

TITLE	Childcare Sufficiency Update
FOR CONSIDERATION BY	Children's Services Overview and Scrutiny Committee on 20 March 2018
WARD	None Specific;
DIRECTOR	Director of Corporate Services - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

That there are sufficient childcare places for Wokingham parents.

RECOMMENDATION

That the committee considers this report and makes such recommendations as it sees fit.

SUMMARY OF REPORT

The key points are:

- The new 30 hour entitlement is being delivered successfully in Wokingham. New provision has been created, but demand is slightly less than predicted.
- The percentage of vulnerable 2 year olds with childcare places is low at less than 60% is (so work to promote take up is required).
- The universal offer continues to be popular with no change in demand from last year.

The take up of the universal entitlement has held steady between this year and last and is expected to peak at over 3,400 children this summer.

Take up of places for vulnerable 2 year olds has fallen (it stands at 55% of eligible children), and this will be a focus of work to promote take-up amongst parents from the target group.

The 30 child care hour entitlement for working parents is being delivered and there is no shortage of places. The demand to date has been less than projected and there is a reasonable expectation that summer demand (the peak period as more children become eligible after Easter) will be met from available places. Demand may increase in future as the new entitlement becomes better known.

Some parents are experiencing difficulty with obtaining authorisation, apparently due to teething problems with the national on-line funding system. Wokingham cannot make payments unless authorised to do so through this system.

Three new providers have opened, new child minders have been enrolled and the level of funding has increased due to changes in the national funding arrangements so there are grounds for optimism that the local supply of places will continue to respond flexibly should demand increase.

Background

In July 2017 Wokingham's executive adopted the Wokingham Childcare Sufficiency Strategy 2017. This encompassed all the Council's childcare duties, but the principal concern was with the delivery of the new entitlement to an additional 15 hours free childcare for the children of working parents. Prior to the introduction of the additional 15 hours entitlement concern had been expressed, locally and nationally, that the funding rates were insufficient and would lead to the closure of childcare providers.

The statutory duties are 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).

Take up of universal free entitlement

The table below shows the take up of the free entitlement, comparing the same months in 2016/17 and 2017/18. Entitlement starts from the term after a child turns 3, but ceases when a child starts school (in the September before they turn 5). It therefore ramps up throughout the year, reaching a peak in the summer.

It can be seen from the table below that the numbers of children taking up the universal free entitlement are effectively identical in both years.

Total number of children taking up their free Entitlement after their 3rd Birthday						
	Oct 16-17	Oct 17-18	Jan 16-17	Jan 17-18	May 16-17	May 17-18
PVI & Childminder	1,755	1,739	2,186	2,245	2,548	Awaiting
School Nurseries	638	633	796	746	873	Awaiting
Total	2,393	2,372	2,982	2,991	3,421	0

Eligible 2 year olds

The table below shows the take up of the childcare offer for eligible 2 year olds (from the most disadvantaged families).

The table shows that the take up rate has been variable, but generally in the 50 to 60% range.

This is a cause for concern and points to a need for action to promote take up.

2 YO Data								
May-17			Oct-17			Jan-18		
Eligible 2 YO Data as of DWP (April 2017)	Take up May 17	Rate	Eligible 2 YO Data as of DWP (September 2017)	Take up Oct 17	Rate	Eligible 2 YO Data	Take up Jan 18	Rate
250	149	59.60	230	174	75.65	235	129	54.89

30 hour entitlement

The table below shows the take up rate in Autumn 2017 and Spring 2018.

As noted above the eligibility for free childcare (including the extended entitlement) ramps up over the course of the year.

This is the first year of the extended entitlement, so there are no previous year figures to compare them with, but it can be seen that the number of children taking the extended hours has increased term by term.

Summary of Pupils taking up Extended 15 hours funding

Autumn 2017				Spring 2018		
	Total count of pupils	Total pupils taking Extended hours	% Take up Rate	Total count of pupils	Total pupils taking Extended hours	% Take up Rate
PVI	1,821	546	29.98	2,143	774	36.12
Childminders	64	54	84.38	102	84	82.35
School Nurseries	633	166	26.22	619	136	21.97
Total WBC	2,518	766	30.42	2,864	994	34.71

The analysis presented in the strategy looked at the position in the summer months, when eligibility and demand are at their peak. At that point the DfE analysis had indicated there would be 1,350 eligible children. As can be seen the current total falls well short of the figure and it is likely that the actual summer figure will also fall below this total.

Analysis of Issues

Universal entitlement

The data does not indicate there are any significant issues here.

Eligible two year olds

Currently the transfer of families to universal credit is a cause for concern as this could lead to families losing entitlement without any significant change in their circumstances.

Given the relatively low take up there is a need for involved parties (e.g. childrens centres) to promote take up, as there is a considerable margin to make up.

30 hour entitlement

Based on the DfE entitlement figures above there is good reason to think that although the new offer is popular and well received, not all eligible parents are yet taking it up.

It should be noted though that this is the first year of operation and the apparent lack of take up may be due to factors such as teething problems and lack of public awareness, and so take up may increase in future years.

An important caveat is that the full demand does not ramp up until the summer months. These are normally a pinch point, but available evidence indicates this will not be an unusually difficult period.

It is understood though that the national experience mirrors the local experience – in that the new extended offer has not caused significant problems in delivery.

There are though a number of teething problems that seem to be ongoing.

The registration system for parents is problematic. Wokingham can only pay if in turn its is paid by central government. Issues on the government side (with, for example the release of temporary codes) have led to some families not receiving their support and conversely families not understanding the closing dates for applications have led to lack of eligibility. Temporary codes have been issued and while these have worked for 90% of claimants (approximately) in a small proportion of cases the wrong codes or ones conferring the wrong eligibility have been issued. The date of the Easter holiday may present a problem because the last week of the spring term falls in the first week of the 2018/19 academic year.

The supply of places too is not currently a problem. Three new providers, Waingels Gardens, Freckles 2 (Arborfield) and Woodley Pre-School have increased local capacity.

The number of childminders has increased too, to 75 from 20 last year.

Local schools have been keen to offer 30 hours childcare in a variety of flexible ways.

Funding rates have increased, by approximately 30p per hour per child. This reflects positive local adjustments associated with the phased introduction of the National Funding Formula.

In summary the new entitlement appears to have been rolled out without detriment to the supply of places and to the advantage of most eligible parents (teething problems aside). What will need to be watched though is any increase in demand as the entitlement becomes better understood.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be

required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	N/A	N/A	N/A
Next Financial Year (Year 2)	N/A	N/A	N/A
Following Financial Year (Year 3)	N/A	N/A	N/A

Other financial information relevant to the Recommendation/Decision

Cross-Council Implications (how does this decision impact on other Council services, including properties and priorities?)

Reasons for considering the report in Part 2

List of Background Papers

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