEE) .....	21
5.2.1. Universal Offer (15 hours) .....	21
5.2.2. Extended entitlement for eligible working parents (30 hours) .....	22
6. Sufficiency of Early Education Entitlement and Childcare Places for under 5's .....	24
7. Tax Free Childcare.....	26
8. Quality of Childcare .....	28
9. Inclusion .....	29
9.1. Children with Special Educational Needs (SEND).....	29

9.2. Home Teaching .....	30
10. Vulnerable Children .....	31
11. Priority Actions for 2018/19 .....	32
11.1. Under 5's General Sufficiency .....	32
11.2. Two year olds EEE .....	32
11.3. Three and Four Year olds EEE (30 hours EEE and Tax Free childcare).....	32
11.4. Out of School and Childminders .....	33

## 1. Introduction

### 1.1. Statutory requirement

Section 6 of the Childcare Act 2006 places a duty on English local authorities to secure sufficient childcare for working parents.

The outcome of the statutory requirement is to enable parents to work because childcare places are available, accessible, affordable and are delivered flexibly in a range of high quality settings.

To secure sufficient childcare places, the Council is **required** by legislation 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).**

To secure sufficient childcare places, the council **should take into account:**

- What is 'reasonably practicable' when assessing what sufficient childcare means in their area.
- The state of the local childcare market, including the demand for specific types of providers in a particular locality and the amount and type of supply that currently exists.
- The state of the local labour market including the sufficiency of the local childcare workforce.
- The quality and capacity of childcare providers and childminders registered with a childminder agency, including their funding, staff, premises, experience and expertise.
- Should encourage schools in their area to offer out-of-hours childcare from 8.00am until 6.00pm and in school holidays.
- Should encourage existing providers to expand their provision and new providers to enter the local childcare market.
- Should encourage providers to take a sustainable business approach to planning and signpost providers to resources to support them.

We are required to report annually to elected council members on how we are meeting our duty to secure sufficient childcare, and make this report available and accessible to parents.

This report summarises:

- Information about the current and projected supply and demand of childcare for particular age ranges of children, and the affordability, accessibility and quality of provision.

- Details of how any gaps in childcare provision will be addressed.
- The current childcare sufficiency position for Birmingham in relation to children with special educational needs and disabilities; children from families in receipt of the childcare element of Working Tax Credit or Universal Credit; children with parents who work irregular hours; children aged two, three and four taking up free places; school age children; and children needing holiday care.
- Priorities and actions for 2018/19.

## **1.2. Purpose of the Report**

This report gives an update on the Council's ability to meet the statutory duty regarding sufficiency of childcare for children 0-14 (and 17 for children with Special Educational Needs and Disability (SEND)). This includes free entitlements for 2, 3 and 4 year olds and wider parental childcare requirements.

The report gives an update on the current position for 2017/18 and priorities and actions for 2018/19.

The majority of data has been completed at ward level although there will be examples of district analysis for presentation purposes.

## **1.3. Methodology**

In undertaking the production of the Childcare Sufficiency Report 2017/18 the following methods and data sources were used:

- Demographic data regarding population from the Office for National Statistics.
- Termly Early Education Entitlement (EEE) headcount data for eligible 2, 3 and 4 year olds.
- Termly 30 hour eligibility checking system data base.
- Data from Ofsted regarding registered settings in Birmingham.
- Data collected via the termly data collection process February 2018 directly from settings.
- Termly ward sufficiency assessments for 0-4 age group.

## **1.4. The strategic context for sufficiency**

The focus of securing sufficient childcare is to ensure there are enough accessible, affordable, flexible and high quality places available to enable parents/carers to work study or train. Childcare underpins and supports a wider number of national and local strategies

with the purpose of improving outcomes for children and families. They include the following:

- **Child poverty** - Childcare is essential for working families. Not only does good quality early years education and care help support child development, but affordable childcare enables parents to go out to work – or work more hours – supporting overall family incomes. In general an increase in family incomes will result in better outcomes for families and children e.g. ability to buy better quality/healthy food, potential to improve living accommodation e.g. additional bedroom, more disposable income for holidays and general family activities which when aggregated contribute to an all-round better home environment for children which contributes to better education engagement ultimately leading to better long term outcomes for children and families.
- **Social Mobility** - Childcare supports the government strategy to address the widening gap between poorer and better off families by continuing to fund disadvantaged families for 2 year old Early Education Entitlement (EEE) places and the introduction of Tax Free Childcare Care and 30 Hours EEE places for eligible working parents from 2017.
- **Reducing the attainment gap** - Research strongly suggests that good quality childcare provision has a significant beneficial impact for those children that attend, especially those from the age of two and from disadvantaged backgrounds. Therefore it is essential that the Council ensures that there is sufficient good quality childcare in Birmingham as it is a significant contributor in reducing the attainment gap.

### 1.5. Achievements in 2017/18

- Development of termly sufficiency assessments on a ward basis for the 0 to 4 age range.
- Development and roll out of Data Collection Form (DCF) to all early years and childcare providers in Birmingham on a termly basis from January 2018. A range of data is collected which improves the quality of data available to support and better inform ongoing sufficiency assessments and strategy.
- Successful implementation of 30 hour EEE offer for eligible working parents of 3 and 4 year olds from September 2017.
- Improved partnership and relationship with providers from across the Private, Voluntary and Independent (PVI) and Schools sectors developing a more open and honest culture.

## 2. Executive Summary

- There are 86,601 children under the age of 5 in Birmingham.
- 61.21% of children under 5 are from Black and Minority Ethnic (BME) groups.
- There are 1,379 Private, Voluntary and Independent (PVI) Childcare providers in Birmingham.
- There are 27 Maintained Nursery Schools and 173 Nursery classes managed by school governing bodies In Birmingham.
- Over the past 12 months 123 new providers have opened and 171 have closed (predominantly childminders).
- There are currently more than 33,000 under 5 childcare places available in Birmingham. 23,420 (PVI) and 9,623 (maintained).
- There is a general oversupply of 13,526 (PTE) under 5 places with relatively few wards in the city having a gap.
- There is a general oversupply of 2,233 (PTE) 2 year old EEE places with relatively few wards in the city having a gap.
- There are generally vacancies across all sectors for 2, 3 and 4 year old EEE places.
- 2 year old EEE take up Autumn Term 2017 68 % less than national average of 70%. Take up has levelled out as 69% Autumn 2016.
- SEND - 255 children took up a 2 year old EEE place in the Autumn Term 2017.
- SEND - 865 children took up a 3 and 4 year old EEE place in the Autumn Term 2017.
- 30 hour take up 3,303 places Autumn Term 2017, 5,530 places Spring Term 2018 – further work with providers to ensure supply can meet parental demand.
- Concern with providers across all sectors of the financial viability of 30 hours EEE and the wider EEE offer and childcare delivery.
- As at January 2018, 80% of PVI providers, 82% of schools with nursery classes and 100% of Nursery schools inspected by Ofsted were rated good or outstanding.

### 3. City Wide Demographics

#### 3.1. Wards

Birmingham is currently made up of 40 wards. (See fig.1 below.) From April 2018 Birmingham will consist of 69 wards due to Boundary changes.

This report is based on the ward/district delivery for 2017/18 time period.

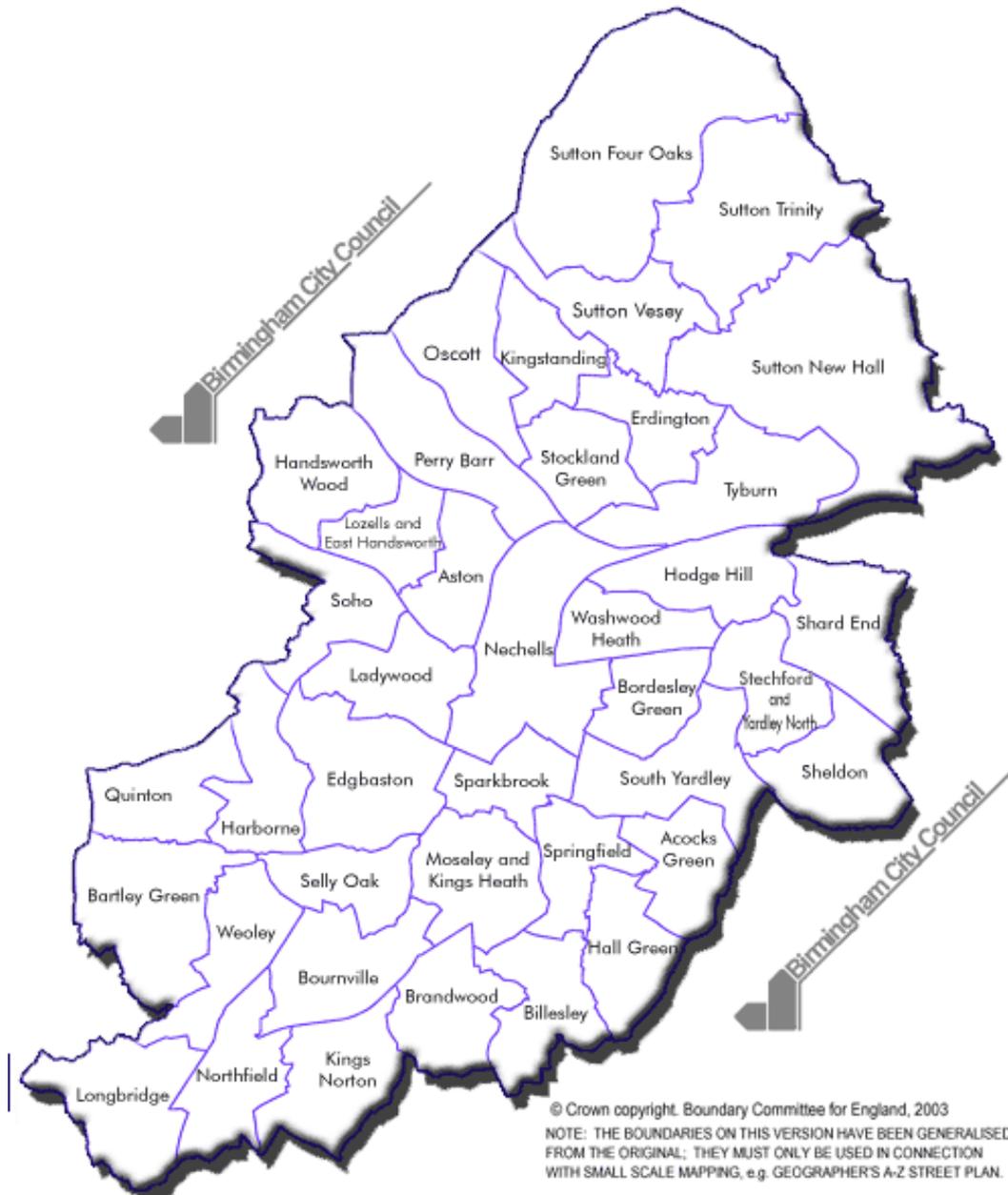


Figure 1 - Ward Map of Birmingham March 2018

### 3.2. Birth rates

Birth rates in Birmingham have fluctuated from September 2012 to August 2017 as follows:-

- September 2012 to August 2013 - 17,224
- September 2013 to August 2014 - 16,934 decrease of - 290
- September 2014 to August 2015 – 16,656 decrease of - 278
- September 2015 to August 2016 – 16,980 increase of + 324
- September 2016 to August 2017 – 16,738 decrease of - 242

Birmingham has a net reduction of places from August 2013 (17,224) to August 2017 (16,738) of 486 places. There is no evidence from an early years and childcare sufficiency perspective that this has had any material impact city wide or on a specific ward basis as the net reduction is spread across all wards of the city. (See Appendix 1 for city wide ward analysis.)

### 3.3. Under 5's Population

The latest population data for under 5's in Birmingham identifies that there are 86,601 children in this co-hort.

- Age 0 = 17,307 children
- Age 1 = 16,886 children
- Age 2 = 17,006 children
- Age 3 = 17,581 children
- Age 4 = 17,821 children

The ward with the highest number of children within this age range is Bordesley Green with 3,970 and the ward with the lowest number of children within this age range is Selly Oak with 1,011. (See appendix 2 for city wide ward analysis).

### 3.4. Black and Minority Ethnic Groups

Birmingham has a truly diverse mix of communities and cultures demonstrated by the February 2017 NHS under 5's list which identifies that 61.21% of children under 5 (53,005) are from Black, Minority or Ethnic (BME) groups. This is an increase of 0.85% from 2016 where 60.36% of under 5 children were from BME groups.

Sparkbrook ward has the highest percentage of BME children under 5 in the city at 90.07% (2,874 children).

Washwood Heath ward has the highest number of BME children under 5 in the city at 3,514 children which equates to 89.92% of the under 5 ward population.

Sutton Trinity ward has the lowest percentage of BME children under 5 in the city at 22.09% (330 children).

Sutton New Hall ward has the lowest number of BME children under 5 in the city at 235 children which equates to 22.66% of the under 5 ward population.

Bartley Green ward has had the highest percentage increase in the number of BME children under 5 in the city at 3.26% from 37.27% 2016 to 40.53% 2017.

(See Appendices 3 and 4 for citywide ward analysis.)

## 4. Early Education and Childcare Provision

### 4.1. Number of childcare providers

Currently there are over 1,500 childcare providers in Birmingham from the Private, Voluntary and Independent (PVI) and maintained sectors delivering a range of childcare services to meet parental needs.

The providers fall into the following categories with the majority being Ofsted registered:

**Private, Voluntary and Independent:** Childminders (CM), Day Nurseries (DN), Holiday Play Schemes (HPS), Out of School Clubs (OOSC), Pre-School Play groups (PSP)

**Maintained:** Nursery Schools (NS) and Nursery Classes school governor run (NC), Special Schools (SS)

<b>Total Number of childcare providers in Birmingham</b> (Ofsted and non- Ofsted registered)											
Movement From February 2017 to February 2018											
	CM	DN	HPS	OOSC	PSP	Sub- Total PVI	NS	NC	SS	Sub- Total MTD	Total
Total number of providers as at Feb 2017	572	355	233	209	57	1,426	27	173	11	211	1,637
New Providers in Year	47	31	24	17	1	120	0	1	2	3	123
Closures in Year	72	34	30	21	10	167	0	1	3	4	171
Total number of providers as at Feb 2018	547	352	227	205	48	1,379	27	173	10	210	1,589
<b>Net reduction in provision</b>	<b>-25</b>	<b>-3</b>	<b>-6</b>	<b>-4</b>	<b>-9</b>	<b>-47</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>-48</b>

**Figure 2 - Total number of providers in Birmingham**

See Appendix 5 (PVI) and Appendix 6 (Maintained) for the full citywide ward analysis.

Between February 2017 and February 2018, 123 new providers were added to the childcare supply chain. The majority of new providers were childminders followed by day nurseries.

In the same period 171 providers closed. The majority of providers were childminders followed by Day nurseries. Therefore in the past 12 month period there was a net reduction in childcare providers of 48. (See Fig. 2).

In 2018/19 we will be exploring the reasons for closures especially amongst childminders and the impact on communities they support.

We are not overly concerned by this reduction as currently there is a general oversupply of childcare places across Birmingham for the 0-4 age group which includes a mix of free Early Education Entitlement (EEE) and fee paying places.

There are significantly more providers from the PVI sector than the maintained when looking at numbers of settings, however when looking at places, childminders on average are registered to deliver places to 3 or less children where a nursery class on average will deliver places to 52 children.

## 4.2. Childcare places and vacancies in Birmingham

The number of places and vacancies fluctuate during the year in response to parental demand. Generally the Autumn term demand and occupancy levels are at their lowest due to children starting school. This brings financial challenges to providers as income streams can often be lower than the Spring and Summer terms, therefore providers need to undertake sound financial planning throughout the year and factor in reduced Autumn term income streams. This is a known annual trend.

There are currently more than 33,000 early education and childcare places available to meet the needs of parents and families in Birmingham (see Fig 3 below).

The PVI sector offer 23,420 FTE places which is 71% and the maintained sector 9,623 places which is 29%.

Anyone who cares for children under the age of eight **for more than two hours a day** in England must register with Ofsted unless they are exempt. It is an offence to provide such childcare without being registered or on premises that have not been approved.

There are two registers:

- **the Early Years Register** – for providers caring for children aged from birth to 31 August following their fifth birthday; providers on this register must meet the ‘Statutory framework for the Early Years Foundation Stage’.
- **the Childcare Register**, which has two parts:
  - Part A: Compulsory – for providers caring for children from 1 September after the child's fifth birthday up until their eighth birthday; and
  - Part B: Voluntary – for providers caring for children aged eight and over, and other providers who are exempt from compulsory registration, such as nannies.

<b>Total Number of childcare places in Birmingham</b>										
(Ofsted and non-Ofsted registered)										
	CM	DN	HPS	OOSC	PSP	Sub-Total PVI	NS	NC	Sub-Total MTD	Total
<b>Total number of fte places as at Feb 2018</b>	3,476	18,417	**	**	1,527	<b>23,420</b>	2,617	7,006	<b>9,623</b>	<b>33,043</b>
<b>KEY</b>										
	<b>CM</b>	Childminders								
	<b>DN</b>	Day Nurseries								
	<b>HPS</b>	Holiday Play Schemes								
	<b>OOS</b>	Out Of School Clubs								
	<b>PSP</b>	Pre- School Play Groups								
	<b>NS</b>	Nursery School								
	<b>NC</b>	Nursery Class								

**Figure 3 - Total number of childcare places in Birmingham**

\*\*Although we know the number of Out of School Clubs (OOSC) and Holiday Play scheme providers we have in Birmingham for over 5's we do not know how many places they deliver and therefore if there is a gap in the supply chain. This is one of the priority actions identified for 2018/19 and is due to changes in the way Ofsted register and record the places within each setting.

In February 2018 the Early Years and Childcare Service carried out a data collection exercise requesting a range of information from all childcare providers both Ofsted and non-Ofsted registered to inform this report and our ongoing sufficiency intelligence.

329 providers submitted a return which is approximately 22% of total provision in Birmingham. This data has further informed our assessment of sufficiency.

### 4.3. Affordability

There are a variety of combinations of fees that parents have to pay due to varying childcare requirements of parents e.g. age of child, hours required, times required, type of provision etc.

To make childcare more affordable the government have made available the following range of funding entitlements for parents to access subject to eligibility criteria:

- Two year old Early Education Entitlement (EEE) which is a max of 15 hours per week for a min of 38 weeks - criteria based.
- Three and Four year olds Early Education Entitlement (EEE), which is a max of 15 hours per week for a min of 38 weeks - universal entitlement.

- Three and Four year olds Early Education Entitlement (EEE), (30 hours) – which is an extended additional entitlement of a max 15 hours per week for a min 38 weeks - criteria based.
- Tax Free childcare for working parents/parent with children under 12 (or under 17 for disabled children).

As per the latest data collected from 329 providers in February 2018 the average weekly rates for the city cross sector are as follows:-

Fees as per Data Collection February 2018			
Daycare		Holiday Provision	
Type of Provision	Average Weekly Fees	Type of Provision	Average Weekly Fees
Childminders under 2	£165.45	Childminders under 2	£175.00
Childminders over 2	£154.25	Childminders over 2	£125.00
Day Nurseries under 2	£197.34	Childminders 4-11	£100.80
Day Nurseries over 2	£184.45	Day Nurseries under 2	£173.50
Out of school care age 4 -11	£62-50	Day Nurseries over 2	£163.00
		Day Nurseries 4-11	£131.14
		Out of school care age under 2	£122.33
		Out of school care age over 2	£98.00
		Out of school care age 4 -11	£96.75
		Out of school care age 11+	£160.00
		Holiday Playscheme under 2	£127.25
		Holiday Playscheme over 2	£127.25
		Holiday Playscheme age 4-11	£127.25
		Holiday Playscheme age 11 +	£127.25

**Figure 4 - Fees charged for Childcare in Birmingham**

Within Birmingham a significant number of parents take up childcare and take advantage of free entitlements to support their childcare costs. Childcare providers across the city set fees that they believe parents will pay i.e. the market rate. Based on the number of childcare providers and places currently in the supply chain the Council assume that current rates are affordable. However one of the actions for 2018/19 is for the Council to explore this further with parents.

#### 4.4. Opening Hours

Provider opening hours are generally based on parental demand and can vary dependent on provider type. As per the latest data collected from 329 providers in February 2018 the following opening hours have been collated for the city from across the PVI sector:-

##### Daycare:-

- 62% start between 7.00am and 8.00am
- 24% start between 8.00am and 9.00am
- 50% finish at 6.00pm
- 18% finish between 5.00pm and 6.00pm
- 18% finish before 5.00pm

- 10% finish between 6.00pm and 7.00pm

#### Out of School:-

- 66% start between 7.00am and 7.30am and end at 6.00pm
- 29% finish before 6.00pm

#### Holiday play-schemes:-

- 65% start between 7.30am and 8.15am and finish between 5.00pm and 6.00pm

#### Irregular Hours:-

A handful of providers open after 7-00pm and 4 childminders provide overnight care.

The opening hours data has confirmed what we already know - the opening hours can vary dependent on the type of provision delivered but in the main they will meet parental demand. The majority of the daycare provision is open during normal working and parental travelling time hours (i.e. 7-00 am to 6-00pm).

There are very few providers that deliver outside of normal hours. Our assumption is this is based on parental demand and has not been raised as an issue to the Council from parents seeking childcare.

## 4.5. Vacancies

Across the city there are vacancies for each type of provision. The data correlates with our 0 - 4 age range termly Sufficiency Assessments that have consistently over the past 2 years identified a general oversupply of places for that age range. Please see Figure 5.

Therefore we do not believe that the vacancies are due to affordability issues for parents.

As part of the data collection exercise February 2018 we collected the following vacancy data from the 329 providers that submitted a return and we have made the following assumptions:-

### 4.5.1. Early Education Entitlement (EEE)

Early Years vacancies by Provider Type			
Type of provider	Full time EEE vacancies	Part-time 2 year old EEE vacancies	Part-time 3-4 year old EEE vacancies
Childminder	56	56	57
Day Nursery	251	499	579
Holiday Playscheme	2	17	10
Nursery class in primary school	27		44
Nursery school	45	50	
Nursery Unit of Independent School	4		8
Out of School Club	9		14
Pre-School Playgroup	7	9	52
<b>Total</b>	<b>401</b>	<b>635</b>	<b>764</b>

**Figure 5 - Early year's vacancies by provider type**

The vacancy levels indicate that there are generally enough places to meet all aspects of the free entitlements including 30 hours for working parents.

The wards with the highest vacancy levels across the city were Sparkbrook and Washwood Heath. The vacancy levels are not particularly high but correlate with the oversupply of places in

those wards. In 2018/19 we will explore the potential for those providers to increase take up of the 2 year old and 30 hour EEE offers in those wards. (See Appendix 7 for analysis by ward.)

#### 4.5.2. Out of School (OOS)

The vacancy levels are relatively low and spread quite evenly across the city. However the Nechells Ward of the city has a relatively high vacancy level compared to other wards for the age range 4-11. In 2018/19 we will explore the reason for the level of vacancies. See Appendix 8 for analysis by ward.

<b>Out of School Childcare vacancies by Provider Type</b>			
<b>Type of provider</b>	<b>Vacancies for 3-5 year olds Out of school</b>	<b>Vacancies for 4-11 year olds Out of school</b>	<b>Vacancies for over 11 year olds Out of school</b>
Childminder	31	62	36
Day Nursery	48	107	7
Holiday Playscheme		17	
Nursery Unit of Independent School	10	10	
Out of School Club	13	130	20
<b>Total</b>	<b>102</b>	<b>326</b>	<b>63</b>

Figure 6 - Out of School Childcare by provider type

#### 4.5.3. Holiday Play-Schemes

Figure 7 shows the vacancy levels are relatively low and these are spread quite evenly across the city. However the South Yardley Ward of the city has a relatively high vacancy level compared to other wards for the 4-11 and over 11 age ranges. In 2018/19 we will explore the reason for the level of vacancies. See Appendix 9 for analysis by ward.

<b>Holiday Childcare vacancies by Provider Type</b>			
<b>Type of provider</b>	<b>Vacancies Holiday playschemes 3-5 year olds</b>	<b>Vacancies Holiday playschemes 4-11 year olds</b>	<b>Vacancies Holiday playschemes over 11 year olds</b>
Childminder	59	82	61
Day Nursery	156	102	4
Holiday Playscheme		151	100
Out of School Club	5	45	
Pre-School Playgroup	10	10	
<b>Total</b>	<b>230</b>	<b>390</b>	<b>165</b>

Figure 7 - Holiday Childcare vacancies by provider

## 5. Free Funded Early Education Places for Two, Three and Four Year Olds

Legislation currently requires the Council to make available sufficient free early education places offering 570 hours a year over no fewer than 38 weeks of the year for every eligible 2, 3 and 4 year old child in their area. From September 2017 the Council was also required to make available sufficient early education places offering 1,140 hours a year over no fewer than 38 weeks of the year for every eligible 3 and 4 year old. This is an extension of the universal offer for 3 and 4 year olds.

The relevant dates (in relation to the age criterion) are as follows:

Children become eligible when:-

- Children born in the period 1st January to 31st March: the start of term beginning on or following **1st April** after the child's second birthday;
- Children born in the period 1st April to 31st August: the start of term beginning on or following **1st September** after the child's second birthday;
- Children born in the period 1st September to 31st December: the start of term beginning on or following **1st January** after the child's second birthday.

There are 3 types of free funded places:

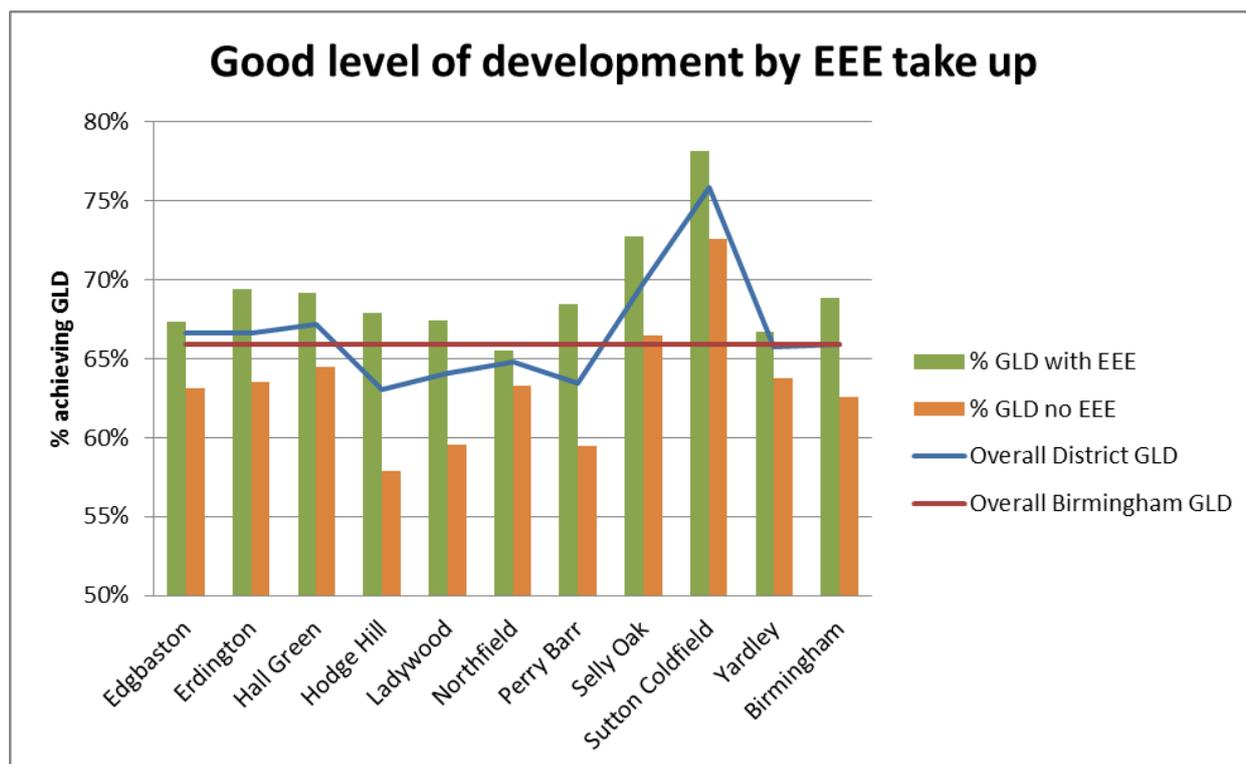
- Two year olds (15 hours) - criteria based
- Three and Four year olds (15 hours) - universal entitlement
- Three and Four year olds (30 hours) - extended entitlement criteria based

In Birmingham free funded places are offered and delivered in a range of settings including maintained Nursery Schools, Nursery classes on primary school sites and Private, Voluntary and Independent providers including Full Day care nurseries, Pre-school playgroups and childminders.

The government intention is for all children who meet the prescribed criteria to be able to take up a free place benefiting their social, physical and cognitive development and outcomes and helping to prepare them for school.

Evidence shows that attending high quality early education has a lasting impact on social and behavioural outcomes. The entitlements make childcare more affordable for parents and enables parents to work or increase their working hours if they wish to do so.

The following table (Fig 8) demonstrates that that high quality early education gives children a good start in life and school readiness. The results for 2017 confirm that children in Birmingham benefit from accessing EEE provision before they attend reception classes in school. Children accessing EEE provision perform better than those that do not.



**Figure 8 - District summary of GLD for 2017**

## 5.1. Two Year Old Early Education Entitlement (EEE)

Evidence shows that high quality provision at the age of two brings benefits to children's development.

The two year old offer gives children from disadvantaged backgrounds the opportunity to access 15 hours of free early education. Two year olds are eligible for 15 hours of free early years provision if the parent(s) claim one of the following benefits:

- Income Support.
- Income-based Jobseeker's Allowance (JSA).
- Income related Employment and Support Allowance (ESA).
- Universal Credit – For places starting in the summer term of 2018 (on or after 1st April 2018), or any subsequent term, if a parent is entitled to Universal Credit they must have an annual net earned income equivalent to and not exceeding £15,400, assessed on up to three of the parent's most recent Universal Credit assessment periods.
- Tax credits and they have an annual income of under £16,190 before tax.
- The guaranteed element of State Pension Credit.
- Support through part 6 of the Immigration and Asylum Act. or
- The Working Tax Credit 4-week run on (the payment you get when you stop qualifying for Working Tax Credit).

This area of work has continued to be a particular focus for the EY service and partners who have worked collectively to develop and implement a strategy in recognition that the take up remains below the national level.

This work has led to an increase in two year old take up over the last two years - from 61% in 2015, to 68% in 2017. Although there has been an improving trajectory in the 2 year period, take up has levelled out from autumn term 2016 to the same term in 2017 and we are monitoring if there is any negative impact i.e. reduction in 2 year old places available due to the roll out of the 30 hour EEE offer for eligible working parents.

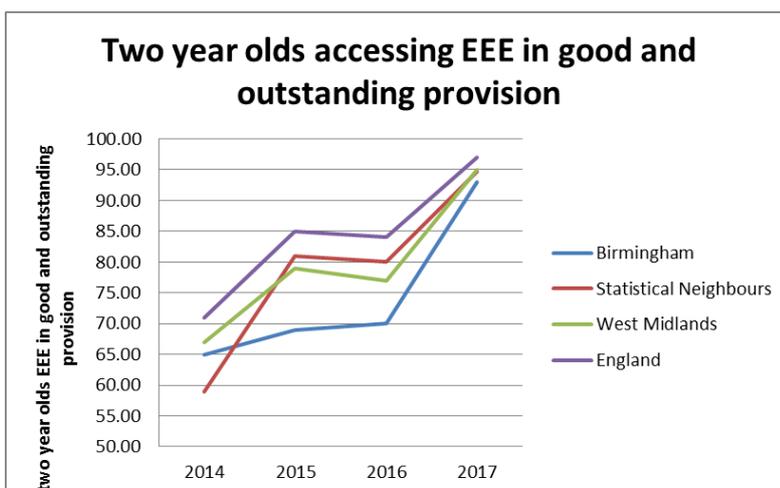
The table below shows the take up trend for the past 2 years:

<b>2 Year old EEE take up</b>					
<b>Term/Year</b>	<b>Eligible 2YO</b>	<b>MTD 2YO EEE</b>	<b>PVI 2YO EEE</b>	<b>Total 2YO EEE</b>	<b>% Take up</b>
<b>Autumn Term 2015</b>	9,687	592	5,351	<b>5,943</b>	<b>61%</b>
<b>Spring Term 2016</b>	9,567	566	5,059	<b>5,625</b>	<b>59%</b>
<b>Summer Term 2016</b>	9,569	528	5,023	<b>5,551</b>	<b>58%</b>
<b>Autumn Term 2016</b>	9,288	1,102	5,271	<b>6,373</b>	<b>69%</b>
<b>Spring Term 2017</b>	9,114	792	4,925	<b>5,717</b>	<b>63%</b>
<b>Summer Term 2017</b>	9,121	880	4,788	<b>5,668</b>	<b>62%</b>
<b>Autumn Term 2017</b>	9,000	1,213	4,927	<b>6,140</b>	<b>68%</b>

**Figure 9 - 2 YO EEE Take-Up per Term**

The proportion of two year olds who access their EEE in good and outstanding settings has increased to 93%, which is close to the national average of 97% and represents an increase of 23% - in the top 10 increases across England.

**Figure 10 - 2 Year olds in Good/Outstanding settings**



The number of children currently accessing EEE settings yet to be inspected has increased this year to 11% from 8%; however data shows that 65% of settings achieved a judgement of met or good and above between Apr-Sept 2017. Of the remaining settings, 6% (1 setting) received a judgement of inadequate and 18% (3 settings) Requires Improvement.

Furthermore, the numbers of children accessing settings judged less than good has decreased from 8% to 5.3% (323 two year olds). See Appendix 10 for analysis by ward.

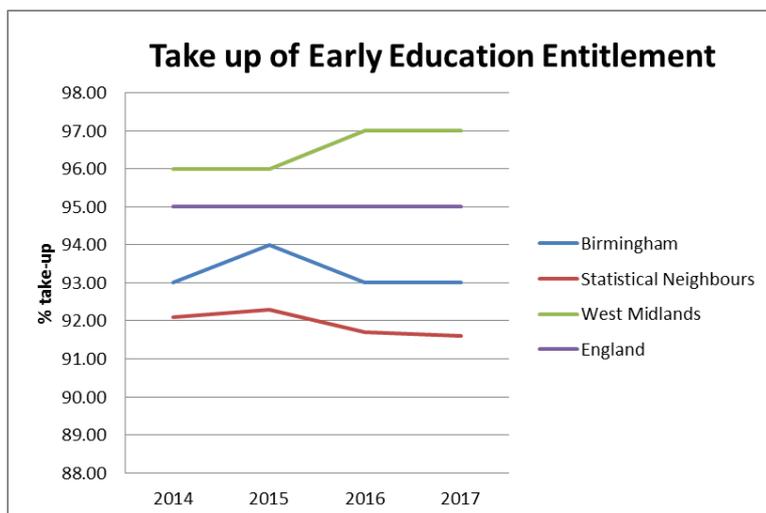
A number of maintained settings have requested increases in their Pupil Admission Numbers (PAN) to accommodate increased parental demand. The settings that have increased their 2 year old places available are those that are no longer delivering children centre services as part of the new contract from January 2018 as they are re-utilising the space within the building.

Our latest assessments identify that there is a general over supply of places based on eligible children compared to places available. Current take up is only 68% of eligible children and we believe all parents that require a place are currently able to access one.

We will monitor this situation as we continue to raise awareness of the offer to ensure parents are able to access a place.

## 5.2. Three and Four Year Old Early Education Entitlement (EEE)

### 5.2.1. Universal Offer (15 hours)



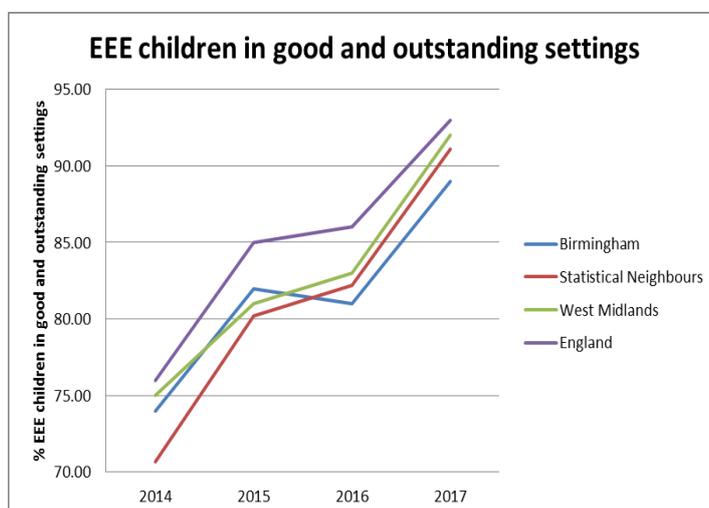
Take up of the 15 hour universal offer has remained consistent with previous years (see Figure 11 below). There are several wards within the city which are below the city average of 92% take up . Over the next 12 months we will work with local providers and other agencies to identify reasons for low take up and agree action plans to improve.

**Figure 11 - Take-up Universal 3 YO EEE**

We will continue to encourage take up by promoting the benefits of children accessing an early year's funded place. (See Appendix 11 for analysis by ward.)

The number of providers delivering 3 and 4 year old EEE places rated by Ofsted to be Good or Outstanding has improved in the year from 83% to 88%.

**Figure 12 - 3 and 4 year old children accessing EEE in Good or Outstanding settings.**



### 5.2.2. Extended entitlement for eligible working parents (30 hours)

In September 2017 the government introduced an additional free extended entitlement for three and four year olds of eligible working parents.

A child is entitled to the additional free hours from the term after both of the following conditions are satisfied:-

- the child has attained the age of three; and
- the child's parent has a current positive determination of eligibility from HMRC.

Parents must apply for the additional free hours through the Government's online Childcare Service. Eligibility for the additional free hours is determined by HMRC through this online application. The eligibility criteria are set out below:

- The parent of the child (and their partner where applicable) should be seeking the free childcare to enable them to work.
- The parent of the child (and their partner where applicable) should also be in qualifying paid work. Each parent or the single parent in a lone parent household will need to expect to earn the equivalent of 16 hours at the national living wage or their national minimum wage rate over the forthcoming quarter.
- Where one or both parents are in receipt of benefits in connection with sickness or parenting, they are treated as though they are in paid work.
- Where one parent (in a couple household) is in receipt or could be entitled to be in receipt of specific benefits related to caring, incapacity for work or limited capability for work that they are treated as though they are in paid work.
- Where a parent is in a 'start-up period' (i.e. they are newly self-employed) they do not need to demonstrate that they meet the income criteria for 12 months in order to qualify for the extended entitlement.
- If either or both parents' income exceeds £100,000 they will not be eligible for the extended entitlement.

There has been a significant amount of work this year associated with the roll out of the 30 hour EEE funded place offer for eligible working parents. This has been a challenging scheme to implement due to late roll out of detail from central government especially regarding the processes around eligibility codes (e.g. from parents receiving a code to providers validating and offering a place and some conflicting communications from DfE/HMRC). However we have overcome those issues successfully by working in partnership with providers across the sector, utilising national support resources delivered by Childcare Works, the ECS National Implementation team and a great deal of commitment from a variety of officers within the Council.

Take up for the autumn term was slightly lower than national and regional trends (see fig.13). However 89% of parents who were issued an eligibility code actually took the offer up. We are not aware that the 11% non-take up of places was due to parents not being able to take up a place. We believe this is a mix of parental choice and possible change in circumstance. We have not received any complaints from parents stating that they could

not access a place. The biggest issue we are aware of to date is where parents have had difficulties receiving their eligibility code for the first time or 3 month confirmation through the HMRC website.

<b>30 hours Take-up: Autumn Term 2017</b>					
<b>Term/Year</b>	<b>ELIGIBILITY CODES ISSUED</b>	<b>Codes Validated by Providers</b>	<b>Codes validated %</b>	<b>No. of Children in a 30 hours place</b>	<b>Children in a 30 hours place as a % of codes issued</b>
<b>Birmingham</b>	<b>3,753</b>	<b>3,344</b>	<b>89%</b>	<b>3,303</b>	<b>88%</b>
<b>Regional Trend</b>	<b>23,909</b>	<b>22,585</b>	<b>94%</b>	<b>21,961</b>	<b>92%</b>
<b>National Trend</b>	<b>224,885</b>	<b>210,863</b>	<b>94%</b>	<b>202,783</b>	<b>90%</b>

**Figure 13 - 30 Hours take-up: Autumn Term 2017**

To date the 30 hour EEE offer has been adopted and delivered by providers from across the sector (See Fig.14 below). In the Autumn term 2017 the overwhelming majority of places (73%) were delivered by the PVI sector. This weighting was expected as the majority of parents accessing the new offer would have paid fees under the old system and historically the majority of fee paying places have been delivered by the PVI sector.

<b>30 hours EEE for eligible working parents</b>		
<b>Provider Type</b>	<b>Places delivered Autumn Term 2017</b>	<b>%</b>
Childminder	70	2%
PVI	2,425	73%
Nursery School (Maintained)	362	11%
Nursery Class (Maintained)	446	14%
<b>Total</b>	<b>3,303</b>	<b>100%</b>

**Figure 14 - 30 hours by provider type**

Indicative data regarding take up for Spring Term 2018 based on total codes validated by providers is 5,530. Final figures were not available at the time of writing, as the head count process is not yet complete. This is an increase of 2,227 from the Autumn Term 2017. See Appendix 12 for latest ward analysis.

The spring term take up figures strongly suggest that in general:

- Parents in Birmingham are fully aware of the entitlement and are able to access places.
- Childcare providers in Birmingham are fully engaging and offering places to meet parental demand.
- There are sufficient places in the supply chain to meet parental demand. The Spring Term 2018 indicative validation data correlates with our detailed termly sufficiency assessment activity which for the past 18 months has consistently indicated a general oversupply of 0 to 4 EEE and childcare places city wide.

Based on the above we are comfortable that there will be enough places in the supply chain to support demand in the Summer Term 2018.

## 6. Sufficiency of Early Education Entitlement and Childcare Places for under 5's

In terms of numbers, the overwhelming demand for Early Education and Childcare places is required for the 0 to 4 age range. Demand for places is based on parental requirements such as childcare for when they are at work or study and take up of early education entitlements.

The latest population data for under 5's in Birmingham identifies that there are 86,601 children in this cohort. Due to the high numbers of children there will be many combinations of parental requirements city wide.

As previously stated there are currently 33,043 FTE (66,086 part time equivalents PTE) Ofsted and non-Ofsted registered childcare places in Birmingham. As at the latest Sufficiency Assessment Spring 2018 for under 5's, there is a general oversupply of 13,526 PTE places citywide. See Appendix 16 for analysis by ward.

This equates to 79.6% occupancy level which is consistent with industry advice and suggests that providers should aim for 80% occupancy levels to achieve financial sustainability.

Although there is a general oversupply of places there are several wards in the city that we need to monitor in 2018/19 as there will be implications if demand for places increases. The wards affected are:

- Kingstanding (339 PTE gap).
- Harborne (767 PTE gap).
- Handsworth Wood (424 PTE gap).
- Bournville (232 PTE gap).
- Sutton Four Oaks (232 PTE gap).

Other considerations for the above wards that will be a focus in 2018/19 are the volume of children that actually take up their childcare in other wards of the city i.e. a significant number of children living in Harborne may take up their places in the neighbouring Edgbaston ward where there is a 2,549 PTE oversupply of places for children that live in that ward. We know from headcount information that there are a significant number of children who live outside the ward that attend settings in Edgbaston.

Although there is a general over supply of places there are a number of wards in the city that we need to monitor in 2018/19 as the levels are well above the city average of 20% over supply .The wards affected are:

- |                               |   |                       |       |
|-------------------------------|---|-----------------------|-------|
| • Washwood Heath              | - | 600 PTE over supply   | = 26% |
| • Nechells                    | - | 1,107 PTE over supply | = 36% |
| • Ladywood                    | - | 778 PTE over supply   | = 43% |
| • Lozells and East Handsworth | - | 1,285 PTE over supply | = 46% |
| • Sparkbrook                  | - | 1,145 PTE over supply | = 42% |

The Spring Term Sufficiency assessment also identified that if all eligible 2 year old EEE children wanted to access their place there are more than enough places available as there is currently a net oversupply of 2,233 PTE places city wide. See Appendix 16 for analysis by ward.

Although there is a general oversupply of places there are a number of wards in the city that we will need to monitor in 2018/19 as there will be implications if demand for places increases. The majority of the wards affected currently have 2 year old EEE take up below the city average of 68%. The wards affected are:

- Kingstanding - 157 PTE gap 2yo EEE take up 71%
- Soho - 102 PTE gap 2yo EEE take up 62%
- Handsworth Wood - 79 PTE gap 2yo EEE take up 53%
- Springfield - 87 PTE gap 2yo EEE take up 63%
- Hodge Hill - 70 PTE gap 2yo EEE take up 67%

There are a number of other wards that we need to monitor in 2018/19 and support as required as they have high eligibility, low take up and low oversupply of places. If there is an increase in 2 year old EEE take up there may not be sufficient places in the wards to meet demand. The wards affected are:

- Bordesley Green - 9 PTE gap 2yo EEE take up 51%
- Washwood Heath - 36 PTE over supply 2yo EEE take up 71%

## 7. Tax Free Childcare

In April 2017 the government introduced the tax free childcare programme for eligible working parents. The system is administered by HMRC under the Childcare Choices brand and the following key elements are summarised below.

### Parents

- The scheme is for working parents /parent with children under 12 (or under 17 for disabled children).
- Parents can open an online account to pay for registered childcare. The government will top-up the money parents pay into the account. For every £8 parents pay in, the government will add an extra £2. Parents can receive up to £2,000 **per child** - that's up to £500 every three months. If parents have a disabled child, they can receive up to £4,000 per child - that's up to £1,000 every three months.
- Parent/parents and partners, must expect to earn (on average) at least £120 per week (equal to 16 hours at the National Minimum or Living Wage). If parent, or partner, are on maternity, paternity or adoption leave, or unable to work because of disability or have caring responsibilities, they could still be eligible.
- If either parent or partner expects to earn £100,000 or more, they can't get Tax-Free Childcare. They can't use Tax-Free Childcare at the same time as childcare vouchers, Universal Credit or tax credits. They **can** use it with the 15 hours and 30 hours schemes.

Parents can use Tax-Free Childcare to help pay:

- Registered childminders, nurseries and nannies.
- Registered after-school clubs and play-schemes.
- Registered schools.
- Home care-workers working for a registered home care agency.

Eligible parents entering the scheme will open an online childcare account that they can use to pay providers for childcare. Payments will work just as they would through an online bank account, using a reference number for each child so providers can identify their payments.

### Providers

To be able to receive Tax Free Childcare payments from customers, providers need to sign up to receive payments from the scheme by registering with HMRC to enable payments to be paid by parents.

### Benefits

This scheme creates a fairer process as currently only those parents who work for an organisation with a childcare voucher scheme can access the benefit. The purpose is to make childcare more affordable for parents due to the opportunity to access a more flexible system and financial support.

The new system enables greater access to a wider number of parents including those that are self-employed. The potential for strengthening sustainability for providers as cost based fees become more affordable.

Based on the February 2018 Data collection process of the 329 responses, 212 providers from the PVI sector are currently signed up to Childcare Choices Tax Free Childcare and a further 27 are intending to sign up in the Summer Term 2018. We currently do not have a figure for the maintained sector which we will address in the Summer Term 2018 data collection process.

We believe that there are additional providers signed up to those that have completed a DCF. We have requested a list from HMRC to give us a more accurate figure. We are still awaiting a response. (See Appendix 13 for analysis by ward.)

<b>Providers in Birmingham signed up to Tax Free Childcare</b>		
<b>Provider type</b>	<b>Registered for tax free childcare</b>	<b>Intend to sign up for it next term</b>
Childminder	78	12
Day Nursery	102	9
Holiday Playscheme	3	
Other	3	
Creche	0	
Nursery Unit of Independent School	1	
Out of School Club	13	3
Pre-School Playgroup	11	2
Parent & Toddler group	0	1
<b>Grand Total</b>	<b>212</b>	<b>27</b>

**Figure 15 - Providers signed up to Tax Free Childcare in Birmingham**

## 8. Quality of Childcare

Ofsted are responsible for rating the quality of early education and childcare providers. The expectation from government is that all provision should be as far as possible delivered by providers who have achieved an overall rating of ‘outstanding’ or ‘good’ in their most recent Ofsted report.

Evidence shows that higher quality provision has greater developmental benefits for children, particularly for the most disadvantaged children leading to better outcomes.

It is our aim that children accessing EEE in future will only do so in Good or Outstanding settings,

The council has a statutory duty to support all settings which are rated by Ofsted as inadequate or requires improvement of which 100% have an allocated Early Years Consultant (EYC). EYC’S will support setting improvement and promote high standards by:

- Supporting setting’s self-evaluation.
- Monitoring and evaluating the performance of the settings.
- Providing information, advice and training to childcare providers proportionate to need.
- Facilitating the sharing of best practice

Birmingham has had an improving quality trajectory across all sectors for the past 3 years (see Fig. 16 below). This continual improvement has been supported by the following interventions from the EYC team:

- Delivery of ‘Getting to Good’ workshops to settings judged as Requires Improvement and Inadequate.
- Delivery of universal and targeted workshops at Early Years District Networks.

<b>Settings judged by Ofsted as Good or Outstanding</b>										
	<b>All PVI’s*</b>		<b>Childminders</b>		<b>Day Nurseries</b>		<b>Schools with nursery classes</b>		<b>Nursery schools</b>	
<b>Year</b>	<b>No</b>	<b>%</b>	<b>No</b>	<b>%</b>	<b>No</b>	<b>%</b>	<b>No</b>	<b>%</b>	<b>No</b>	<b>%</b>
2017	876	80	347	74	280	94	141	82	27	100
2016	897	78	359	72	281	92	140	81	27	100
2015	816	69	351	64	253	85	136	80	26	96

\*this includes settings such as pre-school playgroups, parent and toddler groups and out of school childcare

**Figure 16 - Settings judged by Ofsted as Good/Outstanding**

## 9. Inclusion

Within the statutory duty, the council should:

- Promote equality and inclusion, particularly for disadvantaged families, looked after children, children in need and children with special educational needs and disability by removing barriers of access to free places and working with parents to give each child support to fulfil their potential.
- Ensure that they meet their duties under the Equality Act 2010 and the Special Educational Needs and Disability (SEND) Code of Practice when securing free places.
- Ensure a strong multi-agency focus by securing local partnerships between all joint working professionals including education, health and social care.
- Encourage providers to be clear, transparent and consistent about the SEND support available at their setting and make information available about the support to enable parents to choose the right setting for their child.
- Encourage take-up of free places and undertake outreach activities to identify disadvantaged children and children who are not taking up their entitlement or their full hours and support them to do so.

### 9.1. Children with Special Educational Needs and Disability (SEND)

The Council must ensure that all providers in the maintained and private, voluntary and independent sectors that receive funding for the free entitlements are aware of the requirement on them to have regard to the Special Educational Needs and Disability Code of Practice: 0-25

The *Special educational needs and disability code of practice: 0 to 25 years (2015)* clearly sets out the details of the legal requirements under the Children and Families Act 2014 for local authorities to publish a Local Offer. The Local Offer must set out in one place, comprehensive information about provision they expect to be available in their area across education, health and social care for children and young people in their area who have SEN or are disabled, including those who do not have EHC plans.

In the academic year 2016/17 the number of children aged 0-5 with additional support needs known to the Early Years and childcare service was 1,451. Work will be undertaken in 2018/19 to identify the proportion of children that are unknown.

1,296 of the children attended a PVI setting and 155 children attended a maintained nursery school class. In the Autumn Term 2017 children with SEND accessing a EEE place was:-

- 2 year olds = 255 (See Appendix 14 for analysis by ward)
- 3 and 4 year olds = 865 (See Appendix 15 for analysis by ward)

The Area Special Educational Needs Coordinator (SENCO) team support PVI settings to develop their inclusive practice and improve outcomes for children with SEND through a graduated approach.

The AST also manage Inclusion Support in Early Years (ISEY) funding jointly through high needs and Early Years block of Designated Schools Grant (DSG). ISEY is an additional funding resource to enable children in PVI settings to access their 2, 3 and 4 year old place. In 2016/17, 500 children received funding support out of 693 applications (84%).

## **9.2. Home Teaching**

There are a number of pre-school children with SEND requiring home teaching prior to accessing early education in a setting.

In 2016/2017, 210 children made a transition into either an early education setting to access their EEE or into reception.

Currently the Council is taking a whole system review approach under the Inclusion Strategy which is under-pinned by one of the Education Directorate key objectives '*ensuring that children and young people with SEND have their needs met in appropriate provision*'. It is anticipated that the results of the review will start having a positive impact in 2018/19.

The current situation identifies that additional work is required in 2018/19 to establish if there is a sufficiency gap regarding children with SEND. Work carried out by the service will contribute to the ongoing Council's Inclusion strategy.

## 10. Vulnerable Children

There are 197 children in care accessing a EEE place in early years settings in Birmingham. 127 of these children attend settings that are judged as 'good' or above. The majority of children attend places in the PVI sector.

The Early Years and childcare and Area SENCO teams are giving those providers that are less than good intensive support to ensure good quality education is received by those children attending those settings.

Break down of children in care accessing Early Education Entitlement by Age/Type of setting/Ofsted Outcomes						
Age	NCY	Total	Sch Type	Total	Ofsted Rating	Total
2	EY	41	Academy	14	1	32
	Pre	11	EY	102	2	95
3	EY	62	Free School	1	3	13
4	EY	27	Mainstream/CC	41	4	4
	R	31	Special	3	No Rating	12
5	R	1	Pre-School age	50	(Pre- Sch age/withheld)	41
			Welsh Establishment	1		
<b>Total</b>		<b>173</b>	<b>Total</b>	<b>212</b>	<b>Total</b>	<b>197</b>

*NB cohort is for children in care currently aged 2 up to and including Reception Year*

**Figure 17 – Children in Care in EEE**

## **11. Priority Actions for 2018/19**

### **11.1. Under 5's General Sufficiency**

- Carry out further review work and ongoing monitoring of those wards where currently there are relatively high sufficiency gaps. Work undertaken will include establishing reasons for gaps, assessing likelihood of an increase in demand and identifying actions required to ensure ongoing sufficient childcare in those wards. The wards to review are Kingstanding, Harborne, Handsworth Wood, Bournville and Sutton Four Oaks.
- Review implications of children that actually take up their childcare in other wards of the city rather than the ward they live in as may have implications for particular wards of the city i.e. Harborne and Edgbaston wards.
- Carry out further review work and ongoing monitoring of those wards where there is a relatively high over supply of places. Work undertaken will include establishing reasons for the over-supply and the impact on providers who are not financially sustainable from across all sectors. One area of focus will be the potential impact on schools. The following wards will be targeted: Washwood Heath, Nechells, Ladywood, Lozells and East Handsworth and Sparkbrook.

### **11.2. Two year olds EEE**

- Carry out further review work and ongoing monitoring of those wards where currently there are relatively high sufficiency gaps. Work undertaken will include establishing reasons for gaps, assessing likelihood of an increase in demand and identifying actions required to ensure ongoing sufficient childcare in those wards. The wards to review are Kingstanding, Soho, Handsworth Wood, Springfield and Hodge Hill.
- Carry out further review work, ongoing monitoring and support as required for those wards that have high eligibility, low take up and low oversupply of places where an increase in 2 year old EEE take up will more than likely lead to a sufficient gap. The wards to review are Bordesley Green and Washwood Heath.

### **11.3. Three and Four Year olds EEE (30 hours EEE and Tax Free childcare)**

- Ongoing communications with childcare providers from all sectors, including termly engagement sessions to review delivery intentions and address/support issues that may have implications on the supply of places.
- Co delivery to childcare providers of specific business support sessions for the 30 hour and Tax Free Childcare offer during the Summer Term 2018 to improve provider awareness and improve existing business practice to ensure sufficiency of places.
- Ongoing delivery of briefing sessions to non EEE registered providers such as Childminders and Out of School providers to raise awareness and encourage

participation promoting the benefits to children and families and the business opportunities the offer brings.

- Issue of termly Data Collection Forms (DCF) to all providers cross sector, EEE and none EEE registered which include questions regarding the 30 hour and Tax Free Childcare offer delivery. This data set will strengthen our intelligence and help inform ongoing support strategies.
- Encourage providers to work in collaboration with other providers i.e. school with a childminder to support parental needs and maintain sustainable business models especially in those wards where there is an over-supply of places.

#### **11.4. Out of School and Childminders**

The council is in the process of awarding a contract to an external organisation to deliver quality support, contribute to the Sufficiency assessment process and encourage delivery of EEE places within the Out of School and Childminder sectors. The contractor will have access to those hard to reach providers and will be able to collate data and intelligence to inform our ongoing childcare sufficiency strategy.

Specific work will be undertaken to:

- Establish the number of places available across all sectors
- Establish if there are sufficient places available to meet parental demand by engaging with parents.