

Executive Summary

Wokingham has statutory duties to ensure:

- There is sufficient childcare to meet the needs of resident families
- Universal free child care for all children from the term after their third birthday up until the point they start school for 15 hours per week for 38 weeks (570 hours per year that can be used flexibly) is available.
- The most disadvantaged 2 year olds can receive 15 hours per week free child care from the term after their second birthday (otherwise as set out above)
- For the children of working families an additional 15 hours per week free child care, is available (doubling the universal free childcare offer).

The current arrangements work well, with most parents being satisfied with the childcare they receive. Parents would like more flexible provision and even better provision for children with additional needs

From September 2017 the Council is required to fund what is badged as an additional 15 hours per week (in fact 570 flexible hours per year) free childcare for the children of working parents, from the term after their third birthday until they start school.

Funding arrangements for the 30 hours are now clearly established by DfE and childcare providers have considered how they can use the free hours offer flexibly to create financially sustainable provision. Nearly all providers (except a very few in atypical circumstances) are reporting that they will be able to offer the 30 free hours. It is expected that most working parents will buy additional hours and services (such as meals) to create a better fit with their working lives and this will help make the provision financially sustainable. Parents need additional hours during the holidays and to match working patterns in term time and buy extras such as meals, wipes and nappies. Our surveys indicate that the scheme will be successful in helping families secure more work too. Growth in demand is therefore planned for and Wokingham is using both its own resources and resources made available nationally to create additional capacity.

Wokingham has a vibrant and diverse supplier market which responds quickly to changing patterns of demand. The Council provides support and guidance to ensure that providers are well equipped to rise to the challenge of the new extended entitlement.

Duties

Duties – quick summary

This section establishes what Wokingham is required to do in law, under the Childcare Act 2006, as amended by subsequent legislation. The Council is required to ensure that sufficient childcare is available by working with private, voluntary and independent childcare providers and where necessary providing childcare directly. Wokingham has a new duty to provide 30 hours free childcare for the children of working parents from this September. The duty is limited to working parents earning over £6,000 (rounded) per year and less than £100,000.

Statutory duty

Wokingham Borough Council has a statutory duty under Section 6 of the Childcare Act 2006¹ to work in partnership with childcare providers to ensure there is sufficient childcare, as far as is practicable, to enable families to:

- a) Access the free early education entitlement for their child;
- b) Take up or remain in work or
- c) Undertake education or training which could reasonably lead to work

In addition, Section 2 of the Childcare Act 2016 places a duty on local authorities to secure free childcare for children who qualify for extended free entitlement (30 hours of free childcare over 38 weeks). This duty is set out at regulation 33 of the Childcare Regulations 2016 (Early Years Provision Free of Charge) (Extended Entitlement) and takes effect from September 2017.

Other LA statutory duties include:

- To provide information, advice and assistance to families
- To secure information, advice, guidance and training for childcare providers
- To ensure all children receive high quality early years provision, as reflected in the Early Years Foundation Stage Framework, from the term after their third birthday.
- To ensure sufficient and high quality childcare for all eligible two year olds
- Promote equality and inclusion, particularly for disadvantaged families, looked after children, children in need and children with disabilities or special educational needs by removing barriers of access to early education and working with parents to give each child support to fulfil their potential.
- Take action over any concerns about early years providers that do not actively promote fundamental British values, or which promote views or theories as fact which are contrary to established scientific or historical evidence and explanations.
- To meet the childcare needs of families with children over the age of five in the form of out of school care and provision for children and young people up to the age of 14 (and up to 18 for disabled children).

- To safeguard and promote the welfare of all children throughout all aspects of the work of Early Years, Childcare and Play with specific regard to ensuring that providers understand their responsibilities and are accountable for their practice.

¹ http://www.legislation.gov.uk/ukpga/2006/21/pdfs/ukpga_20060021_en.pdf

Current Position

Childcare

Sufficient childcare means securing the right type and amount of provision, so far as is reasonable practicable, for working parents, or parents who are studying or training for employment, for children aged 0-14 years or up to 18 years for disabled children.

Childcare sufficiency is not only about making sure there is 'enough' childcare, it is also about:

- Making sure that the childcare is available, accessible and affordable so that parents have the opportunity to use childcare in their area or close to where they work
- Making sure it is of good quality so that it benefits the child
- Providing parents with a choice of childcare so they can choose the childcare that meets their needs.

The local authority role in delivery

Local authorities are not expected to deliver provision themselves but to work with providers in order to ensure there is sufficient provision available to meet families' needs. It is expected that local authorities will only directly deliver provision in exceptional circumstances, such as where there is no other provider willing to do so. (Note: the delivery of provision in a maintained school is not regarded as provision made by the local authority). The key roles are therefore to provide support and guidance to parents and providers, not to act as a commissioner of places.

Free Early Education Entitlement

Free Early Education Entitlement summary

This section establishes how many children are eligible for and receiving free childcare.

It shows:

- Nearly 4,000 children take up the free childcare entitlement.
- where children who use Wokingham childcare live
- the take up of the free provision for disadvantaged 2 year olds
- take up of the universal offer for 3 year olds

There are 3,840 children taking up their free early education entitlement (summer term 2016) in the WBC area.

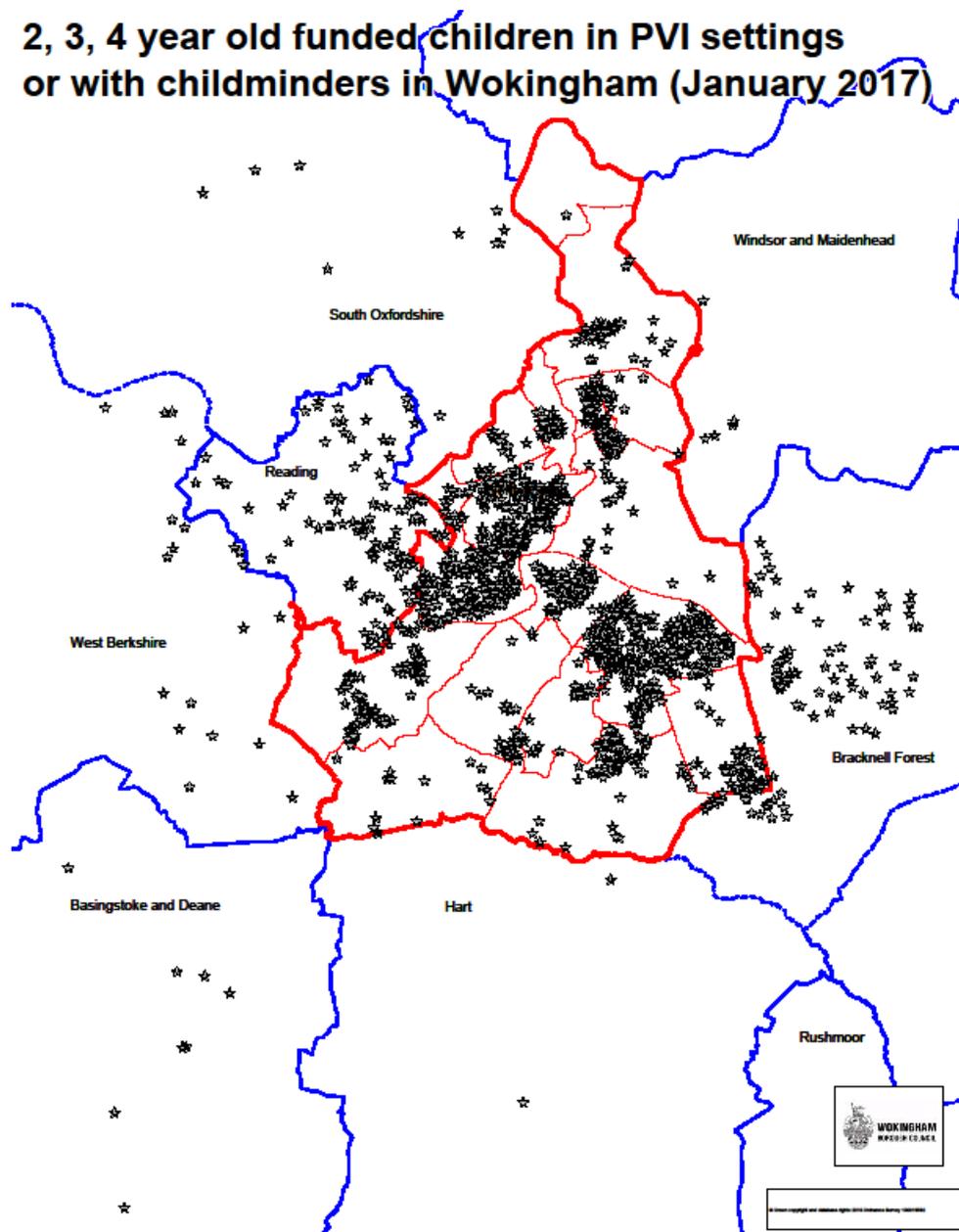
Of these, 2,354 attend PVI settings or are placed with child minders.

Of these children, 1,990 are WBC residents (or 85% of the total).

A number of WBC resident children are also placed out of borough.

Homes addresses of children using Wokingham Early Years Provision

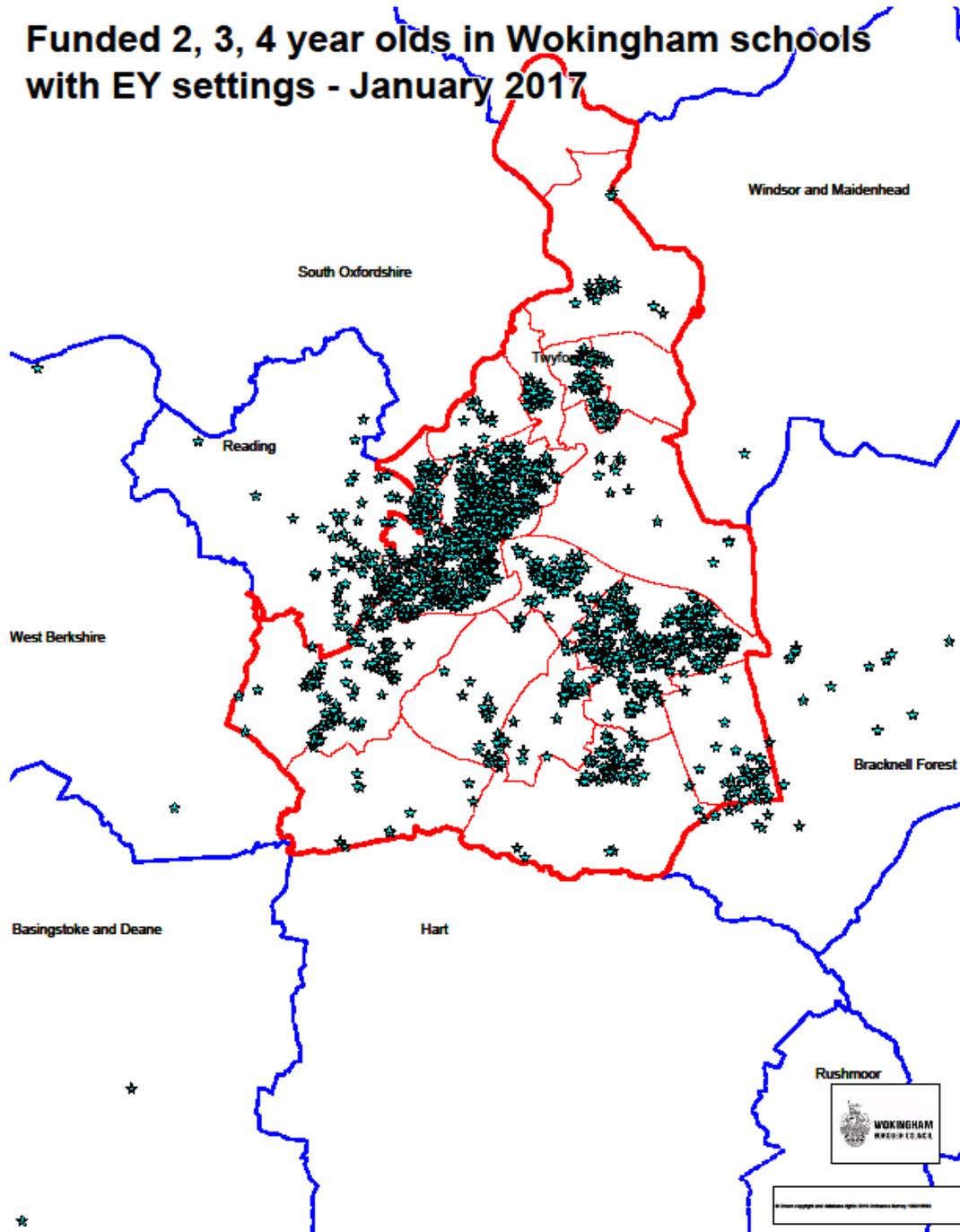
**2, 3, 4 year old funded children in PVI settings
or with childminders in Wokingham (January 2017)**



The map is based on Wokingham BC held data relating to funded children.

The map shows that PVI and childminder usage is by children living in a number of boroughs, but predominantly by children living in the major population centres in Wokingham.

Funded 2, 3, 4 year olds in Wokingham schools with EY settings - January 2017



The map shows that school early years provision usage is predominantly by Wokingham resident children living in the major population centres in Wokingham.

For eligible children aged 2 years

A targeted offer of 570 hours per year is available for the most vulnerable 2 year old children.

Eligibility for 2 year old free entitlement funding:

A 2-year-old can get free early education and childcare if parent/s are in receipt of one of the following:

- Income Support
- income-based Jobseeker's Allowance (JSA)
- income-related Employment and Support Allowance (ESA)
- Universal Credit
- tax credits and an annual income of under £16,190 before tax
- the guaranteed element of State Pension Credit
- support through part 6 of the Immigration and Asylum Act
- the Working Tax Credit 4-week run on (the payment received when a parent no longer qualifies for Working Tax Credit)

A child can also get free early education and childcare if any of the following apply:

- they are looked after by a local council
- they have a current statement of [special education needs \(SEN\)](#) or an education, health and care (EHC) plan
- they get [Disability Living Allowance](#)
- they have left care under a special guardianship order, child arrangements order or adoption order

The aim is to reduce the pre-school educational gap that can start to occur from this age. In Wokingham Borough, an average of 269 children were eligible each term during the last year (April 2016-March 2017)

Table to show numbers of 2 year old children eligible for funding and the corresponding take up rates over the past year and to date

	Number of eligible 2 year old children	Take up rate
March 2016	281	60.8%
April 2016	280	62.6%
June 2016	267	62.6%
Aug 2016	276	62.6%
Sept 2016	259	74.1%
Nov 2016	273	74.1%
Jan 2017	272	67.6%
March 2017	271	67.6%
April 2017	250	Awaiting headcount

For children aged 3 and 4 years

- A Universal offer of 570 hours per year for children who are aged 3 years, to start from the term after the child's 3rd birthday.
- The aim is to prepare children for learning and ensure they have the skills and attributes needed to be ready to start school.
- By the Summer Term of 2016 there were 3,840 children taking up their free entitlement in Wokingham Borough.

• 2011	2012	2013	2014	2015
100	102	100	100	103

NB. Percentages can sometimes be greater than 100 due to out of borough migration.

Childcare Provision

Childcare provision summary

This section shows the range and diversity of provision in Wokingham. It explains some of the factors that shape the market for childcare and how the market operates successfully, helping to maintain the overall quality of provision.

It looks at a range of quality indicators, demonstrating that Wokingham parents receive good childcare according to a variety of measures including Ofsted gradings, Good Level of Development scores, attendance at good or outstanding primary schools and in terms of the level of qualifications of staff.

Table1. **Childcare Provision by Type in Wokingham Borough**

Childcare Type 0-4 year olds	As of 31 st March 2016 No. Providers	Total number of hours offered for 3 and 4 year olds per week	Number of 3 and 4 year old children claiming funding	As of 31 st March 2017 No. providers	Total number of hours offered for 3 and 4 year olds per week	Number of 3 and 4 year old children claiming funding
Day Nursery	32	32829	1179	34	35702	1226
Pre-School/ Nursery	34	18931	1375	32	17566	1192
Maintained Nursery School	1	2966	156	1	2334	Awaiting headcount confirmation
School/ Academy with Nursery Class	13	9952	649	15	10198	Awaiting headcount confirmation
School with Specialist Nursery Provision	1	45	3	1	45	3
Independent School Nursery Class	6	9642	292	6	10668	336
Childminder (Funded)	255 (21)	(446)	510* (24)	236 (41)	(863)	472 (36)

Childcare Type 0-4 year olds	As of 31 st March 2016 No. Providers	Total number of hours offered for 3 and 4 year olds per week	Number of 3 and 4 year old children claiming funding	As of 31 st March 2017 No. providers	Total number of hours offered for 3 and 4 year olds per week	Number of 3 and 4 year old children claiming funding
Specialist Provision	1	141	23	1	239	22
TOTAL 0-4 year olds	343	74952	3819	325	77615	Awaiting headcount confirmation
Out of School 5 Years +						
After School Club	40			43		
Breakfast Club	25			27		
Holiday Club	31			33		
TOTAL OOS 5 Years+	96			103		

Why childcare provider numbers vary

The childcare market has maintained a secure level of provision over the past 5 years with greater fluctuation over the past two years.

During this time there has been a slight increase in the number of full day care providers with 3 new settings opening and one closing as a result of an inadequate Ofsted inspection outcome. Two pre-schools closed between 31st March 2016 and 31st March 2017 due to falling numbers; however two schools have opened nursery classes, one in an existing primary school and one in a new academy. Another nursery is preparing to open shortly.

Providers who have managed to sustain high occupancy rates are those who regularly review the service they offer to parents and provide flexibility to meet the needs of their families. They have also managed to maintain a high level of quality which attracts both parents and good quality staff to the setting.

Failure for a provider to remain sustainable has been due to the following reasons:

- Insufficient flexibility for parents with regards to session times, session lengths and extended hours or;

- A fall in quality such as a lower grade when inspected by Ofsted which has resulted in parents removing children from the setting and changing to a provider with a better Ofsted outcome or;
- Competition from neighbouring providers who offer greater flexibility, longer opening hours or lower charges or;
- Annual increases in costs such as rent, rates, national minimum wage, introduction of pension schemes, training costs.

Childminder numbers have fallen slightly in line with national trends. This is thought to be due to increase in costs such as training, food, heating and petrol prices. In addition, there are increased challenges of the job such as greater scrutiny from Ofsted and higher expectations of standards and quality which has raised the status of childminders within the childcare workforce. This has resulted in some childminders making the decision to withdraw from the profession and enter into careers with less responsibility. In Wokingham Borough, the number of childminders registering to take early years free entitlement funding is steadily increasing on a daily basis and now stands at 33 as of 1st April 2017.

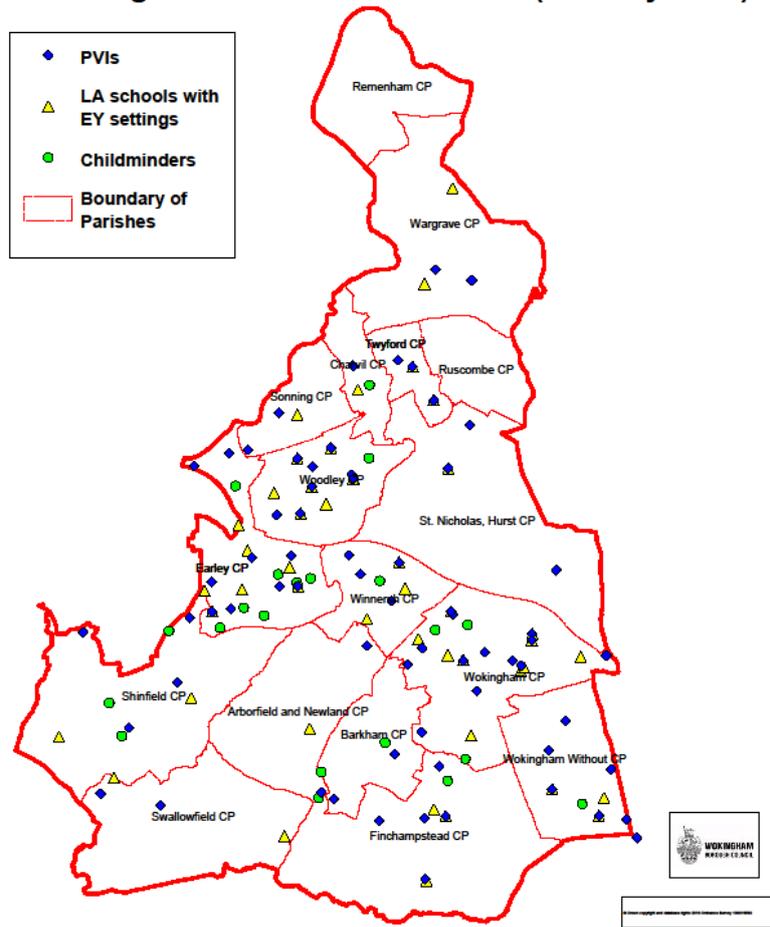
There has been an increase in all types of out of school provision with 94% of primary schools in Wokingham Borough now offering this service to parents. The remaining 6% offer after school activity clubs.

The Government wants schools to play a larger part in the childcare market and in May 2016 introduced *Wraparound and Holiday Childcare, Parent and childcare provider "rights to request"* which is the guidance to enable parents to work for longer and during school holidays by making childcare more available. The *Parents views and experiences of childcare survey* suggested that 62% of parents of children aged 5 or over where at least one parent in the household was working required some form of wraparound childcare (most commonly after school).

<https://www.gov.uk/government/publications/wraparound-and-holiday-childcare-responding-to-requests>

Wokingham childcare provision map

PVIs, childminders and schools with EY settings in Wokingham with funded children (January 2017)



Ofsted and Quality

"We know that good and outstanding settings make a stronger and more positive difference to children's learning and development than those that are not yet good. Excellent early education and care are underpinned by strong leadership; this is what counts most and makes the greatest difference". (Ofsted, Getting it right first time, 2013)

Research evidence demonstrates that children who have good quality pre-school experiences often attain enhanced longer-term developmental benefits, including improved levels of independence, concentration and sociability. (EPPE Project, 1997)

<http://eprints.ioe.ac.uk/5309/>

One of Wokingham's key priorities is for all children under 5 years to attend an early years provider who is judged by Ofsted to be at least good. At 31st December 2016, 96% of childcare provision on Non-Domestic Premises (NDP) in Wokingham Borough was judged as good or outstanding compared to 95% nationally (Ofsted Annual Report 2015-16), which indicates that parents can access good quality childcare and education in all areas of the borough.

Currently 95% of childminders in Wokingham are good or outstanding as opposed to 89% nationally.

<https://public.tableau.com/profile/ofsted#!/vizhome/Dataview/Comparelocalauthorityareas>

13 out of 14 maintained schools with nursery classes are judged to be good or outstanding by Ofsted and our Maintained Nursery School has an Outstanding judgement and 86% of children attend a Primary school judged good or outstanding. This is comparable with our neighbouring boroughs.

Table to show % pupils in good or outstanding primary schools across the SE region

Primary schools					
Local authority	% of pupils in good or outstanding schools 2016	Change from 2015 (%pts)	Change from 2012 (%pts)	% of pupils in academies 2016	
Surrey	93	8	25	22	
Buckinghamshire	92	3	15	11	
Brighton and Hove	92	3	20	3	
Hampshire	91	7	16	3	
Windsor and Maidenhead	91	14	6	23	
Slough	90	14	27	57	
Kent	88	7	33	29	
East Sussex	88	15	18	21	
Reading	87	15	34	19	
Milton Keynes	87	5	20	20	
Wokingham	86	6	17	2	
Southampton	86	3	23	32	
Portsmouth	86	3	32	26	
Medway	84	23	30	35	
Oxfordshire	84	-1	25	31	
West Berkshire	82	13	3	4	
West Sussex	79	3	9	23	
Bracknell Forest	72	8	-3	2	
Isle of Wight	69	5	4	7	

Good Level of Development (GLD) Results in Wokingham (%ges)

Target	2012/13	2013/14	2014/15	2015/16
Early Years Foundation Stage Profile- Percentage of children reaching a Good Level of Development (GLD)	48	61	70	75
Early Years Foundation Stage- Percentage of children attaining the Three Prime Areas	67.5	77	83.1	83.6
Narrowing the Gap- Percentage difference in GLD between pupils eligible for FSM and those who are not eligible	23	24	20	20
Percentage of early years settings judged by Ofsted to be Good or Outstanding	87	87.5	94	96
Percentage of 3 & 4 year olds in settings judged good or better by Ofsted		76	82	85
Percentage of child minders judged by Ofsted to be Good or outstanding	81	85	92	95
Percentage of 2 year olds eligible for the Free Entitlement placed in Good or Outstanding settings		69	95	96
Percentage of children accessing the Early Years Pupil premium	New indicator in 2015		54	72

Table to show performance in Wokingham

Children are defined as having reached a good level of development at the end of the Early Years Foundation Stage if they have achieved at least the expected level in: the early learning goals in the prime areas of learning (personal, social and emotional development; physical development; and communication and language) and literacy and mathematics.

Table to show percentage GLD in Wokingham Borough compared to national figures over the last 4 years

	2013	2014	2015	2016
Wokingham				
All children	48	61	70	75
Girls	56	72	78	78
Boys	39	50	63	63
National				
All children	51	60	66	69
Girls	60	69	74	77
Boys	44	52	59	62

Qualifications

"Research and inspection evidence show that the higher the qualification level, the better the quality of provision. The best settings have highly qualified practitioners".

It is well- established that children make better progress in settings where staff have higher levels of education, such as Qualified Teacher Status (QTS), Early Years professional Status/ early Years Teacher Status (EYPS/EYTS) or a degree in Early Years.

Table to show percentage of 3 & 4 year olds in settings led by a practitioner with QTS/ EYPS

	2013	2014	2015	2016
Wokingham	61	71	68	76
England	44	52	53	54

In Wokingham Borough 56% of all funded early years providers including maintained nursery classes are led by a graduate.

Foundations for Quality: the independent review of early education and childcare qualifications (the Nutbrown Review), DfE, 2012; www.education.gov.uk/nutbrownreview.

Cost of Childcare in Wokingham

Cost of Childcare in Wokingham summary

This section shows how a combination of Free provision and paid for extra services and hours combine to ensure that a sustainable childcare service is achievable. Free entitlement must be free, but this does not include meals and other services, and many families need additional hours to match working requirements.

The Family Information Service provided the average costs of childcare across the different types of childcare provider which can be seen in the tables below.

Provider Type	Average Costs	
Pre-School	£5.66 per hour	£15.60 for 3 hour session
Day Nursery	£62.25 per day for under 2s	£59.50 per day for over 2s
Childminder	£5 per hour	
Breakfast Club	£4.50 per session	
After School Club	£10 per session	
Holiday Club	£29.30 per day	

Breakdown of Holiday Childcare Costs

Type of Provision	Average Daily Rate (£)	Average Weekly Rate (£)
School/ LA	£25	£112
PVI	£29.25	£146.25
Most expensive	£45	£225
Cheapest	£18	£90

The table above indicates that the average cost per hour in a pre-school is £5.66, whereas the average funding rate per hour is £4.32. The difference between the average market rate of a place and the actual funding rate is £1.34 per hour; however, the Government has made it clear in their recent guidance that the early years free entitlement funding is for education and care only so providers are able to charge for additional services, consumables or wrap-around care hours outside of free entitlement hours.

Day Nursery providers charge a higher market rate than the funding rate, however, these rates take into account the higher costs of providing care for children between the ages of 2-3 years who are not yet eligible for free entitlement and additional services and consumables such as extra-curricular activities, nappies, wipes and meals. Day nurseries would therefore need to charge for these or adopt a business model whereby free entitlement hours were offered in blocks and parents were charged for the wrap around hours. They could also provide a stretched offer over more than 38 weeks of the year and charge for the additional hours each week.

Childminders generally charge an average of £5 per hour, so again the free entitlement funding would not meet the market rate for an early years place; however the funding is for education and care and does not include consumables, trips and activities which could be charged for to make up the difference in funding. Childminders also have flexibility to stretch the offer across the year if it met the needs of their parents.

After school clubs could benefit from becoming registered to accept free entitlement funding as part of a parent's universal free entitlement, as they would receive a base rate of £4.15 per hour and additional supplements for graduate leaders and for disadvantaged children. If the child attended the club for 2.5 hours after school, the funded hourly rate would be higher than the current average hourly market rate in addition to providing the service for parents.

Similarly a holiday club provider, if registered to accept early years free entitlement funding, would receive a base rate of £4.15 per hour, which for an 8 hour day of childcare would amount to £33.20 per day as opposed to the average daily rate of £29.30. The weekly funded rate would total £166 which again is higher than the average weekly market rate for both PVI and school/ Local Authority provision.

Childcare and support for children with SEND

Childcare and support for children with SEND

Wokingham has good support for children with SEND. The Local Offer signposts support, mainstream providers can meet the needs of many children with additional needs and Dingley's Promise and Addington provide specialist support for children with needs that cannot be met by mainstream providers.

Early Years childcare providers in Wokingham are inclusive in their practice and will accommodate the needs of children with Special Educational needs and Disabilities wherever possible.

Local Offer

The Early Years Childcare and Play service works with all providers and staff in the Early Years sector offering advice and support with inclusive practice, children with

additional needs and children with SEND. Providers are supported to track children's development so that additional needs are identified at the earliest opportunity and to put appropriate strategies into place as required. Referral to more specialist services may be needed i.e. Speech and Language Therapists, Paediatricians, etc. The Early Years SEN Service and Early Years Childcare and Play Team provide a mechanism whereby providers can apply for additional funding in order to meet a child's needs through a process called Early Years Inclusion Funding (EYIF). This funding subsidises the cost of an additional member of staff to support the child in the setting.

Providers may apply for EYIF according to the relevant terms and conditions when a child has additional needs significantly different to those of other children and impacting on the providers' ability to meet those needs. Parents must agree to the EYIF application.

Averages of 40 children per term are supported through EYIF across all early years sectors including PVI providers and maintained nursery classes. Childminders can also apply for EYIF to enable them to support children with SEND where the funding will subsidise the loss of a space and the childminder can dedicate their time to caring for the child with SEND.

The Local Authority SEN team employs an Early Years Inclusion Advisor whose role is to provide advice and support for PVI providers to make provision for children with SEND. In addition, an Early Years Advisor responsible for inclusion from the Early Years Childcare and Play Team also advises settings and childminders on inclusive practice. The advice and financial support available to early years providers and childminders enables more children with SEND to be included in mainstream early years provision.

Specialist Provision

Wokingham Borough has a maintained nursery class at Addington School for children with severe and complex needs and disabilities, which is for children of 3 years until statutory school age. The children can then move up into the school where their needs can also be met through specialist teaching and support.

Dingley's Promise is a specialist early years provider which delivers support to Under 5s with additional needs and disabilities and their families. They provide specialist learning through play, family support and training and advice to mainstream settings. In addition to early years free entitlement funding, Dingley's Promise receives additional funding through a contract with Wokingham Borough Council.

Dingley's Promise currently offer as many 15 hour free entitlement places as possible to parents of children with additional needs and disabilities and have no plans to extend this to 30 hours at the moment. Some children currently attend Dingley's Promise for part of their free entitlement hours and spend the other hours at a mainstream early years provider. If parents were to require and were eligible to

receive the extended free entitlement hours, they may need to share this between Dingley's Promise and another provider or childminder.

Currently the Early Years Inclusion Funding (EYIF) funds a maximum of 15 hours free entitlement so if parents are eligible for the additional 15 hours, the extra funding required may result in the Local Authority not being able to support as many children as they do currently. Analysis of headcount data indicates that very few children in receipt of EYIF currently access more than their 15 hours free entitlement; however, this may be because parents cannot afford to fund the support of an additional member of staff. Should parents make the decision to increase their working hours due to the availability of the extended free entitlement, there may be a shortfall in Early Years Inclusion Funding overall and less children could be supported in this way. The EYIF is a DfE recommended support budget that can be funded from the Early Years and (or) the High Needs Block components of the Dedicated Schools Grant (DSG). The DSG is itself under pressure, in part because of rising spend on older children with special education needs from the High Needs Block, so there is no likelihood of a significant increase in the size of the EYIF at this point.

Early Years provision for children with additional needs is therefore an area of need that will continue to be kept under review.

Parent Survey

Parent Survey summary

Parents were surveyed early in 2016. At that point most were either very satisfied or completely satisfied with provision.

Areas where parents wanted improvements included more flexibility around hours of provision, and better facilities and activities.

A survey of parents views was carried out in 2016. Key results are summarised below.

Most parents were either very or completely satisfied about the childcare received.

Satisfaction level	Number	%
Completely satisfied	566	32.9%
Very satisfied	446	26.0%
Mostly satisfied	433	25.2%
Somewhat satisfied	172	10.0%
Mostly dissatisfied	57	3.3%
Very dissatisfied	22	1.3%
Completely dissatisfied	22	1.3%

Looking at childcare by type we see that most parents are very or completely satisfied with pre-school and childcare. Satisfaction rates were less for school based provision.

	Family and friends	Childminder	Pre-school or nursery school	Day nursery	Breakfast club	After school club
Completely satisfied	182	86	114	75	43	84
Very satisfied	153	70	115	79	54	106
Mostly satisfied	156	73	70	57	79	149
Somewhat satisfied	67	25	21	12	20	79
Mostly dissatisfied	19	9	10	5	11	19
Very dissatisfied	8	4	1	1	2	5
Completely dissatisfied	13	2	3	0	1	1

Parents were asked what would improve their childcare. More flexible childcare and better facilities and activities were the primary concerns.

Reason	Number
Nothing: I am very satisfied with my childcare	334
Timing: more childcare options outside of 9am-5pm	260
Timing: more childcare in the holidays (non-term time)	241
Facilities: better facilities and activities	218
Location: childcare available on school grounds	141
Staff: fewer children per carer	127
Location: childcare that's easier for me to get to	98
Other: please state below	82

Implementation of 30 hours

Implementation of 30 hours summary

This section sets out the duty to secure 30 hours free childcare for children of working parents, and progress to date towards understanding and meeting future demand. The evidence indicates that providers are willing to offer 30 free hours in a variety of sustainable packages, that a significant number of parents will wish to convert their paid for childcare hours into free childcare hours and a number of parents will seek to use the initiative to increase the number of formal childcare hours they take up.

Different types of childcare providers face different challenges and a “SWOT” analysis is used to establish what these factors are and how childcare providers can manage them.

The analysis and evidence we hold indicates needs will be met. The Wokingham childcare market is flexible and benefits from proactive childcare providers operating across all categories of provision. A key question though will be how quickly providers can react if a high proportion of those parents who have expressed an intention to seek additional hours work do so successfully and the respondents constitute a reliable sample of all parents. The higher the number, the greater the degree of adjustment required and the time period required for this process may lead to some localised pressure on the provider market.

Extended Free Entitlement for children aged 3 and 4 years

From September 2017, 3 and 4 year old children of parents who are working may be eligible for an extended offer of 1140 hours free entitlement per year (or an additional 15 hours per week, for 38 weeks (derived from 38 term time weeks)). Eligibility will include households where:

- Both parents are working or one parent is working in lone parent families. This will be defined as earning the equivalent of 16 hours per week on national minimum wage and can include self-employment.
- Each parent or lone parent earns less than £100,000 per annum.
- Both parents are employed but one or both of them are temporarily away from the workplace on parental, maternity, paternity or adoption leave.
- Both parents are employed but one or both of them are temporarily away from the workplace on statutory sick pay.
- One parent is employed and one parent has substantial caring responsibilities based on specific benefits received for caring.
- One parent is employed and one parent is disabled or incapacitated based on specific benefits.

The aim is to encourage parents of young children to remain economically active by reducing the cost of childcare and encourage more parents to take up work.

It is estimated that around 1350 children living in Wokingham Borough will be eligible for the extended entitlement

Extended Free Entitlement- Strengths, Weaknesses, Opportunities and Threats to delivery, related to provider type

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Provider Type	Current Strengths	Current Weaknesses	Opportunities to deliver 30 hours	Possible Threats to Business	Business Support Provided by WBC
Day Nursery	Already open for more than 30 hrs a week, all year round.	Parents currently pay for additional hours and funding rates are not as high as market rates.	Opportunities to stretch offer over longer than 38 weeks. Charges for additional services and consumables can be made	Reduction in number of hours that nurseries can charge for so business model will need to change. . If extended entitlement is not offered, parents may take their business to a provider where the extended offer is available	A standard support offer of briefings, group surgeries, individual business support meetings, new provider support, access to website tools, individual advisor support
Sessional Pre-School (15 hrs)	Often meet the needs of local families who are not working. Can offer places to 2 year olds eligible for	Lack of opportunity to use community premises for more than 15 hours a week.	Opportunity to stretch the offer over more than 38 weeks and work in partnership with other providers such as	Threat to occupancy if local needs of working parents are not met resulting in possible reduction of	Standard support package

Provider Type	Current Strengths	Current Weaknesses	Opportunities to deliver 30 hours	Possible Threats to Business	Business Support Provided by WBC
	funding.		childminders	numbers.	
Sessional Pre-School (30hrs+)	Already open for 30 hours or more and often offer flexibility to parents	If parents currently pay for additional hours these are at a higher rate than funding rates.	Opportunities to expand provision for working families and increase occupancy during afternoon sessions which are often less well attended	Charging structures and business models may need to change to maximise income. If extended entitlement is not offered, parents may take their business to a provider where the extended offer is available	Standard support package
Maintained Nursery Classes & MNS	Already offer good quality teacher-led early education which research shows leads to improved outcomes for children.	Current operational models do not support extended entitlement offer. Current model based on 2 x 3 hour sessions per day with children attending am or pm	Opportunities for nursery classes to offer places during the afternoon if they are not full or do not open. Children could stay for lunch and attend afternoon session.	If nurseries operated with the same business model as currently, they would be able to offer less places; this would possibly impact on the future numbers of pupils	Sector specific briefings and group surgeries on 30 hrs regulations and implementation, individual business support meetings to discuss different models of delivery.

Provider Type	Current Strengths	Current Weaknesses	Opportunities to deliver 30 hours	Possible Threats to Business	Business Support Provided by WBC
		five days per week, 38 weeks of the year.	Working in partnership with childminders. Holiday sessions could be offered in partnership with another provider to stretch the offer.	entering the school and less places would be available for parents.	Access to tool kit and case studies which cover extended entitlement in a school setting. Support to work in partnership with other providers, access to dedicated area of Wokingham schools website, providing business support tools.
Independent Schools	All Independent schools currently offer 15 hrs free entitlement for all 3 & 4 year olds and can continue to do this until a child reaches statutory school age. Most also offer extended	Current business model is heavily reliant on parents paying for additional hours and services. The extended entitlement would reduce this opportunity or result	To offer the extended entitlement could be used as a marketing tool and be attractive to prospective parents especially if other independent schools decide not	Many parents will be eligible and be expected to be offered the extended entitlement. If this is not available they may take their entitlement elsewhere and join	Standard support package Also access to a specific tool kit and case studies to support the extended entitlement in a school setting.

Provider Type	Current Strengths	Current Weaknesses	Opportunities to deliver 30 hours	Possible Threats to Business	Business Support Provided by WBC
	days during term time.	in high charges to parents for additional hours and services.	to offer.	the school later, thus resulting in reduced income for the school.	
Childminders	Childminders can offer flexible hours during the day and across the year. They are used to working with parents to meet individual needs.	Childminders are relatively new to offering funded places.	Opportunities for new childminders to have guaranteed places by offering the free entitlement. Working in partnership with other providers unable to offer the full 30 hours. May keep children longer instead of children starting pre-school or nursery	Funding rate has been lower than the hourly rate normally charged, however increase in funding rate is now nearer to the market rate.	Specific briefings, group surgeries, individual and group business support meetings, access to tool kits created by childminding organisations. Support for childminders to work in partnership with other providers. Change to payment process to ensure childminders are given advance payments

Demand for the additional 30 hours

Demand for the additional 30 hours summary

The potential demand is analysed using a variety of data sources.

Analysis based on current provision and using DfE national statistics indicates some headroom in the system. This indicates that there is sufficient capacity to meet demand, based on DfE estimates of the number of eligible children.

Contact with neighbouring LAs indicate they are also preparing for the new duties in a way that is comparable to Wokingham.

Engagement with parents indicate they intend to take advantage of the new offer by seeking additional hours of work or re-entering the labour market. This indicates the initiative is likely to be successful in its aim of supporting working families.

If this leads to a rapid increase in the number of hours required providers may require a period of adjustment before they are able to fully respond.

Extrapolation based on DfE estimates and WBC usage

One analysis combines borough held information (the number of children receiving free childcare, and the number of hours of childcare provided (funded and self-funded)) with the DfE generated estimate of the number of children eligible for the extended offer and an understanding of how childcare is provided to estimate the shortage or surplus of childcare places once the childcare offer commences.

The analysis indicates a current potential surplus of 2,100 hours childcare (or 3% of the total number of childcare hours provided).

This analysis is based on a “part time” place (or 15 hours per week) unit – equivalent to a child attending a morning or afternoon 3 hour session every day during term time. A full time place is 30 hours (or two part time places) A standard part time offer, as seen in maintained nursery classes, is a morning or afternoon nursery session in term time (so 5 three hour sessions for 38 term time weeks). These can be considered as the core hours in the middle of the day. Many parents take more than 30 hours per week, of course, but these hours are achieved either side of the peak demand period so provision of these hours is less problematic.

In brief (and using rounded numbers) the analysis is:

75,000 hours childcare is provided in Wokingham which equates to 5,000 “part time (15 hour) places” ($75K \div 15$). If there are 1,350 children eligible for the 30 hours free childcare (a DfE estimate) this equates to 2,700 part time places ($2 \times 1,350$). This means there are 2,300 part time places ($5,000 - 2,700$) left for children who are only eligible for the part time offer. The number of children eligible for the part time offer is the total number of children receiving the funded childcare (3,500) less the number of children eligible for the full time places (1,350) which is 2,150. This is also the number of part time places required so the difference between the number of part

time places required (2,150) and the number of part time places available (2,300) is 150 surplus hours (using un-rounded figures 140 surplus hours are available).

Note too that because eligibility starts from the term after a child turns 3, the numbers of eligible children ramp up from the lowest point (September to December), from January and again from April until August. This in turn means that at the point the extended eligibility starts there will be seven months before the peak annual demand is reached (from September to April) during which providers can respond to signals of increasing demand by working to increase capacity.

The table below sets out this analysis step by step with un-rounded figures.

A	Summer term 2016 number of children who received a funded place. (WBC figures)	3,480 children
B	Hours per week of childcare provided in Wokingham.	74,659 hours (48,688 funded 25,971 non funded)
C	The number of potential 15 hour places if all childcare hours were available as funded hours $B / 15 =$	$74,659 \div 15 =$ 4,977
D	DfE estimate of the number of children requiring (entitled to) 30 hours free childcare	1,350
E	Weekly entitlement in 15 hour places (<i>each 30 hour child takes two 15 hour places</i>) $D \times 2 =$	$2 \times 1,350 =$ 2,700 15 hour places
F	Need for the remaining population (note that the head count is also the number of 15 hour places) $A - D =$	$3,480$ (population) – $1,350$ (30 hour children) = 2,130 children./ part time places
G	No. of 15 hours places available for the remaining children (potential total – number needed for 30 hour children) $C - E =$	$4,977 - 2,700 =$ 2,270
H	Surplus places (available places less number of children needing part time provision) $G - F =$	$2,270 - 2,130 =$ 140 (15 hour places)

This means we have a potential surplus of 140 15 hour places (or 2,100 hours).

This is potential hours if sufficient providers were to offer fully funded places – we know that not all will, but as 54% (2,700/5000) of offered hours must be available as extended hours and 79% of providers are working to offer the extended entitlement (see market development section below) there is no fundamental barrier to the offer being achieved. However it does show the full capacity of the market which could be achieved through market forces and our support and guidance. These figures do not include unused spaces (vacancies) or new providers opening as it is based on the busiest headcount over the last 3 terms.

Neighbouring LA positions

These position statements represent a single point in a very dynamic process and demonstrate that neighbouring local authorities were all actively working on the issue of childcare sufficiency at the point they were contacted. This demonstrates that other local authorities are working in a similar way to Wokingham – creating new and using available information to better understand local childcare sufficiency.

Bracknell Forest – analysing data at point of contact, but noted that providers had not yet committed.

RBWM – were working on sufficiency at the point this report was drafted..

Buckinghamshire – Concerned at that point that national figures point to an increase in demand of 41% and that available data does not enable the identification of communities that will need additional provision.

Reading – had just appointed an analyst, but the preliminary view is that if all places convert to offer 30 hours demand can be met.

Engagement analysis

Parent Survey data

A parent survey has been completed in April 2017 to better understand the demand for childcare once the increased free childcare entitlement comes into force in September 2017.

The majority of respondents had one pre-school child (292 responses) or two pre-school children (115 responses). Only four respondents had three children.

One child:

Do you intend to increase your working hours as a result of the increase in free childcare provision?	
Yes:	100
No:	191
No response:	1

If yes, how many extra hours do you think you will work per week?	
Between one and five	13
Between six and ten	31
Between 11 and 15	10
Between 16 and 20	23
Between 21 and 25	7
Between 26 and 30	9
More than 30	6

Two children:

Do you intend to increase your working hours as a result of the increase in free childcare provision?	
Yes:	35
No:	79

If yes, how many extra hours do you think you will work per week?	
Between one and five	7
Between six and ten	9
Between 11 and 15	9
Between 16 and 20	3
Between 21 and 25	1
Between 26 and 30	1
More than 30	2

Graphical analysis of parent survey data

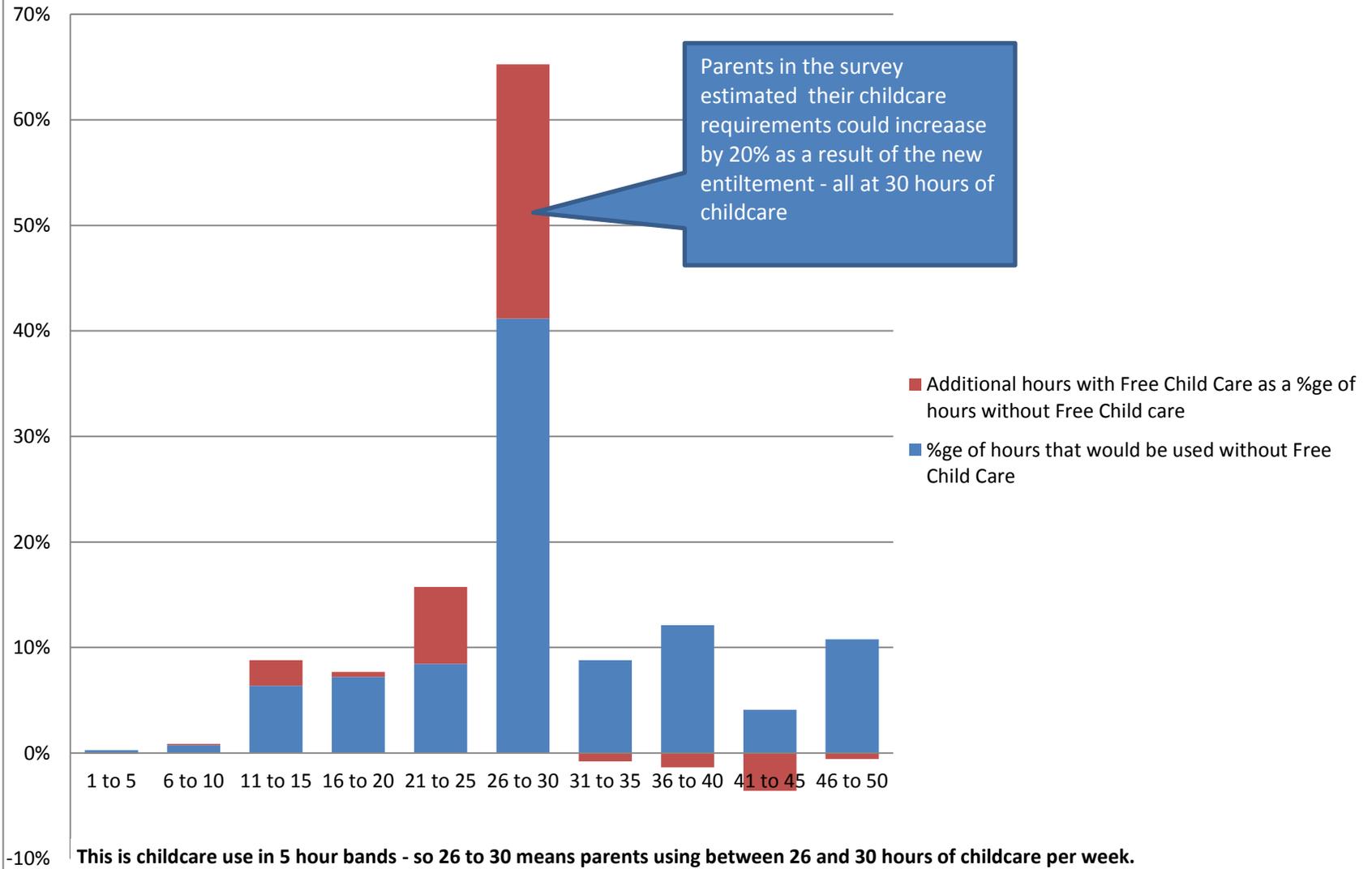
The graph overleaf indicates the possible impact of the parents' plans on the demand for childcare. It shows:

- A significant increase in demand for 30 hour places after the extended offer comes into force (20% increase in demand)
- A significant increase in the number of hours childcare required.

The survey was self-selecting so we cannot know if the parents' intentions will be realised. What it shows is that a significant number of parents intend to take advantage of the free 30 hours and re-enter the workplace or increase their number of hours worked. This cannot tell us how many will seek to convert that intention into action or how many that do so will be successful. It does though indicate that parents intend to seize on the opportunity presented. Given the focus on 30 hours provision and the need to match childcare to real work patterns this must be interpreted as a broad statement of future intention and not worked through childcare and work plans and therefore a peak / "worst case" scenario.

If the significant increase in demand signalled by the survey was realised across the borough then there would be significant pressure on the market to increase capacity in the course of the year. The 7 month period between the implementation of the new entitlement (September 2017) and the peak demand period (from April 2018) (due to the successive "waves" of children becoming eligible after their third birthdays) does mean that providers have a limited period to make adjustments if demand increases to or close to their peak capacity. The speed of the adjustment will depend on the scale of any additional demand – so hiring additional staff can occur relatively quickly but procuring and adapting new premises may take longer.

Parents estimated use of the Extended Entitlement



Market development

Market development summary

The market development section explains some of the forces working on the very large number of small scale providers operating in the borough and the work that Wokingham does to support providers. The level of contact that is maintained as a matter of course gives WBC confidence that it has a reliable view of the likely behaviour of the market particularly when faced with the challenge of the new 30 free hours undertaking.

Brief summary of market and current pressures:

Volatile market characterised by small scale providers, a high level of scrutiny and low profit margins. This leads to a turnover of childcare providers for example where individual providers have a poor Ofsted inspection and as a result children are withdrawn making the provision unsustainable. This is a normal part of the business cycle and is distinct to structural change reflecting a changing market. Increasing parental need for flexible childcare that works to support their working lives has made some restricted hour “packaway” provision using church halls and similar venues unviable.

Current market development activity

This summarises activity by the Early Years Team.

- Survey sent to all group early years providers including schools
- Mixed response to the survey with responses gathered through survey return and through conversation/visits.

For PVI sector:

- 55 (79%) Will either offer or are considering the details of how to implement the offer.
- 26 (37%) have confirmed the full details of their offer.
- 29 (41%) have said they are still considering the details but are likely to offer the entitlement.
- 15 (20%) have said they will not offer the entitlement themselves but have started to work with other providers (e.g. childminders) in order to meet the needs of their parents.
- It is important to note that the 15 that have said they will not offer the entitlement represent only 16% of the actual market due to the low size of some of the settings.
- Reasons for not offering the entitlement are:
 - Premises not available (7 providers)
 - Independent schools - does not fit in with their business model (2 providers)

- Perceived negative financial impact (4 providers)
- Lack of interest within current parents (2 providers)

For the School sector:

- 14 (88%) Will either offer or are considering the details of how to implement the offer.
- 6 (37%) have confirmed the full details of their offer
- 9 (56%) have said they are still considering the details but are likely to offer the entitlement.
- 1 (6%) have said they will not offer the extended entitlement.

For the Childminder sector:

- 35 childminders have registered to offer the entitlement for September. All of whom will either offer the full 30 hours themselves or offer the 15 extra hours sharing provision with another provider. This still creates a 30 hour place.
- In addition there are currently 14 childminders who have requested registration packs in order to register for September 2017.
- Although this represents 21% of the market this is a significant increase to last year where just 9% of the market were registered. The number considering or fully registered is increasing on a daily basis.

Early Years Team Involvement to develop the market.

- Delivered 'Getting Ready for 30 hours' workshops for 63 participants
- Delivered 6 (3 PVI 1 school 2 childminder) in depth 30 hour briefings for a total of 187 participants.
- Offered visits to individual providers to support their decision making process. 18 so far have taken up this offer over the last 3 months.
- Provided telephone/email support for providers throughout their decision making process.
- Developed dedicated section of a website to support providers to make decisions.
- Attended 4 cross border meeting to share information with neighbouring authorities
- Bid for and awarded £20k from the DFE to implement a new portal based headcount process which will ease administrative burdens on providers and the local authority.
- Bid for and was awarded fund for 3 capital projects developing 90 additional 30 hours places over the next year.
- Developed process for providers to check eligible families' eligibility codes.

Future Options analysis

Future options analysis summary

This section considers the range of options considered in the development strategy and explains which ones are proposed to be taken forward into the action plan and which ones are not worth pursuing.

It is clear that existing work to support providers has been successful and it is intended to continue to provide this.

Where opportunities to invest directly or indirectly arise Wokingham will continue to support investment in the early years sector.

Direct Investment

National Funding

Wokingham has secured funding for capital investment in four early years provider in Woodley and in Crowthorne (Wokingham Without) and is working with them to secure implementation of their schemes.

Wokingham funding

Wokingham is investing in additional Early Years premises as part of the Highwood Primary School expansion project to further increase capacity in the Woodley area.

Academies

Waingels College are developing an on-site nursery so this is clearly an approach that will be worth developing.

However, there is no single national or local capital source to help develop Early Years provision on Academy sites. They would need to enter into long term arrangements (probably involving a lease) to enable independent sector nursery providers to be able to secure funds to enable EY providers to invest on school sites. This does though have the potential to allow affordable childcare to be built as providers may be able to benefit from reduced land acquisition costs compared to the cost of securing land or premises on a fully commercial basis.

Wokingham will promote such growth and support Academies that wish to extend their offer on their own sites.

Independent Schools

Four independent schools within the WBC area already provide childcare. Two (2) out of these four schools do not intend to provide the additional 15 hours free childcare.

The schools that do not intend to offer these places have advised that this decision was taken in the light of their particular circumstances.

Wokingham will provide advice and guidance to any Independent School that wishes to extend their offer on their own sites.

Out of Borough Provision

2011 data shows that of 81,790 working residents, only 32,670 live and work in the local authority area. Wokingham has the lowest resident self-containment rate of all Berkshire Unitaries at 33% (the next lowest is 40%). Reading, Bracknell Forest and Windsor and Maidenhead are the top “out” commuting destinations, but the travel to work area is bounded by Newbury in the west, Maidenhead to the north, Windsor to the east and Frimley to the south. Reading is the biggest single destination with 12,616 Wokingham residents working there.

Workplace nurseries or provision close to places of work could therefore have a significant impact on meeting need in the Wokingham area.

Wokingham residents travel to work in so many different directions to a wide range of employers so there is no single organisation that could be partnered with to directly broker local-to-workplace early years provision. However, there is one mechanism that could enable WBC to promote early years provision outside the borough boundaries. This is through the Thames Valley Local Enterprise Partnership (TVLEP). However, this body has not identified provision or promotion of workplace nurseries as a priority for action to date.

It is proposed to raise the issue of childcare support by employers as an issue for consideration by the TVLEP as part of their future works programme.

Action Plan

Action Plan Summary

This section sets out the actions WBC is taking and proposes to take in the future.

It builds on the successful work to date, supporting providers and parents.

Where direct support, aided by national funding, is available Wokingham is directly involved supporting capital investment into the sector.

- Further briefings to child minders and out of school providers April-May 2017
- Individual meetings with schools to maximise use of nursery classes and wraparound care-April / May 2017
- Parent event (to coincide with the introduction of the HMRC checking system-May /June)
- Directory of providers offering 30 hours to be available from May / June and updated regularly
- Publicise to parents through website and social media-May / June 2017
- New capital builds (94 places) to complete August 2017
- Potential for expansion of provision on school sites to be pursued where opportunities arise.
- Potential for expansion of work place provision (including out of borough).

Summary

The analysis underpinning the strategy shows that based on national and local data there is sufficient capacity to implement the extended entitlement and a willingness by providers to explore and deliver the extended entitlement in flexible and innovative ways. The economics of the childcare market are such that they are dependent on additional services and hours to make the provision sustainable.

Wokingham is working with providers and using its own and national resources to ensure as many additional places as possible can be created.

Parents see this a positive innovation and many (1/3 of our sample) clearly intend to increase their number of worked hours. The market will respond, but the ability of providers to create new provision will depend on the scale of the additional need in September. The more gradual the rate of increase the more successful this will be.