

Annual Childcare Sufficiency Report

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1. Executive Summary

Section 6 of the Childcare Act 2006 places a duty on English local authorities to secure sufficient childcare for working parents. Local authorities are also required to make available sufficient free early education places for every eligible 2, 3 and 4 year old child in their area for children aged 0-14 (or up to 18 for disabled children).

The report summarises information about the current and projected supply and demand of childcare, along with 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; and priorities and actions for 2019/20.

Childcare underpins and supports a wider number of national and local strategies such as child poverty, social mobility and reducing the attainment gap.

Demand

The overall under-fives population is used as the basis of the overall potential demand for childcare. There is a 7.7% reduction in the cohorts from current 4 year olds to current 0 year olds, but this reduction is not uniform across the city.

Birmingham has a higher proportion of children living in workless households or on low incomes than England as a whole. In May 2017, 19,190 children under five years old in Birmingham were living in workless households, which was over a fifth (22%) of all children under five.

If all school children aged 4-14 required out of school provision, the demand would be 149,821 places. In reality, most children who access out of school provision are those whose parents work outside the school day or outside the school terms. The proportion of children accessing wrap-around at under 5 is 24%; if 24% of all school children aged 4-14 required out of school provision, the current demand would total 36,610 children. The demand cannot be accurately determined, as not all parents need childcare for every school day or every school holiday week, and it is important to consider this an estimate only.

Supply

Currently there are over 1,500 childcare providers in Birmingham from the PVI and maintained sectors, delivering a range of childcare services for children aged 0-14 (16 for children with SEND) to meet parental needs the majority of which being OfSTED registered.

The data on the number of out of school clubs and holiday playschemes is not as complete or reliable as the number of providers of childcare for children under five, as not all out of school childcare has to be registered with OfSTED. The data from Academy schools, which make up 46% of Birmingham's primary schools is not available to the council, so the schools data represents approximately half of all potential provision.

OfSTED are responsible for rating the quality of all early education and childcare providers. The expectation is that all provision should be as far as possible delivered by providers who have achieved an overall rating of 'outstanding' or 'good'. Whilst Birmingham had an improving quality trajectory across all sectors from 2015 to 2017, in 2018 this has dipped slightly for day nurseries and schools with nursery classes.

There are currently more than 31,000 early education and childcare places available to meet the needs of parents and families in Birmingham. This is a reduction of 1,794 places (5%) from 2018. The PVI sector offer 21,952 full time equivalent (FTE) places (70%) and the maintained sector 9,297 places (30%).

There are vacancies for each type of provision across the city. Vacancy levels for places for children under 5 indicate that there are generally enough places to meet all aspects of the free entitlements including 30 hours for working parents. Vacancy levels for out of school provision are available from the PVI sector only and show a relatively low and evenly spread vacancy rate. Vacancy levels for holiday play schemes provided by the PVI sector are generally low, with a third of all wards having no vacancies. However, the vacancy rates are varied across the city, with seven wards having over 100 vacancies.

Early Years Education

Two Year Olds early years education 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. Whilst this work led to an initial increase in two year old take up, this has levelled off and started to reduce, so the take-up in the autumn terms has reduced from 69% in 2016 to 68% in 2017 and 66% in 2018.

The proportion of two year olds who access their EEE in good and outstanding settings has increased to 94%, which is close to the national average of 95% and represents an increase of 25% since 2015, the sixth highest increase in England.

The proportion of 3 year old children taking up the 15 hour universal offer has remained consistent; however there are several wards within the city where take-up rates are below the city average of 92%.

Take up of the 30 hours funded place offer for 3 year old children of eligible working parents has improved from last year; in autumn term 2018 take-up in Birmingham was in line with the regional and higher than the national figures. Nearly all parents (96%) who were issued with an eligibility code actually took the offer up. The overwhelming majority of places (75%) were delivered by the PVI sector.

One of the key trends that central government is monitoring closely is the number of children who accessed a EEE place as a disadvantaged two year old who go on to access a 30 hours EEE place for children aged three of working parents. In Birmingham this has been a success to date as take up is high and a relatively high proportion of those children previously took up a 2 year old place (in Autumn Term 2018, of the 3,923 children accessing a 30 hour EEE place 24.5% had previously accessed a two year old place).

Affordability

Within Birmingham a significant number of parents take up childcare and take advantage of free entitlements to support their childcare costs.

Based on 543 responses to the Autumn 2018 data collection process, 423 providers from the PVI sector are currently signed up to the Government's Childcare Choices Tax

Free Childcare scheme and a further 55 are intending to sign up next term. This data will be collected from the maintained sector in the Summer Term 2019.

Sufficiency

The overwhelming demand for Early Education and Childcare places is required for the 0 to 4 age range. The latest Sufficiency Assessment in Spring 2019 shows there is a general oversupply of 15,418 PTE places citywide. This equates to a 75% occupancy level which is lower than the industry benchmark that suggests 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 have a deficit of places. Similarly, there are a number of wards with an over-supply of places well in excess of the city average of 24%.

The Spring Term Sufficiency 2019 assessment also identified that if all eligible 2 year old Early Education children wanted to access their place there are more than enough places available as there is currently a net oversupply of 979 PTE places city wide.

There are currently 27 LA Nursery Schools and 170 nursery classes managed by schools in the city. School managed settings delivered 22% of 2 year old EEE places and 51% of 3 and 4 year old EEE places in the Autumn Term 2018. Over the last year an increasing number of schools are operating well below their capacity. In the Autumn term 2018 the average occupancy level across the city was 60%, well below the advised level of 80% occupancy required to recover 100% of costs.

The main reasons for under occupancy in schools are the general oversupply of places across the city and working parents whose children are eligible for the 30 hour EEE offer and require flexible childcare often find that schools do not offer this.

There is sufficient out of school provision for the predicted demand, based on wrap-around proportions. Given that the number of places is under-reported, and that there have not been queries or complaints to the council on out of school provision, the conclusion is that there is sufficient out of school provision.

The picture for holiday play-schemes suggests that there are fewer places per child, but again the under-reporting of places and lack of complaints suggests that there is sufficient holiday childcare available for school age children.

Children with SEND are supported by the council to access their Early Education Entitlement, whether that is support to access an actual place or support to access a place when ready through the Home Teaching Service. This position is based on the termly take up levels of Early Education Entitlement places and the minimal number of complaints from parents unable to access a place for their child.

However, due to the complex and emerging nature, and varying thresholds of assessment regarding SEND children, it is not possible to establish a credible baseline regarding potential demand for places after discussions with colleagues from the Early Support Service and SENAR. This is an area of work that will need further exploration in 2019/20 and which should come within the wider SEND strategy for the city.

Children in Care are supported by the council to access their Early Education Entitlement, through strong partnership between the Birmingham Virtual School, Early Years, Childcare and Children's Centres Service and childcare providers. However,

Children in Care are only one cohort of vulnerable children; therefore, in 2019/20 work will be undertaken with colleagues from other service areas such as the Children's Trust to identify other cohorts of vulnerable children to establish whether there are any barriers to take up of childcare and develop strategies to address these and maximise take-up.

Priority Actions

A number of priority actions have been identified in Section 8 of the report. These will be built in to the Early Years, Childcare and Children's Centres Service priorities within the business plan for 2019/20. Key priority areas are:

Review and revise existing policies and procedures to address the risk of providers closing where there is significant oversupply of places. This will include work with providers and identification of areas in which the council's influence can be strengthened regarding the creation of new providers or places.

Revise the strategy to increase take-up rates of the two-year old entitlement, in liaison with partners and through exploration of the barriers to access in specific communities and areas of the city and exploration of good practice within and outside the city.

Develop a plan to ensure sufficient places for the two year old entitlement to account for an increase in take-up rates. This will include:

- encouraging existing providers to deliver the two-year old offer where there is a general oversupply of places but an undersupply of places for two-year olds, or where an increase in take-up rates will quickly lead to an undersupply.
- encouraging new providers to set up in areas where there is an undersupply of places.
- increasing the number of primary schools delivering the two-year offer.

Conduct consultation with parents, using BeHeard and targeted focus groups to ensure an up-to-date picture of parent perspectives on availability, affordability, school-age childcare needs, specific needs and barriers to access. The consultation will also focus on specific barriers to access of the two-year old entitlement.

Strengthen existing knowledge and data regarding the demand for and supply and nature of places across the city, including out of school provision. This will include adding schools and PVI settings which don't provide the free early education entitlement to the termly provider survey, now that this is established with PVI settings who provide the entitlement. It will also include a focus on improving knowledge for specific groups of vulnerable children through partnership and data-sharing with partners within and outside the council.

2. Introduction

2.1 Statutory requirement

Section 6 of the Childcare Act 2006 places a duty on English local authorities to secure sufficient childcare for working parents. Local authorities are also required to make available sufficient free early education places for every eligible 2, 3 and 4 year old child in their area.

The outcome of the statutory requirement is that parents are able 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 is required to 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.

The council is also required to encourage:

- schools in their area to offer out-of-hours childcare from 8.00am until 6.00pm and in school holidays.
- existing providers to expand their provision and new providers to enter the local childcare market.
- providers to take a sustainable business approach to planning and signpost providers to resources to support them.

The council is required to report annually to elected council members on how it is meeting its duty to secure sufficient childcare, and to 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 2019/20

2.2 Purpose of the Report

The purpose of this report is to

Provide councillors, parents and other council residents with a current picture of childcare provision and availability across the city as a whole and at district and ward level.

Provide an analysis of whether the council is able to meet its statutory duty to ensure sufficient childcare for children aged 0-14, children with disabilities from 0-18 and free early education entitlement places for 2, 3 and 4 year olds.

Identify priorities for action to feed into the council's Early Years, Childcare and Children's Centre service action plan for 2019-20 to ensure sufficiency of childcare within the city.

2.3 Methodology

Data and intelligence from a wide range of council and external sources were used to compile this report:

Population data from Birmingham Community Healthcare Trust

Data on 2, 3 and 4 year olds taking up their Early Education Entitlement.

DfE eligibility checking system for children aged 3 and 4 entitled to 30 hours free Early Education Entitlement.

DfE lists of eligible two year olds

OfSTED data on registered private, voluntary and independent (PVI) childcare settings, including the number of children the setting is registered for

Published Admissions Numbers (PAN) for primary and nursery schools for 2, 3 and 4 year olds

OfSTED judgements of registered childcare settings and schools in Birmingham.

Survey information from private, voluntary and independent (PVI) settings who provide Early Years Education, including vacancy and waiting list numbers, opening hours and fees charged from Autumn Term 2018. This includes data for out of school clubs and holiday play-schemes which the providers deliver in addition to the Early Education provision.

End of Early Years Foundation Stage (EYFS) results for 2018

The Birmingham Development Plan 2031.

Home Teaching data from the Early Support Service

Vulnerable Children data from Birmingham Virtual School.

2.4 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 places and the introduction of Tax Free Childcare Care and 30 Hours Early Years Education Entitlement 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.

2.5 Achievements in 2018/19

During 2018-19 the Early Years Childcare and Children's Centre Service has made five significant developments, as below:

- Development and implementation of automated termly sufficiency assessments on a ward basis for the 0 to 4 age range. The impact has been to improve the accuracy, consistency and timeliness of the production of the ward assessments.
- Development and roll out of a survey of provision to all EEE registered PVI early years and childcare providers in Birmingham as part of the mandatory termly headcount process via the EEE portal from Autumn Term 2018. This is a major step forward as it has increased response rates and thus increased the validity and reliability of the data from the PVI sector.
- Continued success of 30 hour EEE offer for eligible working parents of 3 and 4 year olds rolled out by DfE September 2017. Take up in Birmingham has been good and is in line with the national average take up at 94%. In addition, transition from children who previously took up a 2 year old EEE place has been good, with almost 25% of the Autumn Term 2018 30 hour places being accessed by children

who previously accessed a 2 year old EEE funded place. The level of take up is demonstrating that the Local Authority is providing sufficient places to meet parental demand. In addition it is supporting those parents transitioning from a 2 year old EEE place evidencing that the initiative is also achieving one of its main aims to support parents on low incomes to take up work or increase hours of work, thereby reducing poverty levels for those families.

- The co- delivery with Childcare Works of specific business support sessions for the 30 hour and Tax Free Childcare offer during the Summer Term 2018. The purpose of the sessions was to improve provider awareness and improve existing business practice to ensure sufficiency of places. The sessions were delivered to providers from the PVI sector including childminders and schools.
- Information provision to parents regarding Early Education Entitlements and general childcare was strengthened by using the Birmingham City council Website, Social Media and strengthened links with colleagues in the Contact Centre team to ensure they were able to advise parents regarding any direct enquiries.
- The co-construction and roll out of a commissioning tool between officers of the Early Years, Childcare and Children's Centres Service, Procurement Service and Yenton Primary School to enable the school to commission a childcare provider from the PVI sector. This tool has been successfully used by Yenton and can be adopted by other schools as required in the future. The co-construction has enabled the development of a robust and transparent process to ensure school early education and childcare service requirements are met.

3. Potential demand for childcare

This section details the potential demand for childcare places in Birmingham by using latest demographic data and current parental behaviours and trends.

3.1 Wards

Birmingham is currently made up of 69 wards. (See Figure 1 below.) This report uses data on both a ward and a district basis for the 2018/9 time period.



Figure 1 - Ward Map of Birmingham March 2019

3.2 Birth rates and under fives population

Birth rates in Birmingham have fluctuated from September 2013 to August 2018. Whilst the birth rate is one indicator of the number of places required, Birmingham sees a significant number of young children and their families move between areas of the city and into and out of the city as a whole. For that reason, the overall under fives population is used as the basis of the overall potential demand for childcare.

The latest population data for under 5s in Birmingham identifies that there are 84,160 children in this cohort.

Current age	Number	Decline/increase from previous year	% decline/increase
4	17,226		
3	17,006	-220	-1.28%
2	17,467	461	2.71%
1	16,559	-908	-5.20%
0	15,902	-657	-3.97%

The ward with the highest number of children within this age range is Alum Rock with 2,884 and the ward with the lowest number of children within this age range is Sutton Wylde Green with 412. Although there is a 7.7% reduction in the cohorts from current 4 year olds to current 0 year olds, this reduction is not uniform across the city. Ten wards, including four of the eight Sutton wards, saw a reduction of over 20%, whilst four wards (Ladywood, Gravelly Hill, Bournbrook and Selly Park and Birchfield) saw an increase of over 15%. (See Appendix 1 for full details).

3.3 Ethnic Diversity

Birmingham has a truly diverse mix of communities and cultures demonstrated by the September 2018 NHS under 5s list which identifies that 63.1% of children under 5 (53,092) are from Black, Minority or Ethnic (BME) groups. This is an increase of 1.9% from 2017 where 61.2% of children under five years old were from BME groups.

Lozells ward has the highest percentage of BME children under 5 in the city at 90.9% (1,072 children). Alum Rock has the highest number of BME children under 5 in the city at 2,617 children which equates to 90.7% of the under 5 ward population.

Sutton Reddicap ward has the lowest percentage of BME children under 5 in the city at 23.4% (158 children). Sutton Wylde Green ward has the lowest number of BME children under 5 in the city at 120 children which equates to 29.1% of the under 5 ward population.

The proportion of pupils at primary school whose first language is not English is 44.1%, compared to 40.3% for Birmingham's statistical neighbour group and 20.6% for England as a whole.¹ See Appendix 2 for citywide ward analysis.

¹ <https://www.gov.uk/government/publications/local-authority-interactive-tool-lait>

3.4 Child poverty

Birmingham has a higher proportion of children living in workless households or on low incomes than England as a whole. In 2017, 15.9% of Birmingham's children lived in workless households, compared with 10.5% in England and 12.8% in the West Midlands region² In May 2017, 19,190 children under five years old in Birmingham were living in workless households, which was over a fifth (22%) of all children under five.³

The median pay in Birmingham has risen 1.4% over the last year, to £22,225, which is a lower rate of increase than for the West Midlands region (2.2%) or England (2.3%), where the median pay is £24,298. However, the median pay for full-time workers in Birmingham has risen by 4.5%, which is far higher than the 2.7% increase for England as a whole. This suggests that Birmingham's part-time workers are less likely to have seen any change to their pay over the last year and this is likely to disproportionately affect parents of children under five, as many are in part-time employment.⁴

3.5 Populations for Early Years Education

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. There are 3 types of free funded places:

- Universal entitlement for three and four year olds: children from the term after their third birthday for 570 hours a year.
- Targeted entitlement for disadvantaged 2 year olds: 570 hours per year for children from the term after their second birthday if their parents meet certain low-income criteria or if they meet criteria relating to special educational needs and disabilities or being in the care of a local council.
- Targeted entitlement for three year old children of working parents: 1,140 hours per year for children from the term after their third birthday if their parents meet certain employment criteria.

(For full details of eligibility for the two types of targeted Early Education Entitlements, see Appendix 3)

The approximate numbers of children eligible for each of the types of Early Years Education are shown in the table below. The figures are based on known populations where available and estimated for future terms based on last year's changes in numbers over the three terms.

² ONS Workless Households for Regions across the UK 2017
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/unemployment/bulletins/worklesshouseholdsforregionsacrosstheuk/2017>

³ <https://assets.publishing.service.gov.uk/.../children-in-out-of-work-households-by-regi...>

⁴ <https://www.ons.gov.uk/releases/analysesbasedonannualsurveyofhoursandearningsprovisional2018andrevised2017>

Type of Entitlement	Criteria	Approximate no. eligible		
		Autumn term 2018	Spring term 2019	Summer term 2019
Universal 3 and 4 years	Children are eligible from the term after they turn three years old	17,000	23,000	27,000
Eligible 2 years	Children whose parents meet certain economic criteria	8,600	8,800	8,800
30 hours for 3 year olds	Children whose parents meet certain economic criteria	4,300	5,500	6,300

3.6 Out of school and holiday childcare populations

Out of school childcare includes breakfast and after school clubs and holiday childcare or play schemes. The potential number of children requiring childcare to fit around the school day or during school holidays could, therefore, be all children in school. If all school children living in Birmingham aged 4-14 required school provision, the demand would be 149,821 places. In reality, most children who access out of school provision are those whose parents work outside the school day. The potential demand in Birmingham has been calculated using the proportion of children who currently access wrap-around childcare: These children access their Early Years Education entitlement and their parents pay for additional hours childcare– the ‘wrap-around’. Across the city, the proportion of children accessing wrap-around is 24%, though this varies across the wards from 5% in Heartlands, Small Heath and Bordesley Green to 76% in Edgbaston.

If 24% of all school children aged 4-14 required out of school provision, the current demand would total 36,610 children. The demand cannot be accurately determined and it is important to consider this an estimate only. Factors which determine the need for formal out of school childcare include:

- parents’ specific shift patterns
- the availability to families of informal childcare, such as other family members or parents of children in the same school sharing childcare to meet both parents’ working patterns
- potential increase of parents entering the workplace once their youngest child starts at school – cost of pre-school childcare can be prohibitive for parents returning to work, but this is less likely at school age.
- the age of the child – parents of children aged over eleven are less likely to need before and after school care but may still require holiday childcare for some or all of the school holiday weeks.

3.7 The Birmingham Development Plan 2031

The Birmingham Development Plan 2031 (BDP) was adopted by Birmingham City council on 10th January 2017 and sets out its vision for the sustainable growth of the city. It is the City’s statutory planning framework guiding decisions on all development and regeneration activity to 2031. The BDP sets out how and where new homes, jobs,

services and infrastructure will be delivered and the type of places and environments that will be created.

The plan will be one of the ongoing drivers regarding the demand for early education and childcare services in the city as areas are developed/redeveloped, especially regarding new housing. Therefore it is important that this report on childcare sufficiency reflects developments and fluctuations in demand for places on an ongoing basis.

3.7.1. Housing Developments in progress and planned

There is a significant amount of new housing currently under construction or planned across the city to meet existing and future requirements. The most significant developments are identified below, with the medium to long term developments not likely to be complete for a number of years. However, these still need to be considered due to the likely phased building approach and associated requirement for discussions with developers regarding potential demand requirements for early education and childcare places that can be factored into the housing development planning process.

Birmingham applies a formula of 42 places per year group per 1,000 new houses for primary age children, so there will be substantial requirement for school and Early Years Education places in developments such as Langley sustainable Urban Extension, Greater Icknield and Longbridge.⁵

Short /Medium Term Housing Developments

- City Centre – small developments in the Jewellery quarter,
- City Centre – Bristol Street - 350 new properties

Medium to Long Term Housing Developments

- Kings Norton – Old Primrose estate and 3 estates – 500 properties
- Perry Barr- Commonwealth Village conversion – 1,400 properties (from 2022)
- Aston, Newtown and Lozells - 700 properties (Phased over 10 years)
- Druids Heath and Maypole – 500 properties
- Longbridge – old Rover Plant - 1,450 properties
- Selly Oak and South Edgbaston – 700 properties
- Eastern Triangle – Meadway/Stechford/Shard End - 1,000 properties
- Langley Sustainable Urban Extension - 6,000 properties (beyond 2031)
- Greater Icknield – Ladywood - 3,000 properties (Phased over 15 years)
- Bordesley Park - 750 properties (beyond 2031)

5

https://www.birmingham.gov.uk/downloads/download/2378/school_place_planning_requirements_december_2018

4. Childcare Supply

This section details the current extent and nature of childcare provision, including daycare, out of school clubs and holiday play schemes. It covers the number of providers, number of places, opening hours, vacancies and waiting lists.

4.1 Number of childcare providers

Currently there are over 1,500 childcare providers in Birmingham from the 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)

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

Number of providers	CM	DN	PSP	Subtotal PVI	NS	NC	SS	Subtotal mtd	Total
January 2018	553	356	48	957	27	173	10	210	1,167
New Feb 18 to Jan 19	28	31	3	62	0	0	4	4	66
Closed Feb 18 to Jan 19	68	31	11	110	0	3	0	3	113
January 2019	513	356	40	909	27	170	14	211	1,120
Net increase/reduction	-40	0	-8	-48	0	-3	4	1	-47

Figure 2 - Total number of providers of under fives childcare in Birmingham

(See Appendices 4, 5, 6 and 7 for the full citywide ward analysis.)

The data on the number of out of school clubs and holiday playschemes is not as complete or reliable as the number of providers of childcare for children under five, as not all out of school childcare has to be registered with OfSTED and schools often provide their own clubs under their school OfSTED registration. At the January schools census each year, schools are asked to detail whether they have before school, after school and holiday childcare at their school. This data is made available to the council in two stages, with the Academy schools data available later in the year. For this report, the schools data is based on the council-run schools only, which is 60% of all school-based provision. The table below shows the number of PVI providers and council run school providers.

PVI January 2019		council schools January 2019		
HPS	OOSC	Before school	After school	Holiday playscheme
266	205	154	125	29

Between January 2018 and January 2019, 66 new providers were added to the under fives childcare supply chain. During the same period the service delivered 11 Childcare briefing sessions attended by 54 prospective childcare providers. The sessions were aimed at providing prospective childcare providers with information regarding opening childcare provision in Birmingham. Topics covered include sufficiency of childcare places across the city, the OfSTED registration and compliance framework and the Early Education funding process. The above demonstrates that there is a strong appetite for new childcare providers to open in Birmingham which broadly maintains the number of providers once turnover is taken into account.

In the same period 113 providers closed. Therefore in the past 12 month period there was a net reduction in childcare providers of 47, or 3%. (See Figure. 2).

Figure 3, below, shows the number of providers who are registered to provide Early Education places:

Number of providers	CM	DN	OOSC	PSP	Subtotal PVI	NS	NC	SS	Subtotal Schools	Total
Jan-18	320	338	2	43	703	27	173	10	210	913
Jan-19	327	344	3	36	710	27	170	14	211	921
Net increase/reduction	7	6	1	-7	7	0	-3	4	1	8

Figure 3 - Total number of providers offering Early Education in Birmingham

The number of Early Education registered providers has increased by 8 in the past 12 months.

There are significantly more providers from the PVI sector than the maintained; however, childminders on average are registered to deliver places to 3 or fewer children whereas school nursery classes on average will deliver places to 52 children.

4.2 Quality of Childcare

OfSTED are responsible for rating the quality of all 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.

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). EYCs 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

Whilst Birmingham had an improving quality trajectory across all sectors from 2015 to 2017, in 2018 this has dipped slightly for day nurseries and schools with nursery classes (see Figure. 4 below).

Year	All PVI's*		Childminders		Day Nurseries		Schools with Nursery classes		Nursery schools	
	No	%	No	%	No	%	No	%	No	%
2018	844	79	337	76	277	93	138	81	27	100
2017	876	80	347	74	280	94	141	82	27	100
2016	897	78	359	72	281	92	140	81	27	100

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

Figure 4 - Settings judged by OfSTED as Good/Outstanding

4.3 Childcare places in Birmingham

The number of places and vacancies fluctuate during the year in response to parental demand, school entry dates and number of eligible children. 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 31,000 early education and childcare places available to meet the needs of parents and families in Birmingham (see Figure 5 below). This is a reduction of 1,794 places, or 5%, from 2018, which is a slightly higher reduction in places than in the number of providers. This could be due to the three schools which closed their nursery provision and the 11 pre-school playgroups which closed and which would have offered more places than childminders.

The PVI sector offers 21,952 full time equivalent (FTE) places (70%) and the maintained sector 9,297 places (30%).

Anyone who cares for children under the age of eight for more than two hours a day in England must register with OfSTED. 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.

	CM	DN	PSP	Subtotal PVI	NS	NC	Subtotal Mtd	Total
Number of places Jan 2019	3,183	17,552	1,217	21,952	2,677	6,620	9,297	31,249
Number of places Feb 2018	3,476	18,417	1,527	23,420	2,617	7,006	9,623	33,043
Net increase/reduction	-293	-865	-310	-1,468	60	-386	-326	-1,794

Figure 5 - Total number of childcare places in Birmingham

As with the data on the number of Out of School Club (OOSC) and Holiday Play scheme providers, the data on the number of places is not complete or fully reliable. Schools are asked to provide the number of places in the January schools census and the data from council-run schools only is available to the council. As not all out of school PVI provision has to be registered with OfSTED, the council only has the number of places for a proportion of PVI out of school providers. Therefore, the data in the following table is indicative only and will, in reality, be higher than reported here:

Type of provider	Type of provision	Number of places
council run schools	Before school clubs	7,789
council run schools	After school clubs	6,009
council run schools	Holiday playschemes	1,595
PVIs	Out of school clubs	5,796
PVIs	Holiday playschemes	2,645

In September 2018 the Early Years, Childcare and Children's Centres Service embedded a data survey within the EEE headcount system, which all providers of EEE have to complete and update each term. This requests a range of information and has been used to inform this report and the ongoing sufficiency intelligence. In Autumn term 2018 837 providers completed the survey; this covered all pre-school playgroups, 93% of day nurseries and a third of childminders. In addition to the Early Education data collected, the providers covered 126 out of school clubs and 107 holiday playschemes. The following sections, on opening hours and vacancies are based on this data.

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 provided by 336 PVIs in Autumn 2018 the following lists show the common opening hours for daycare, out of school provision and holiday playschemes.

Daycare:-

- 59% start between 7.00am and 8.00am
- 27% start between 8.00am and 9.00am
- 50% finish at 6.00pm
- 14% finish between 5.00pm and 6.00pm
- 18% finish before 5.00pm
- 10% finish between 6.00pm and 7.00pm

Out of School:-

- 78% of PVIs start between 7.00a.m and 7.30a.m, with only two settings starting before 7a.m
- The vast majority (95%) of the before-school provision in council-run schools starts between 7a.m and 8a.m
- Nearly half (48%) of the after-school provision in council-run schools finishes at 6pm or later, with a further 33% finishing between 5.30p.m and 6pm
- 66% of PVIs finish at 6.00p.m, with a further 20% with a later finish time
- Only 15% of PVIs finish before 6.00p.m

Holiday play-schemes:-

- 79% of PVI's start before 8.30a.m and 76% finish after 5.30p.m
- 72% of the council-run schools start before 9a.m and 69% finish at or later than 5pm
- Half of the council-run school playschemes are open for at least eight weeks of the year.

Irregular Hours:-

Five per cent of providers open after 7.00pm and 7 childminders provide overnight care.

The opening hours survey data confirmed that 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). As the council has not received complaints or calls from parents seeking childcare outside normal hours, the assumption is that the current provision generally meets demand. This will be explored through consultation with parents during 2019-20.

4.5 Vacancies

Across the city the Autumn 2018 childcare survey showed that there are vacancies for each type of provision. The reported data correlates with termly Sufficiency Assessments for 0-4 years old provision, that have shown a general oversupply of places for that age range over the last two years. Please see Figure 6. This suggests that vacancies are due to oversupply, rather than affordability issues for parents.

4.5.1 Early Years vacancies

Detailed vacancy data was collected from 837 PVI providers that completed a survey in Autumn 2018. These providers detailed the vacancies for full and part-time places separately. Because PVI childcare providers generally operate for a longer day than schools (typically 8a.m to 6p.m rather than 9a.m to 3p.m) there is potential for PVIs to take three children for every one full time vacancy, whereas schools can only take two children per full-time vacancy. Overall part-time equivalent Early Education vacancies in the maintained sector for Autumn term 2018 were calculated through analysis of the difference between the published admission numbers and the number of places filled. Because the two sets of data are not directly comparable, they are reported separately in Figure 6 below.

Provision Type	Part time equivalent EEE vacancies	Full time EEE vacancies	Part-time 2 year old EEE vacancies	Part-time 3-4 year old EEE vacancies
Childminder		30	50	53
Day Nursery		1,607	1,869	2,148
Nursery Unit of Independent School		15	0	50
Out of School Club		3	0	3
Pre-School Playgroup		49	127	207
Nursery school	966			
Nursery class in primary school	2,921			
Special school	-29			
Total	3,858	1,704	2,046	2,461

Figure 6 - Early year's vacancies by provider type

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

The ward with the highest vacancy levels across the city was Sparkbrook and Balsall Heath East, which has the highest PVI vacancies for all three types of childcare listed and the third highest maintained school vacancies. The highest maintained school vacancies were in Weoley and Selly Oak ward. The vacancy levels correlate with the oversupply of places particularly in the Sparkbrook and Balsall Heath East ward. In 2019/20 the Early Years Childcare and Children's Centre service will explore the potential for those providers to increase take up of the 2 year old and 30 hour Early Education offers in those wards, in order to fill vacant places and support providers to remain financially viable. keep (See Appendix 8 for analysis by ward.)

4.5.2 Out of School vacancies

Vacancy levels are available from the PVI sector only and show a relatively low and evenly spread vacancy rate. However, as Appendix 9 shows, three wards had vacancy rates of over 50 children in total:

- Sparkbrook and Balsall Heath East
- Weoley and Selly Oak
- Garretts Green.

	Vacancies by age group		
Type of provider	3-5 year olds	4-11 year olds	Over 11 year olds
Childminder	25	16	4
Day Nursery	337	245	27
Out of School Club	50	12	0
Pre-School Playgroup	20	5	0
Total	432	278	31

Figure 7 - Out of School Childcare by provider type

4.5.3 Holiday Play-Scheme vacancies

Vacancy levels for holiday play schemes provided by the PVI sector are generally low, with a third of all wards having no vacancies. However, the vacancy rates are varied across the city, as shown in Appendix 10, with seven wards having over 100 vacancies.

	Vacancies by age group		
Type of provider	3-5 year olds	4-11 year olds	Over 11 year olds
Childminder	28	26	16
Day Nursery	1,110	848	104
Out of School Club	5	12	2
Pre-School Playgroup	16	20	0
Total	1,159	906	122

Figure 8 - Holiday Childcare vacancies by provider

5. Early Education for two, three and four year olds

5.1 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 the universal provision for three year olds, the provision for eligible two year olds and the provision for eligible 3 and 4 year old olds.

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 PVI's 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 also make childcare more affordable for parents and enable parents to work or increase their working hours if they wish to do so.

The following table (Figure 9) demonstrates that accessing early education gives children a good start in life and enables them to be ready for school. 69% of children who accessed Early Education achieved a good level of development at the end of foundation stage, compared with 54% of children who did not access Early Years Education – a gap of 15%. In Hall Green, Hodge Hill and Ladywood districts this gap was higher than average, and it was 25.5% in Perry Barr district. Analysis of Early Years Education take-up rates for this cohort shows that the take-up rates were lower than average for 2, 3 and 4 year olds in these four districts; however, the rates are also lower in other districts where the gap between those who accessed and those who did not access Early Years Education is not so large.

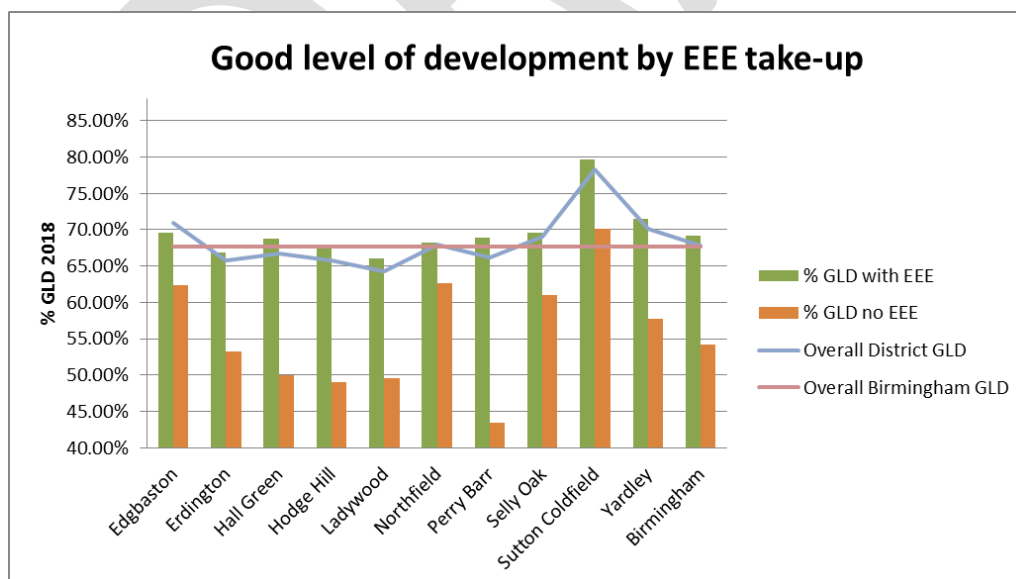


Figure 9 - District summary of GLD for 2018

5.2 Two Year Old Early Years Education Entitlement

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. (See Appendix 3 for eligibility criteria).

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

Whilst this work led to an initial increase in two year old take up, this has levelled off and started to reduce, so the take-up in the autumn terms has reduced from 69% in 2016 to 68% in 2017 and 66% in 2018. Monitoring of the number of places for two year olds against the roll out of the 30 hour EEE offer for eligible working parents does not appear to show a reduction in available places. (See Appendix 11 for a ward breakdown of take-up.)

Figure 10 below shows the take up trend for the past 2 years:

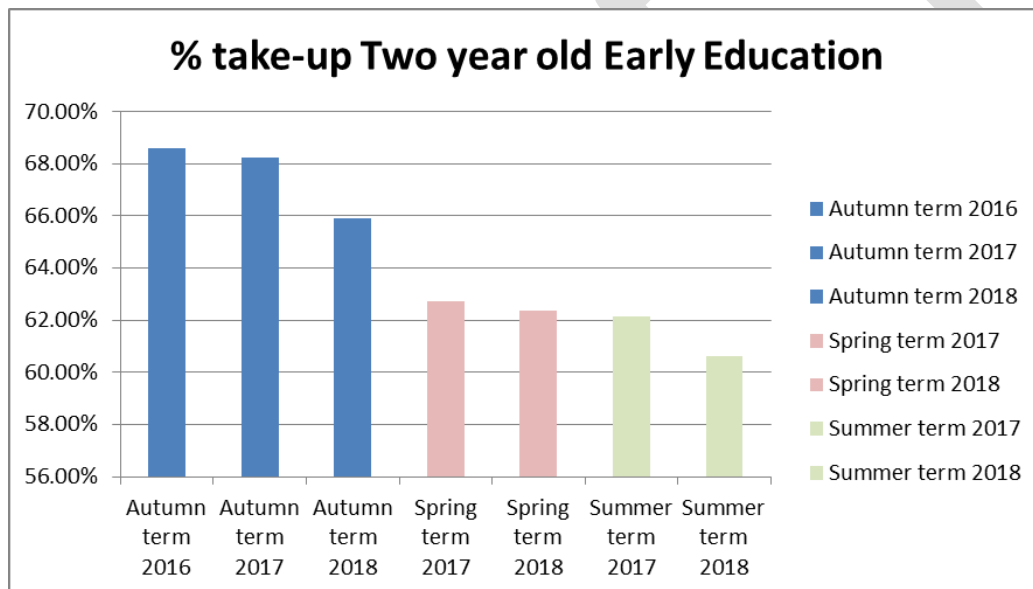


Figure 10 - 2 YO EEE Take-Up per Term

The proportion of two year olds who access their EEE in good and outstanding settings has increased to 94%, which is close to the national average of 95% and represents an increase of 25% since 2015, the sixth highest increase in England⁶.

⁶ <https://www.gov.uk/government/publications/local-authority-interactive-tool-lait>

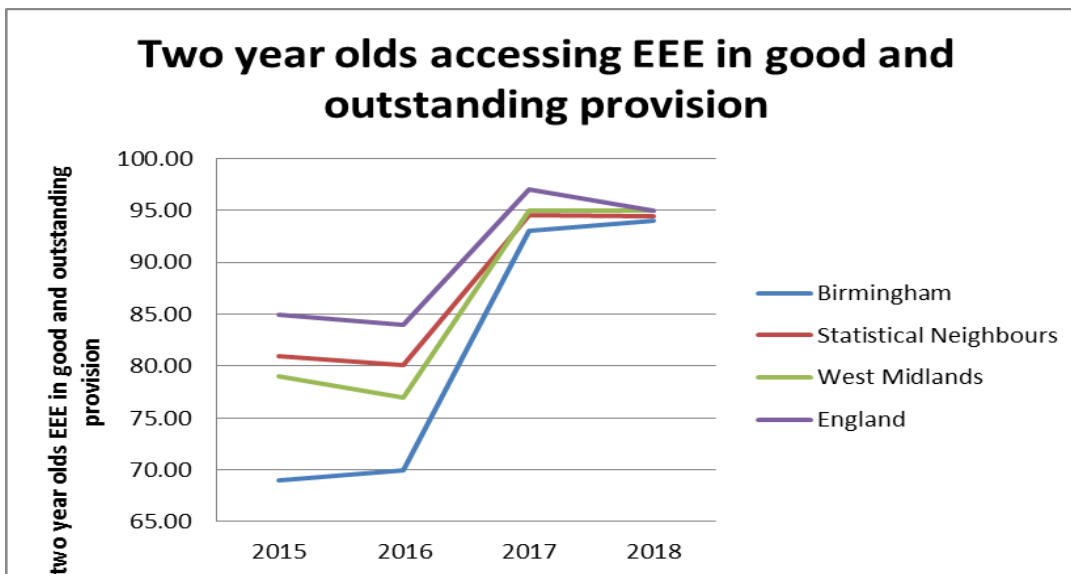


Figure 11 - 2 Year olds in Good/Outstanding settings

5.3 Three and Four Year Old Early Years Education Entitlement

5.3.1 Universal Offer (15 hours)

The proportion of children taking up the 15 hour universal offer has reduced slightly (see Figure 12). There are several wards within the city where take-up rates are below the city average of 92%, including three wards with take-up rates below 70% and a further six between 70% and 80%. Over the next 12 months the Early Years, Childcare and Children's Centres service will work with local providers and other agencies to identify reasons for low take up and agree action plans to improve. This will form part of the continuing encouragement to take-up Early Years Education through promotion of the benefits to children overall. (See Appendix 12 for analysis by ward.)

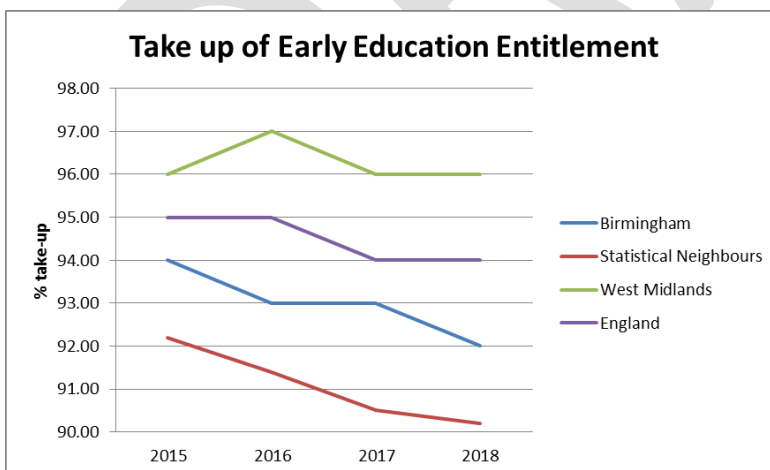


Figure 12 - Take-up Universal 3 and 4 YO Early Education

The proportion of three and four year olds who access their Early Education in good and outstanding settings has slightly decreased from last year, and the gap between the city and its statistical neighbours and the national figure has grown, as shown in figure 13.

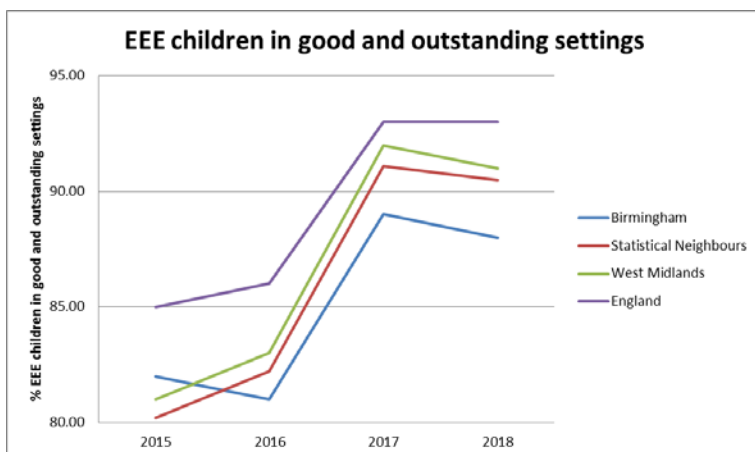


Figure 13 - 3 and 4 year old children accessing Early Education in Good or Outstanding settings.

5.3.2 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. 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. 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.

(See Appendix 3 for full eligibility criteria)

There has been a significant amount of work in the past 2 years associated with the roll out of the 30 hours funded place offer for children of eligible working parents. This was a challenging scheme to implement initially and now the council is proactively working with national and local networks to promote the offer and parents are more familiar with the processes and are being supported proactively by their childcare provider.

Take up of the 30 hour entitlement has improved from last year; in autumn term 2018 take-up in Birmingham was in line with the regional take-up and higher than the national figures (see Figure.14). Nearly all parents (96%) who were issued with an eligibility code actually took the offer up. There is no evidence that the 4% of parents who did not take up a place were unable to access provision for the child and no complaints have been received from parents stating that they could not access a place. It is, however, clear that some parents are still not clear about the HMRC application and re-confirmation processes, as each term the Early Years Childcare and Children's Centre service is processing claims where the parents have missed the deadlines.

	Eligibility codes issued	Codes validated by providers	% codes validated	No. children in a 30 hours place	Children in a 30 hours place as % of codes issued
Birmingham	4,283	4,044	94	4,097	96
West Midlands	26,784	25,900	97	25,772	96
England	254,136	242,646	95	240,000	94

Figure 14- 30 Hours take-up: Autumn Term 2018

To date the 30 hours offer has been adopted and delivered by providers from across the sector (See Figure 15 below). In the Autumn term 2018 the overwhelming majority of places (75%) were delivered by the PVI sector, which was expected at the outset of the 30 hours offer, as the majority of parents accessing the new offer would have paid fees under the old system and the majority of fee paying places are delivered by the PVI sector. The weighting has slightly increased towards the PVI sector over the last twelve months, which was not anticipated, as it was thought that schools would develop their offer to meet the requirements of working parents, for example by offering wraparound care. See Appendix 13 for latest ward analysis.

Provider type	Places delivered Autumn term 2018	% places delivered
Childminder	167	4.26%
Day Nursery	2,600	66.28%
Nursery School	421	10.73%
Nursery Class	567	14.45%
Other PVI	165	4.21%
Special school	3	0.08%
Total	3,923	100.00%

Figure 15 - 30 hours by provider type

The Autumn term 2018 take up figures strongly suggest that in general:

- Parents in Birmingham are fully aware of the entitlement and are able to access places.
- PVI 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.

5.4 Transition from 2 year old EEE funded place to 30 hour funded place for eligible working parents.

One of the key trends that central government is monitoring closely is the number of children who accessed a EEE place as a disadvantaged two year old who go on to access a 30 hours EEE place for children aged three of working parents. Such transitions indicate a shift in family circumstances from unemployment or low income working families to families where the parent(s) is (are) in employment. For government, this is an indicator identifying how successful their policies and strategies are in reducing child poverty. Some children who move from eligibility for a two year old EEE place will be eligible for a 30 hour EEE place when they turn three without any change to their circumstances. For example, a child of a lone parent working 16 hours per week on the national living wage will be eligible for both at the appropriate age.

In Birmingham the 30 hour policy has been a success to date as take up is high and a relatively high proportion of those children previously took up a 2 year old place. This demonstrated by the Autumn Term 2018 take up levels which showed that, of the 3,923 children accessing a 30 hour EEE place in Autumn term 2018, 963 (24.5%) had previously accessed a two year old place. (See Appendix 14 for full details.)

The wards with the highest transition take up were:

Ward	Number of children
Kingstanding	41
Longbridge and West Heath	35
Weoley and Selly Oak	29
Hall Green North	26
Glebe Farm and Tile Cross	25
Bartley Green	25

During 2019-20, the Early Years Childcare and Children's Centre service will explore in more depth the nature and extent of transition.

6. Affordability

6.1 Childcare costs

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 570 hours a year over no fewer than 38 weeks of the year - criteria based.
- Three and Four year olds Early Education Entitlement (EEE), which is 570 hours a year over no fewer than 38 weeks of the year - 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 PVI providers in Autumn 2018 the average weekly rates for the city cross sector are as follows:

Type of provider	Age group	Average weekly fees
Day care		
Childminders	Under twos	£185.99
Day nurseries	Under twos	£200.94
Childminders	Over twos	£180.61
Day nurseries	Over twos	£183.98
All	4-11 year olds	£96.98
Holiday playschemes		
All	3-5 year olds	£155.33
All	4-11 year olds	£135.39
All	Over 11 years	£119.17

Figure 16 - 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 2019/20 is for the council to explore this further with parents.

6.2 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 previously only those parents who worked for an organisation with a childcare voucher scheme could access the benefit. The new, more flexible 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 543 responses to this question in the Autumn 2018 data collection process, 423 providers from the PVI sector are currently signed up to Childcare Choices Tax Free Childcare and a further 55 are intending to sign up next term. This data will be collected from the maintained sector in the Summer Term 2019. (See Appendix 15 for analysis by ward.)

Provider Type	Registered for tax free childcare	Intend to sign up for it next term	Total responses	% currently registered
Childminder	117	17	167	70.06%
Day Nursery	277	30	334	82.93%
Nursery Unit of Independent School	3	1	5	60.00%
Out of School Club	1	0	2	50.00%
Pre-School Playgroup	25	7	35	71.43%
Total	423	55	543	77.90%

Figure 17 - Providers signed up to Tax Free Childcare in Birmingham

The Local Authority is currently awaiting data from HMRC confirming the following:

- Childcare providers in Birmingham who have actually signed up to the scheme
- Parents in Birmingham who have actually signed up to the scheme

This information when received will identify areas of the city where there is low take up of the scheme and help inform strategies to address those gaps e.g. improved parental and provider awareness and improved take up levels.

7. Sufficiency of childcare

7.1 Overall Sufficiency position

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 5s in Birmingham identifies that there are 84,160 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 31,249 FTE (62,498 part time equivalents PTE) OfSTED and non-OfSTED registered childcare places in Birmingham. As at the latest Sufficiency Assessment Spring 2019 for under 5s, there is a general oversupply of 15,418 PTE places citywide. (See Appendix 16 for analysis by ward.)

This equates to 75.33% occupancy level which is lower than the industry benchmark that suggests 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 have a deficit of places. These will be monitored in 2019/20 as there will be implications if demand for places increases or there are reductions in supply of places. The key wards affected are:

Ward	Part time equivalent deficit of places	Number of children aged 3 NOT accessing EEE Autumn 2018
Harborne	731	33
Longbridge and West Heath	371	33
Holyhead	287	59
Stockland Green	238	47
Sutton Four Oaks	196	3
Handsworth Wood	191	12

Similarly, there are a number of wards with an over-supply of places well in excess of the city average of 24%, as detailed below:

Ward	Part time equivalent oversupply of places	Number of children aged 3 NOT accessing EEE Autumn 2018
Edgbaston	2,066	37
Sparkbrook & Balsall Heath East	925	78
Lozells	790	44
Bournbrook & Selly Park	701	21
Sutton Wylde Green	675	5
Brandwood & King's Heath	672	12
Yardley West & Stechford	669	21
Nechells	612	5
Handsworth	610	13

Further analysis of the above wards revealed that migration was a key issue in some cases, with children accessing childcare in wards that differ to where they live. In the Autumn Term 2018 over half of all children in the city (58%) accessed their 2, 3 and 4 year old EEE places in the ward where they lived. This suggests that some parents choose childcare away from where they live, or may be forced to do so. Potential reasons for accessing childcare outside the home ward could be because the childcare may be:

- located close to where parents work,
- at the same site or close to where older siblings attend school
- near to extended family
- close to the family home but just over a ward boundary
- due to the quality/reputation of the provider.

There is significant variation across the city to the overall 58% of children accessing childcare in their home ward, with a range from Yardley East ward, where only 3% of children accessed childcare within their home ward to Aston ward where 81% accessed childcare within their home ward. (See Appendix 17 for full ward level detail.)

Wards where significant proportions and numbers of children were accessing childcare in a different ward to where they lived were as follows:

Ward	Number of children accessing place outside their home ward	Proportion children accessing place outside their home ward
Glebe Farm & Tile Cross	266	45.63%
Harborne	244	66.30%
Bordesley & Highgate	244	68.16%
Kingstanding	225	56.68%
Stockland Green	221	48.79%
Tyseley & Hay Mills	210	66.04%
Yardley East	190	96.94%
Stirchley	129	79.63%
Sutton Four Oaks	72	67.92%

7.2 Two Year old Early Education places sufficiency position

The Spring Term Sufficiency 2019 assessment also identified that if all eligible 2 year old Early Education children wanted to access their place there are more than enough places available as there is currently a net oversupply of 979 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 will require monitoring in 2019/20 as there will be implications if demand for places increases or the current supply of places reduces. The majority of the wards affected currently have 2 year old Early Education take up below the city average of 66%. The wards mainly affected are:

Ward	Part-time equivalent gap	2 year old take-up rate
Glebe Farm and Tile Cross	125	69%
Aston	115	54%
Holyhead	76	52%
Stockland Green	75	63%
Bordesley and Highgate	71	66%

7.3 Low EEE take up, outcomes and implications for sufficiency.

Based on data for children who completed Early Years Foundation Stage in the summer of 2018, there appears to be a correlation in some wards in the city where there was high eligibility for this cohort for 2 year old Early Education places, but with low take up and low good level of development results at Early Years Foundation Stage in 2018, as shown below:

Ward	GLD all children 2018	Take up rate AU2015 2 year olds	Eligible children Au2015	% children eligible Au2015
Sparkbrook & Balsall Heath East	62.65%	54.41%	397	67.17%
Small Heath	64.12%	62.83%	339	74.83%
Aston	63.37%	57.53%	299	63.08%
Sparkhill	61.62%	56.09%	271	61.73%
Stockland Green	64.20%	67.78%	239	58.29%
Soho & Jewellery Quarter	58.50%	68.35%	237	63.54%
Heartlands	63.26%	60.98%	205	65.08%
Tyseley & Hay Mills	63.49%	56.71%	164	70.69%
Holyhead	64.08%	54.30%	151	56.98%
Handsworth	62.31%	57.14%	133	63.94%
Handsworth Wood	61.70%	54.64%	97	37.02%
Birmingham	67.80%	63.14%	9,690	55.65%
Statistical Neighbours	69.44%	62%*		
England	71.50%	68%*		

* These figures are from Spring 2016, as the data is only produced nationally in the spring term

Over the next 12 months the Early Years Childcare and Children's Centre service will target the above wards to increase Early Education take up, which may lead to improved GLD results in future years. However there is a concern that there are not sufficient 2 year old Early Education places available for the potential demand in Aston, Holyhead and Stockland Green wards, therefore if there is a sustained awareness raising campaign leading to an increase in demand places may not be available. One of the solutions to this issue may be to encourage more school based provision in those wards to offer 2 year old Early Education places. This is a challenge as currently very few schools other than the LA maintained nursery schools offer 2 year old Early Education places due to financial viability of delivery although they have capacity. This is a more widespread issue across the city which will also be explored and addressed strategically.

7.4 School Managed settings – emerging trends

As already identified there are currently 27 LA Nursery Schools and 170 nursery classes managed by schools in the city providing Early Years Education. School managed settings delivered 22% of 2 year old EEE places and 51% of 3 and 4 year old EEE places in the Autumn Term 2018. Over the last year an increasing number of schools are operating well below their capacity. In the Autumn term 2018 the average occupancy level across the city was 60%, well below the advised level of 80% occupancy required to recover 100% of costs. A number of schools have approached the Early Years, Childcare and Children's Centre and Education Infrastructure Services for advice and support regarding strategies to increase take-up and, in some cases, to close their early years provision.

The main reasons for under occupancy in schools are:

- The general oversupply of places across the city and in particular those wards where there is oversaturation of provision.
- Working parents whose children are eligible for the 30 hour EEE offer and require flexible childcare often find that schools do not offer this.
- Schools which have not engaged with the offer or changed their delivery model to meet parental demand have lost children to other providers who have done so.

This trend is being monitored as it is an area of work that requires a city strategic approach from all relevant stakeholders.

Based on the current oversupply of places city wide any isolated school-managed nursery provision closures should be absorbed by other local providers; however, significant number of closures in an area may have a negative impact on the sufficiency of places and may generate a gap. Eleven wards have been identified as of potential concern, due to low occupancy rates in schools and these will be targeted for support in 2019/20:

- Aston – 3 schools less than 50% occupancy
- Bordesley Green - 3 schools less than 40% occupancy
- Handsworth - 3 schools less than 50% occupancy
- Kingstanding - 4 schools less than 60% occupancy
- Moseley - 2 schools less than 40% occupancy
- Nechells - 3 schools less than 40% occupancy
- Pype Hayes - 2 schools less than 40% occupancy
- Sheldon - 3 schools less than 40% occupancy
- Soho & Jewellery Quarter - 3 schools less than 40% occupancy
- Sparkbrook & Balsall Heath East - 4 schools less than 40% occupancy
- Weoley and Selly Oak - 3 schools less than 50% occupancy

7.5 Sufficiency of out of school childcare

As covered in section 3.6 the demand for out of school childcare places is hard to accurately predict and the methodology used covers two potential scenarios: all school-age children and the same proportion of school-age children as the proportion of three and four year old children accessing wraparound childcare. The number of places is also not complete (see section 4.3), as the council has no data for the academy primary schools and not all out of school childcare has to be registered by PVIs with OfSTED.

Given the difficulties with the accuracy of the demand and supply data, and given that children often access schools just inside a different ward to the one they live in, the sufficiency assessment has been made on district level. (See Appendix 18 for full details.) The analysis shows that in Hall Green, Hodge Hill and Sutton Coldfield there is sufficient out of school provision for the predicted demand, based on wrap-around proportions. Given that the number of places is under-reported, and that there have not been queries or complaints to the council on out of school provision, the conclusion is that there is sufficient out of school provision. The picture for holiday play-schemes suggests that there are fewer places per child, but again the under-reporting of places and lack of complaints suggests that there is sufficient holiday childcare available for school age children; many parents only require holiday childcare for a small proportion of the school holidays, as they cover the remaining weeks with their own holiday or use informal childcare.

District	Out of school provision		Holiday playschemes	
	Number of children per place	Number of children per place, per demand	Number of children per place	Number of children per place, per demand
Edgbaston	6	3	20	9
Erdington	7	2	57	16
Hall Green	8	1	40	7
Hodge Hill	14	1	109	8
Ladywood	13	2	39	7
Northfield	7	3	30	10
Perry Barr	10	2	148	33
Selly Oak	5	2	30	10
Sutton Coldfield	3	1	12	5
Yardley	17	3	50	7
Total	8	2	35	9

7.6 Inclusion and sufficiency

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.

In the Autumn Term 2018 the number of children with SEND accessing an EEE place was:-

- 2 year olds = 252 (See Appendix 19 for analysis by ward)
- 3 and 4 year olds = 898 (See Appendix 20 for analysis by ward).

To enable children with SEND to access their EEE funded place the Area Special Educational Needs Coordinator (SENCO) team support PVI and Local Authority (LA) Nursery School settings to develop their inclusive practice and improve outcomes for children with SEND, through a graduated approach through the Inclusion Support in Early Years (ISEY) process. Funding is provided jointly through the High needs (£500k) and Early Years block (£500k) of Designated Schools Grant (DSG). Schools. Nursery classes in primary schools are expected to support children with SEND directly from their school budget.

The number of 2, 3 and 4 year old children that have received ISEY funding over the past three financial years is:

- 2016/17 – 611 children
- 2017/18 – 703 children
- 2018/19 – 800 children

The increased number of children funded in 2018/19 was due to significant improvements with systems, such as the timely passing of funding responsibility to the specialist council teams (SENAR) for children who have an Education Health and Care Plan (EHCP).

7.7 Home Teaching and sufficiency

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

To encourage take up of Early Education Entitlements and childcare the Early Support Service provide advice and support to parents and carers regarding home teaching for babies and young pre-school children who have or who are likely to have special educational needs and or disabilities (SEND) before they access any form of early years provision.

The majority of children are identified and referred by Birmingham Community Healthcare Trust (BCHCT) teams as their statutory notification to the council of children who have, or who are likely to have special educational needs. A small number of referrals are made directly by parents. The main reasons for parent referrals are that they are new to Birmingham or that they are facing particular issues where they need immediate advice and support about their child's learning.

In the academic year 2017/18 the Early Support Service received 354 referrals for children aged 0 to 5, of which 288 were from the Health Service

In the academic year 2017/2018, 139 children made a transition into an early education setting to access their Early Education Entitlement.

Children with SEND are supported by the council to access their Early Education Entitlement, whether that is support to access an actual place or support to access a place when ready through the Home Teaching Service. This position is based on the termly take up levels of Early Education Entitlement places and the minimal number of complaints from parents unable to access a place for their child,

However, due to the complex and emerging nature, varying thresholds of assessment regarding SEND children, it is not possible to establish a credible baseline regarding potential demand for places after discussions with colleagues from the Early Support Service and SENAR. This is an area of work that will need further exploration in 2019/20 and which should come within the wider SEND strategy for the city.

7.8 Vulnerable Children and sufficiency

There is strong evidence that early education makes a positive difference to young children. The 'Effective provision of pre-school education' study found that high-quality early education has particularly strong impacts on the cognitive and social development of disadvantaged children, and that these benefits last throughout primary school. Given that many Children In Care (CIC) are from disadvantaged homes, there is a good reason to believe that the same applies for this vulnerable group.

Research completed by 'Nuffield Foundation and Childcare trust in partnership with University of Oxford - *Starting out right: CIC and early education*' found that CIC are at risk of poorer cognitive, socio-emotional and academic outcomes and are almost ten times more likely than their peers to have a statement of special educational needs or an education, health and care plan. In England, the starkest differences are seen towards the end of schooling, with only 18 per cent of CIC achieving five GCSEs at grade C or above compared to 64 per cent of children not in care. However, research suggests that the gap between CIC and their non-looked-after peers emerges well before school-age. This research concluded that attending good quality early years provision supported CIC to become 'good learners'. National statistics demonstrate that take-up of the free early education entitlement for 2,3 and 4 year old CIC was at least 14 per cent lower than the uptake in general population.

In the Autumn Term 2018 in Birmingham there were 98 CIC eligible for EEE, with 62 children taking up a place, most of which were in a PVI setting. The main reason for 36 children not accessing a EEE place was that EEE access was not in line with their care plan. This can be for a variety of reasons including that the child had a plan of adoption, the care order was revoked, or the child left care or returned to their parents care.

In the Spring Term 2019 there are 124 CIC who are eligible for EEE.

Birmingham Virtual School carried out a focused piece of work in academic year 2017/18 to increase the uptake of 2 year old entitlement. This focus is ongoing.

Children in Care are supported by the council to access their Early Education Entitlement, through strong partnership between the Birmingham Virtual School, Early Years, Childcare and Children's Centres Service and childcare providers. However, Children in Care are only one cohort of vulnerable children; therefore, in 2019/20 work will be undertaken with colleagues from other service areas such as the Children's Trust to identify other cohorts of vulnerable children, establish whether there are any barriers to take up of childcare, childcare provision and develop strategies to address these and maximise take-up.

8. Priority Actions for 2019/20

8.1 Under 5s General Sufficiency

Due to the high levels of general oversupply for the childcare places for children under five there is a potential that a number of providers, especially schools which are already operating at unsustainable under-occupancy levels, will become unsustainable and have to close, or close their nursery classes. To address this, the Early Years, Childcare and Children's Centre Service will:

- undertake a survey amongst providers in wards with high levels of oversupply to confirm their financial sustainability position, assess the risk to the council's sufficiency position and identify any support the council can offer if there is risk of closure.
- review existing policies and procedures to identify areas in which the council's influence can be strengthened regarding the creation of new providers or places. Specifically, the review will focus on current legislation and the level of autonomy the council has to decline to fund EEE places in newly Ofsted registered provision if there is an oversupply in the ward they will be operating.. The review will cover the PVI sector through the Early Education Entitlement registration process and school managed early year's provision through the PAN process (Pupil Admissions Numbers) which are both administered by the council. Any subsequent changes to policy or procedures will be communicated to the sector in advance of any implementation.

The Service will also encourage new providers to set up in the following wards as there are currently sufficiency gaps in childcare for children under five: Longbridge and West Heath, Holyhead, Stockland Green, Sutton Four Oaks and Handsworth Wood.

8.2 Two year olds EEE

The Early Years Childcare and Children's Centre Service has identified two key areas of priority action relating to the two-year old Early Years Education Entitlement.

The first priority area focuses on improving take-up rates of the offer across the city as a whole. This priority will focus on the following key actions:

- Focus groups and discussions with parents and with parent facing professionals, such as health visitors, family support workers and social workers in wards where take-up rates are especially low, to identify key barriers to take-up in specific communities.
- Analysis of areas of the city where take-up rates are significantly higher than average to explore whether there are good practice models which can be rolled out to areas where take-up rates are low.
- Liaison with statistical neighbour councils, core cities and with key partners such as Childcare Works to learn from good practice in raising two-year old take-up rates and to feed into the council's strategy for increasing take-up.
- Develop the current strategy for increasing take-up rates, in liaison with partners such as Birmingham Forward Steps and the Children's Trust, to incorporate new information from the previous actions. The strategy will include ongoing awareness-raising and publicity materials for parents and professionals.

The second priority action focuses on increasing the number and range of providers providing the two year old offer. Whilst there is a small oversupply of two year old places in the city, since the take-up rates are currently low, there is a need to ensure there are sufficient places to cater for an increase in take-up. This priority will focus on the following key actions:

- Encourage existing providers of universal 3-4 year old Early Years Education Entitlement, including schools, to deliver the two-year old offer. Initially, this will focus on wards where there is a general oversupply of places but an undersupply of two-year old places and in wards where an increase in take-up will lead to an undersupply of places relatively quickly: Aston; Glebe Farm and Tile Cross; Alum Rock; Small Heath; and Bromford and Hodge Hill wards. Actions will also include establishing reasons for gaps, assessing likelihood of an increase in demand and identifying actions required to ensure ongoing sufficient childcare..
- Encourage new providers to set up in areas where there is an undersupply of places for two year olds and for the whole under five age group. This work will focus on Bordesley & Highgate, Holyhead and Stockland Green wards.
- Increase the number of primary schools delivering 2 year old EEE places. This will begin with a survey of primary schools on the barriers to offering two-year old places and incentives which would encourage them to offer it. Liaison to discover good practice will also be carried out with councils where schools offer a significant proportion of two-year old places and with partners such as Childcare Works. This initial work will feed into the development of a strategy for increasing the number of two-year old places in schools.

8.3 Three and Four Year olds EEE (15 hours universal entitlement, 30 hours for eligible working parents and Tax Free childcare)

Take-up rates of the three and four year old offers are reasonably high across the city and there is an over-supply of places for children under five years old, so the actions against this priority aim to improve the position in specific areas. The focused actions are to:

- Develop ward-specific action plans where take-up rates are low. This will include analysis and exploration of key barriers using focus groups and discussions with parents and with parent facing professionals, such as health visitors, family support workers and social workers and an exploration of good practice in areas where take-up rates are high.
- Extend the termly data survey to schools in order to strengthen the council's intelligence and help inform ongoing support strategies. For example, this will improve the data the council holds on vacancies, waiting lists, opening times, tax-free childcare and partnership working.
- Continue the ongoing communications strategy with childcare providers from all sectors and other child facing professionals such as Children Centres and Health visitors to raise awareness and encourage participation by promoting the benefits to children and families and the business opportunities the offers bring.
- Encourage providers to work in collaboration with other providers i.e. school with a childminder or full day care nursery to support parental needs and maintain sustainable business models especially in those wards where there is an over-supply of places.

8.4 Communications with parents

Parent consultation will be a key priority for the coming year. This will involve a parental survey using Be-Heard to explore the parental/carer perspective regarding childcare in the city, focusing on access, availability, affordability, school-age childcare, meeting specific needs and barriers to access. The consultation will also include focus groups in specific wards to explore in more depth barriers to access, specifically for two year old Early Years Education. The results of the parent consultation will feed in to next year's sufficiency report and to strategies to improve take-up and to manage the childcare market.

The Early Years, Childcare and Children's Centres Service will also continue to produce and share communication with parents via Birmingham City council Website and Social Media to raise awareness of early education entitlements and promote the benefits to children and families.

8.5 Out of School Sufficiency

The Early Years, Childcare and Children's Centres Services will strengthen existing knowledge regarding demand and supply of places for out of school childcare to more accurately determine the level of sufficiency of before and after school clubs and holiday playschemes. This will be achieved through:

- Parent consultation, as above, to provide a more accurate picture of the needs for out of school provision across the city.
- Extension of the termly data survey to schools and to PVI's which do not provide EEE, to provide a more complete and consistent set of data around current provision of out of school childcare.
- Targeted communications to providers to encourage engagement with the council from schools and PVI providers not providing EEE.

8.6 Vulnerable Children

The Early Years, Childcare and Children's Centres Service will prioritise the strengthening of existing knowledge regarding different groups of vulnerable children and their access to and take-up of childcare. This report has focused on Children in Care (CIC) and during 2019-20 the Service will identify other groups of vulnerable children, so that a strategy can be developed to enable partners to work together to raise awareness of the benefits of taking up Early Years Education, target and address barriers to access and monitor take up. Specifically, the service will:

- Develop a data strategy for identifying and sharing relevant data sets with key partners and colleagues such as the Children's Trust, to ensure a broader and reliable picture of childcare demand, access and take-up for vulnerable children.
- Engage with other parent facing professionals such as Health Visitors and Social Workers to raise awareness of Early Education Entitlements and the benefits to children and families. This awareness-raising will enable other professionals to have the confidence to encourage take up with parents and to signpost parents to good quality provision. Sessions are already planned, the council co-delivering with DfE contractors Childcare Works, the first taking place in March 2019.