Hackney Childcare Sufficiency Assessment
March 2011
Executive Summary

Aims and Objectives

The childcare sufficiency assessment is a measurement of the nature and extent of the demand and supply of childcare within an area. It helps to identify gaps in the market and in consultation with partners; The Learning Trust can plan how to support the market in addressing these.

Key Observations

Overall, there appears to be sufficiency in Hackney's childcare market to meet the general parental demand. However, policy changes can have an impact upon this. Parents report a high level of satisfaction with their current childcare and are satisfied with the quality of provision available across the area.

With the current stabilisation of overall birth rates within Hackney it is unlikely that there will be a higher than normal increase in overall demand for childcare. However, in the north of the borough (Stamford Hill) there continues to be a sharp increase in birth rates.

The current economic downturn needs to be considered. Rises in the cost of provision coupled with redundancies have had an effect on some families and this is hard to measure. Interestingly, parental responses to the questionnaire were equally split as to whether this recession has or is likely to change their childcare arrangements. With the impact of the recession yet to be fully realised it is difficult to make an assessment on how employment figures may change. This is further exacerbated by the composition of the workforce, with major professions being: managers and senior officials (17.4%), professional occupations (19.4%), and associate professional and technical (22.7%).

As proposed public sector cuts are only now starting to manifest themselves in redundancies, we cannot be sure what effect this will have on these individuals. In contrast to this the 2012 Olympics look like they will increase job opportunities for individuals predominately outside of these three occupations. Whilst people remain in employment, childcare arrangements are unlikely to change, though affordability will remain an issue, especially given the disparity of earnings between Hackney and London as a whole, which has resulted in high levels of household income being spent on childcare arrangements. Issues of affordability were raised by parents and tended to be the component of childcare that least met their needs. Perceptions of affordability were strongly correlated with subsidy; and those who agreed that it was affordable were on some form of assistance (e.g. free entitlement, but predominately tax credits). It will be important going forward for The Learning Trust to ensure that any support is targeted at those who need it the most.

Parents consistently reported that the biggest drivers of choice of childcare are: the location of the provision, the setting having a good reputation and the quality of the provision. As a consequence parents are typically focussed on using their provider of choice, which in some instances causes a lack of spare capacity in the most popular providers and can manifest itself in long waiting periods. This correlates with parental feedback on difficulties accessing childcare, 40% of parents disagreed that they had little difficulty finding a childcare place. Consequently available spaces with other providers may not necessarily provide appropriate capacity for the locality as these may not be sought after.

Analysis of the supply and occupancy of childcare places found a correlation between Ofsted ratings and the number of vacancies, i.e. the lower the rating the higher the incidences of vacancies, this was particularly prevalent in the 'satisfactory' category. It is possible that raising the overall quality of provision across Hackney may help to increase parental choice.

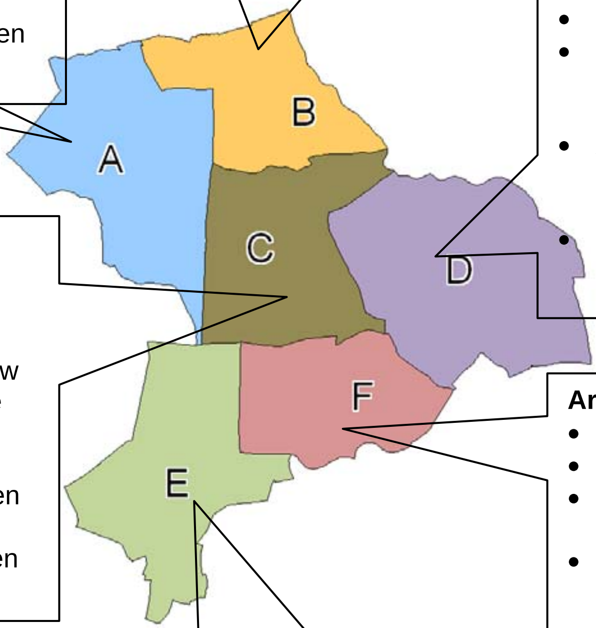
The two key aspects of provision that parents and key stakeholders believe could be improved. These typically involve extending the childcare day and providing greater flexibility of use

Consolidation of Evidence

Area A:
- Stable birth rates for most wards, some growth expected in Lordship
- Second highest child population density
- High provider reliance on NEF
- Largest number of providers with a 'Good' Ofsted rating
- Lower than average number of places early in the morning and late in the evening
- Second highest number of day nursery places
- Cross border usage between Hackney and Islington

Area B:
- Highest child population density along with a growing trend in birth rates leading to a projected growth in child population
- Large Orthodox Jewish community
- High number of children accessing NEF and 2 yr old pilot project. There is also a strong provider reliance on this subsidy
- Parents from Haringey using local provision
- Largest number of day nursery providers and places

Area D:
- Stable birth rates
- Below average vacancy levels
- Largest number of enquiries made to FIS regarding financial support for childcare
- Along with Area C, has the highest proportion of children taking up NEF
- Higher than average number of places early in the morning and later in the evening



Area C:
- Stable birth rates
- Highest satisfaction levels from parents
- Largest concentration of new housing developments (see section 4.3)
- Along with Area D, has the highest proportion of children taking up NEF
- Cross border usage between Hackney and Islington

Area F:
- Stable birth rates
- Lowest density of children
- Lowest number of providers and places
- High parent dissatisfaction with cost

Area E
- Stable birth rates
- Higher than average number of places early in the morning and later in the evening
- Above average vacancy levels
- Highest parental reports of difficulty accessing childcare
- High parent dissatisfaction with cost

Gap Analysis Summary

Geographic Gaps

- Breakfast club and other early opening services in Area A.
- Area F has the lowest number of places and providers across all service types, & below average vacancies, particularly holiday play schemes and childminders to provide wrap around care.
- Areas A and B- fewer childminders offering school pickups
- After school activities for secondary school children
  - Shoreditch – much better served from the voluntary sector
  - Homerton – much better served from the voluntary sector
  - North East – less infrastructure, potential lack of capacity to fill gaps
  - Stoke Newington – least well served – less infrastructure

Gaps in the type of childcare available

- Availability of good quality, affordable holiday playschemes (over 5s). For under 5's, only an issue where settings close over holiday periods.
- Pupil Referral Units (PRU) out of hours activities, as day tends to finish earlier.
- Likely to be more demand for childminders (increase in part-time places in nurseries). A gap in Bengali childminders was also identified.
- There is a need to further review the breakdown of provision within the Orthodox Jewish community and also if the levels of occupancy truly reflect how many people are being served.
- Providers are reorganising themselves to be able to deal with the effects of a single intake into reception classes, Single Funding Formula & reduction in FT places. Particular issue for Nurseries classes,
- The move to one school intake will free up more nursery places, if these are free or targeted at lower income families then this will impact on demand for places within the PVI sector.

Gaps in the ages for which childcare is available

- It is unlikely that there will be a significant increase in overall demand for childcare, except in Stamford Hill, where (due to increasing birth rate within Orthodox Jewish Community) there is likely to be an increase in demand for 0 to 2 year old provision. Also noted is upward trend in take up for 3 to 4 year old places within the Community. In light of this it would be prudent to continue to monitor demand in those wards and/or planning areas that comprise the Stamford Hill area.
- More parents are becoming aware of childminders and confident in using them, increasing demand for baby places.
- The overall level of childcare occupancy for children aged 0 to 2 suggests that there is sufficient capacity at present to meet demand. However, new 2 year old free entitlement will benefit those living in the 20% most deprived circumstances (estimated 3,522 children in 2013). This would create a need for up to 1,487 FTE places Ability to meet this additional demand will be somewhat influenced by the amount of funding available to providers. It will be important to consider nearer the time if there has been any impact in the child population due to fluctuating birth rates. If this increased demand is realised it may be necessary to develop the childcare infrastructure, otherwise increased demand may be met by sacrificing places in other age groups, for example the 0 to 1 age band in some areas.

Gaps in cost and affordability

- Affordability affects low income families / groups and larger in particular. On average a family will spend around 20% of household income for full daycare for 1 child & 35% for 2. Some of this cost is offset by free entitlements such as 2 yr old / NEF.
- Significant waiting periods for access to discounted provision, such as children's centres especially for the 0 to 2s. Further investigation is needed. Is this provision and other subsidised care benefitting the people who need it the most?
- The largest take-up of the 2 year old pilot funding is in the top 10% of deprived areas, as is to be expected. However, as a percentage take-up of the estimated population, this is only 3% higher than the take-up of 13% within the 10 – 20% most deprived neighbourhoods. Therefore, take-up seems evenly spread despite the fact that levels of poverty may be different. This could mean that families who are in poorer circumstances are unable to access this support.
- As the threshold for tax credits is moving from £55,000 to £40,000 from April 2011 onwards, it is likely that childcare will be relatively more expensive for some middle income families and could affect the uptake of subsidised middle band maintained provision
- PVI providers believe that increased rents will affect sustainability .72% believe that passing this on in increases in fees would result in families seeking alternatives.
- It is likely that the cost of childcare has resulted in demand staying in line with the levels of supply. Any subsequent changes in legislation and affordability may affect sufficiency.

Gaps in opening times

- Flexibility and the creation of 'wrap around' services
- Relatively little provision outside the core hours is available, only 1% of the total places is available before 07:30, rising to 54% (excluding extended schools) between 07:30 and 09:00. A total of 5% of places are available post 18:00.
- For providers increased opening times may result in a movement of hours rather than a requirement for additional care. If so, the fragmented childcare provision would increase costs without a similar increase in revenue.

Gaps in the needs of disabled children

- Ability of childminders to meet the childcare demand for children with disabilities (due to cost of home adaptations- offer tends to depend upon whether the child's needs can be met with the resources that they currently have).
- For a high proportion of parents who have children with disabilities it can be hard for them to work outside of school hours, this is due to the current level of affordable and appropriate out of school provision.
- Parents confidence ion that childcare is able to meet their child's needs.
- DCATCH consultation exercise (summer of 2010) identified need to improve information for families. Awareness of which organisation to approach for information and support was raised by a number of parents during this consultation.

Gaps in meeting the needs of families seeking or wishing to remain in work

- Childcare support whilst people are attending interviews.
- Opening times and flexibility (as mentioned above)

Recommendations

Childcare Choices

1. Continue The Learning Trust drive to improve quality of provision and outcomes for children across the sector. Quality impacts upon sustainability
2. Continue to inform parents of the childcare options available to them in order to enable parents to make informed choices about childcare.
3. Promote the availability of childcare within providers with spare capacity to parents to allow them to make an informed choice about whether to wait or to take up other options.

Access to childcare

4. Promote the need for childcare before and after the normal working day to providers and, once in place, to parents.
5. Work with providers with high vacancy levels to tackle any issues that may be preventing access to services.
6. There appear to be some issues with supply and demand in the Children's Centres, which could benefit from further investigation and breakdown.
7. Further explore the gaps identified in Chapter 7 (see the full assessment pages105 to 108) to assess if there is sufficient demand to justify the development of services to fill these gaps.
8. Explore the impact of mainstreaming the 2 year old free entitlement.

Affordability of childcare

9. Ways in which parents can receive help with costs should be widely publicised and professionals working with children should be briefed on how to apply for help.
10. Explore the uptake of subsidised places in maintained settings to assess if these are being accessed by those individuals who would benefit from them the most.

Support for providers

11. Explore with providers what support they would find useful to become self-sustaining.
12. Promote the parental feedback to providers, highlighting the key parental drivers for choosing childcare and the perception of gaps.
13. Explore the impact of moving to a one term school intake, i.e. releasing nursery school places and the potential impact on PVI's.

Systems and processes

14. Review data collection processes for provider vacancies, in particular the analysis of nursery occupancy (see full assessment, section 5.3)