

**THIS ITEM IS FOR INFORMATION ONLY**

(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)

<b>Title of meeting:</b>	Decision Meeting
<b>Subject:</b>	Sufficiency update for Early Years
<b>Date of meeting:</b>	15 July 2021
<b>Report by:</b>	Mindy Butler, Early Years and Childcare Manager.
<b>Wards affected:</b>	All

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**1. Purpose**

- 1.1 **The purpose of the report is to provide an** Update on sufficiency in early years due to the impact of COVID 19 including the latest information about sufficiency across the city and any long term impact from the pandemic that may continue to affect providers.

**2 Recommendation**

- 2.1 It is recommended that the Cabinet Member notes the report as set out in section 3

**3 Early years sufficiency and the impact of the pandemic**

- 3.1 The past year has brought many challenges for the Early Years sector, and sufficiency has been at the heart of this. Many settings temporarily closed their doors at the start of the pandemic and although they were able to claim their forecast funding amount and any additional payment if they had offered more hours than had been paid by the end of the Summer term, many lost a lot of private income and a change in guidance meant that staff could only be furloughed on the percentage of private income not their funding income. A number of discretionary grants were given to eligible providers, and those who pay business rates were given a freeze on these payments until the end of the financial year (this has since been extended until June with a 75% discount for the rest of the year).
- 3.2 The DfE advised LA's to pay providers on their indicative budget in the autumn term, and this helped many settings who were experiencing a significant drop in hours that children were attending during this period. 21 settings were paid significantly more in hours than they had children attending. However there were some settings who exceeded the hours of their indicative budget and therefore

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were paid the excess amount according to the number of hours children attended their setting during the term.

- 3.3 Following agreement from schools forum and Cabinet members in the autumn term we were able to give all providers who offer funded places across the city a COVID 19 discretionary grant at the beginning of the spring term. £2700 for nurseries and £500 for childminders. Following agreement in the spring term schools forum for a second COVID grant payment (the amount to be dependent on funds available), we were very pleased to have been able to make a payment to providers this term for the same amount as the previous grant. As larger numbers of children are starting to return to childcare again, and levels of infection decrease within the city, we hope that early years will be able to start getting back to a 'new normal' this term and that the grant will give them a welcome boost to the income that they may have lost during lockdowns.
- 3.4 Since the pandemic started we have had 4 nurseries close across the city and two childminders resign their posts. These providers had been struggling prior to COVID 19 and the drop in attendance and private income during this challenging period made their decision to close unequivocal. On a positive note, two new nurseries have been registered over the past six months, and there have been a few enquiries from people wanting information about starting up as a childminder.
- 3.5 Two of our larger day care facilities had to close during all lockdowns due to their being based on the site of a gym. Places were found for these children in other settings owned by these nurseries but obviously these closures have impacted these businesses significantly. One of these settings will not re-open until September as they do not have enough children on the register to re-open this term.
- 3.6 Our Quality and Sufficiency officers have been in regular contact with providers in their localities, and the larger day care providers are reporting good numbers and fewer concerns about sufficiency than the smaller pre-schools some of which are attached to school sites. These settings often open from 9-3.30 to reflect school hours and are less likely to welcome full time working parents due to their hours. Many parents whose school children have been at home, have not registered their siblings, who would, in normal times, attend pre-school. We have seen an increase in registrations since schools re-opened but it will be these smaller settings who will need to see a quick return to normal in order to remain sufficient moving forward.
- 3.7 In recent conversations with providers we have been told that many settings are full over the summer period and numbers are looking promising for registered children in September. We hope that as parents start to return to a regular working pattern again and some return to offices and workplaces that we will see an increase in the hours that are being taken up in settings. Many providers decreased

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the hours that they were open during the last few months as parents who were working from home were not using the early starts and late finishes as much as before. We hope that they will be able to extend their hours again soon. Providers benefitted in the summer and autumn term from business support and advice from Hemsalls early years consultants, who gave 1:1 support to some businesses and group support in the form of four training sessions over a few months, looking at how to adapt businesses to the new world and how to get the most from funded hours and private income, as well as some invaluable tools to create accurate forecast reports, and how to adapt in a constantly changing market during the pandemic. Many settings and childminders reported how useful this advice has been and changed some of their business practice accordingly.

- 3.8 In summary, the sector has faced some very significant difficulties over the past year that have impacted their businesses considerably. We are hopeful that we can continue to support those struggling, with business support, and signposting families to targeted settings to increase their numbers. The COVID grant has been a welcome addition of funds to boost deficits that may be present due to the pandemic. Later in the summer the full Sufficiency assessment for the city will be written as part of our statutory duty, and it is hoped that we will have a clearer picture of the full impact of the pandemic, and will be able to focus on providers that may need extra support. It is worth noting that the resilience and 'can do' attitude of the sector has been very humbling, and we hope that the positive 'green shoots' that we see with increasing numbers of children attending childcare across the city, will continue, and early years will be able to get back to 'business as usual' as soon as possible.

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Signed by (Director of Children, Families and Education)

**Appendices:** None

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Not applicable	