

Childcare Matters

**Information and idea exchange
events for early years and
childcare providers**



We are aiming to

- Share and discuss information updates and recent research.
- Focus on all early years and childcare entitlements: 30 hours, three- and four-year-olds, and two-year-olds.
- Discuss and agree messages to be shared with DfE.

Setting the scene

- Childcare Works' role
- Delivery of early years and childcare entitlements has changed significantly and requires change management. There are many lessons learned to share.
- Today offers an opportunity to reflect and share information.

The childcare market has changed



The Early Years
Foundation Stage

15



12.5



- 33 weeks increased to 38
- The Childcare Act (2006)
- The Sufficiency Duty
- Early Years Foundation Stage (EYFS)
- 12.5 hours increased to 15
- Increased flexibility and choice
- Funded two-year-olds
- Early Years National Funding Formula
- 30-hours
- Tax Free Childcare



The childcare market has grown

- 4.2 million families (6 million children) had used childcare (*DfE Parent Survey 2018*).
- The financial value and size of the UK childcare market has continued to grow. It is approximately 50% larger than in 2006 (*Nursery World summary of the report findings*).
- Private and voluntary sector employed an estimated 20,000 more staff than in 2017, totalling 319,000 (*CEEDA – Early Years Sector Skills Survey 2018*).



And the market continues to change

- Number of places remained relatively stable, at around 1.3m (*Ofsted Annual Report 2017/18*).
- Most nurseries and pre-schools are stand-alone settings (*Ofsted Annual Report 2017/18*).
- Around four out of 10 operate as part of a group under single registration (*Ofsted Annual Report 2017/18*).
- Providers reported spare capacity in full day care (*The Childcare and Early Years Provider Survey, DfE, 2018*).

Quality continues to improve

- 95% of early years providers judged good or outstanding - compared to 74% six years ago (*Ofsted Annual report 2017/18*).
- The percentage of children achieving a good level of development (GLD) continues to increase year on year.
- The percentage of children achieving at least the expected level of development in all 17 early learning goals continues to increase.
- The gender gap is narrowing.
- Study of Early Education and Development (SEED) – confirms children who spend time in quality education are more likely to have improved language and non-verbal skills.
- Early years staff qualified to level three or above has increased from 71% to 76% in 2018 (*CEEDA, Early Years Sector Skills Survey 2018*)



Looking ahead: Market change and growth

- Opportunities and threats: new business start-ups, mergers and takeovers.
- Resourcing and skills to ensure enough places to meet needs of children with SEND.
- Balancing affordability for families and sustainability for settings.

Any sector growth and change will include both closures and openings

- Understanding and responding to demographic changes. Provision needs to be where it is needed.
- Parental need and demand is changing – and so we all need to respond.
- Protecting sustainability of smaller and term-time only settings is possible through partnerships and joined-up working.

There is spare capacity in places

- If there are unused places, it is important to be clear why this might be the case.
- Are places not fully meeting local parents' needs, demands and choices?
- Is it a flexibility and expansion opportunity to be grasped? Or a sustainability concern to be addressed?

Maintaining high quality

- LA resource is limited and focused upon quality support, advice and training where improvement is identified by Ofsted.
- 49% of providers were still able to access free training, 40% subsidised, 40% market rate, 37% free consultancy support , 11% SLAs and traded services (*CEEDA, Early Years Sector Skills Survey 2018*).

Maintaining high quality

- Rising costs and new models create challenges for providers.
- In the CEEDA, Early Years Sector Skills Survey 2018 highlights:
 - 557 providers with 8,511 staff spent from nil to £10,800 on training in the previous 12 months - with the average being £600 (ex staff cover and expenses).
 - Forecast spend for next 12 months averages £525 per setting.

Maintaining high quality

- Workforce growth places pressure on recruitment and retention.
- The average staff turnover in the sector is 15%.
- One in four employers losing staff said pay was a factor in one or more cases .
- 77% of providers reported vacancies are hard to fill – but this is a drop from 84% in 2017.

(CEEDA, Early Years Sector Skills Survey 2018).



Finding out more

- **DfE Provider Survey** <https://www.gov.uk/government/statistics/childcare-and-early-years-providers-survey-2018>
- **SEND funding announcement** - <https://www.gov.uk/government/news/new-funding-to-support-children-with-special-educational-needs>
- **Childcare and Early Years Survey of Parents in England, 2018**
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/766498/Childcare and Early Years Survey of Parents in England 2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/766498/Childcare_and_Early_Years_Survey_of_Parents_in_England_2018.pdf)
- **The Social Mobility Plan**
<https://www.gov.uk/government/publications/improving-social-mobility-through-education>
- **Early Outcomes Fund** - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/748814/EYFSP_2018_Main_Text.pdf
- **Laing Buisson Report**
https://www.laingbuisson.com/wpcontent/uploads/2018/03/Childcare_14ed_SALES_FLYER.pdf
- **Nursery World summary** - https://www.nurseryworld.co.uk/nursery-world/news/1163671/growing-childrens-nursery-market-attracting-foreign-investors?mc_cid=d4d3f2f992&mc_eid=5b8109f04a
- **Study of Early Education and Development (SEED)**
[http://www.seed.natcen.ac.uk/media/16339/SEED Impact Age 4 Report September 2018 Research Brief.pdf](http://www.seed.natcen.ac.uk/media/16339/SEED_Impact_Age_4_Report_September_2018_Research_Brief.pdf)
- **Ofsted Annual Report 2017/18**
<https://www.gov.uk/government/publications/ofsted-annual-report-201718-education-childrens-services-and-skills>

National Update



DfE priorities

- Focus on ensuring second year of 30 hours runs smoothly.
- Supporting LAs and providers with SEND.
- All universal and targeted early years entitlements for two-, three- and four-year olds working together.
- Promoting take-up of least advantaged families of all entitlements.
- Sufficiency of places and LA childcare sufficiency assessments.
- Provider flexibility, change and sustainability.

Universal entitlement: Take-up is high.

- 95% of four-year-olds
- 92% of three-year-olds

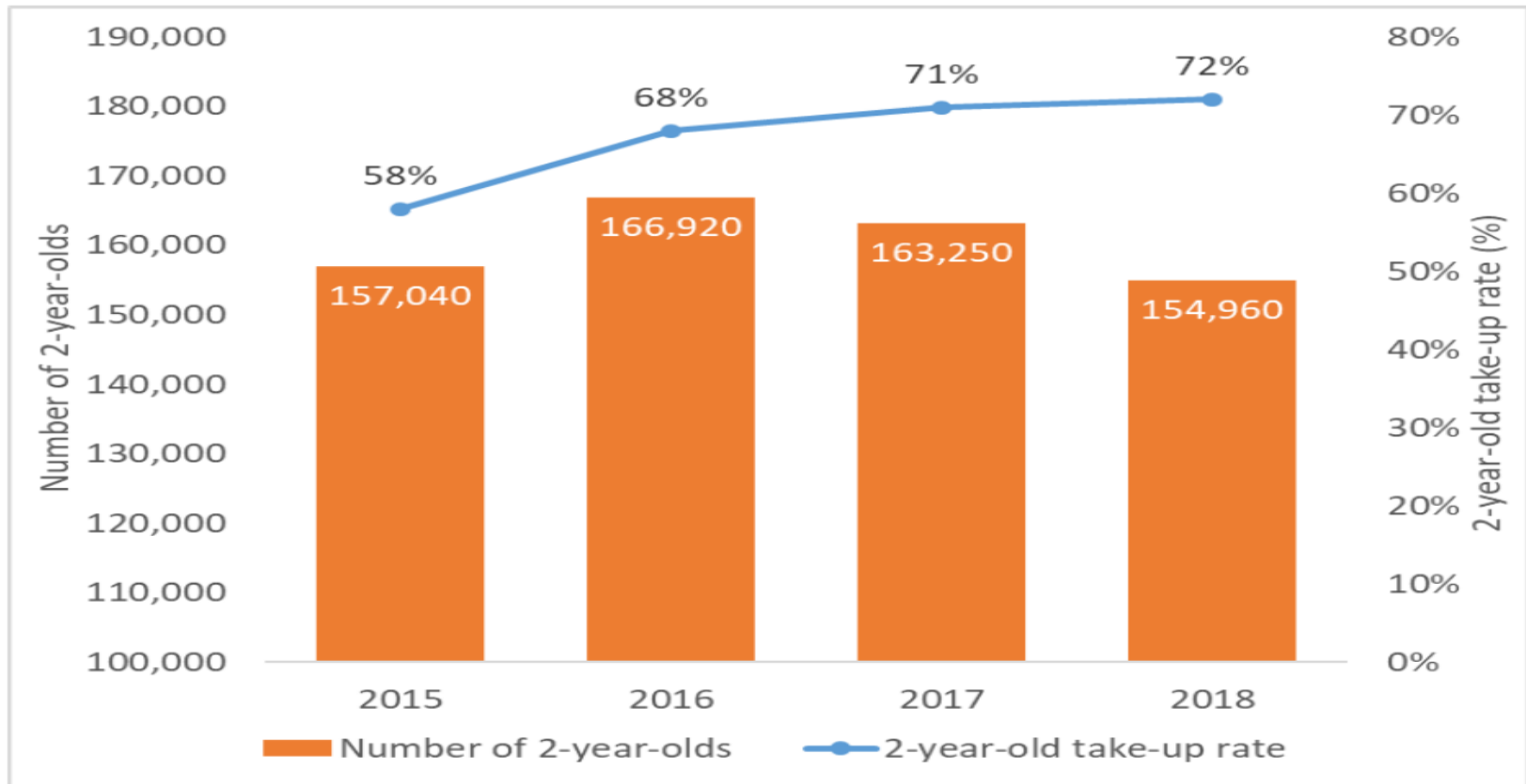
Benefitted from funded childcare or early education.

Survey of Parents in England. DfE (2018)

30 hours: Take-up is growing.

- 202,783 estimated in a place (*September 2017*).
- 240,000 estimated in a place (*September 2018*).
- 353,763 eligibility codes for spring term issued (*31 December 2018*).
- 328,950 eligibility codes validated (*by 28 January 2019*).

Two-year-olds: Take-up is stable



Source: Department for Education, Provision for children under 5 years of age in England, January 2018

The Social Mobility Plan: A new focus



Unlocking Talent, Fulfilling Potential

- Early years at the heart.
- Focused on disadvantage and narrowing the word gap.
- £800m Government investment towards raising attainment of disadvantaged children.
- A real recognition of the importance of a child's early years.

**childcare
works**

SEND in the early years

- Ensuring children with SEND can access free entitlements and receive the support they need is a priority.
- DfE data showed 6.3% of children accessing universal 15 hours and 2.6% accessing 30 hours have identified SEND (*DfE Statistical First Release, January 2018*).
- Some LAs reported local SEND budgets are challenging and it can be difficult to provide additional support beyond 15 hours (*Evaluation of the first year of the national rollout of 30 hours free childcare Research report, September 2018*)

SEND in the early years

- New SENCO Guidance - Level 3 Early Years SENCO qualification specification and Level 3 EY SENCO job description
<https://www.sendgateway.org.uk/resources.html?publisher=department-for-education>.
- Additional Funding - £350m to support children with complex needs.
- A new SEND Partnership.
- Voluntary and Community Grant Scheme.
- More still to be done.

Early Years SEND Partnership – Training, Support and Resources overview

Organisation	Training/Events	Resources	Specialist support to Local ALS	Contact Details & Further Information
The Council for Disabled Children (CDC)	Regional Action Learning Sets – 3 events per region over 18 months	EYSEND – Local Area Self-Review Tool	The Local Offer	For details about CDCs work, or the partnership as a whole, visit https://councilfordisabledchildren.org.uk/early-years-send-partnership
The Communication Trust (TCT)	1 day training & follow on e-learning qualification: SLCN Local Action Leads	SLCN Pathway Guidance Resources	Speech, Language and Communication Needs Pathway	For details about TCT's work in the Early Years, visit https://www.thecommunicationtrust.org.uk/early-years/ For information about TCTs work within the partnership, please email lbittles@ican.org.uk or mburns@ican.org.uk
I CAN	1 day training (with nasen): supporting children with SEND in PVI settings 1 full day of more in-depth SLCN training: Planning for and supporting SLCN in settings	SLCN in EY settings material on Talking Point website and links on SEND Gateway	Speech, Language and Communication Needs in Settings.	For more information, contact kfreeman@ican.org.uk
nasen	1 day training (with I CAN): supporting children with SEND in PVI settings 1 day training: whole setting SEND Reviewers	Early Years whole settings SEND Guide	A whole setting approach to SEN and disability	PVI training info can be found here: http://www.nasen.org.uk/professional-learning/meeting-the-needs-of-every-child-send-for-managers-in-pvis/ For information regarding whole setting SEND Review training contact alexo@nasen.org.uk
Contact	4 day training: EYSEND for Parents. 1 day training: Parents as Trainers 1 day training: Working with parents	N/A	Working with Parents	For information regarding this training contact Katie.barron@contact.org.uk

Please note - The following training and support are available only in the following regions – West Midlands, East Midlands, North West, North East, Yorkshire and the Humber

Looking ahead: Priorities

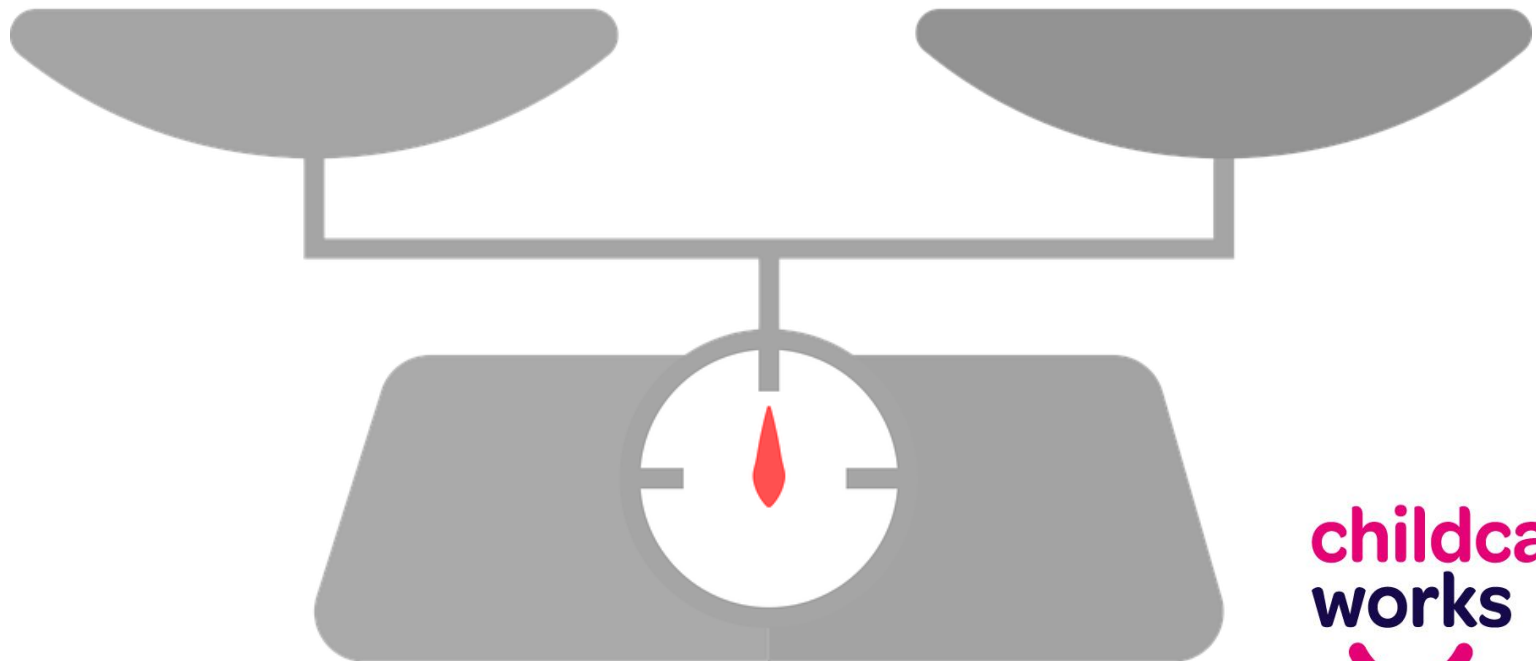
- Take-up of all early years entitlements is high on the agenda.
- 30-hours has been popular with parents and is now becoming more embedded
- Attention is returning to universal and two-year-old entitlements.
- Ensuring children with SEND have equal access.
- An focus on disadvantage and narrowing the word gap.

Finding out more

- **EYSEND Website** - <https://councilfordisabledchildren.org.uk/early-years-send-partnership>
- **EYSEND Partnership email** - EYSend@ncb.org.uk
- **30-hour take up** <https://www.gov.uk/government/statistics/30-hours-free-childcare-eligibility-codes-issued-and-validated>
- **SENCO guidance – Level 3 Early Years SENCO qualification specification and Level 3 EY SENCO job description**
<https://www.sendgateway.org.uk/resources.html?publisher=department-for-education>
- **SEND funding announcement** - <https://www.gov.uk/government/news/new-funding-to-support-children-with-special-educational-needs>
- **Early Outcomes Fund** - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/748814/EYFSP_2018_Main_Text.pdf
- **The Social Mobility Plan**
<https://www.gov.uk/government/publications/improving-social-mobility-through-education>

Local authority update and priorities

Balancing affordability and sustainability



In recent surveys...

- 52% of parents said it was easy or very easy to meet their childcare costs (52%).
- 19% reported it was difficult or very difficult to meet their childcare costs.
- 78% of parents were aware providers can charge for certain extra services, and 52% were aware that providers cannot charge parents any top-up fees.
- Of those who were aware providers can charge for certain extra services, 72% were aware parents can choose not to receive, or pay, for these services.

In recent surveys...

- Group-based providers were most likely to have increased fees in the last year. Amongst providers who charged fees, there were increased fees reported for at least one age group in the previous 12 months in:
 - 47% of group-based providers
 - 14% of school-based nurseries
 - 21% of childminders.
- 73% of costs incurred by group-based providers, and 84% of those incurred by school-based nurseries, comprised of staff costs including wages, National Insurance payments and pension contributions.

Childcare is paid for in a number of ways

- Private fees and charges.
- Government funding, paid via the local authority.
- Other schemes:
 - Childcare/employer voucher schemes.
 - Provision at the parents' place of work.
 - Tax Free Childcare.
 - Universal Credit or childcare element of Working Tax Credit.
 - Care to Learn.
 - Grants to support higher education.
- Additional income from fundraising and community support.



Government funding

Age 2	Age 3&4	Age 3&4
For families getting certain government support	For all families	For working families
15 HOURS FREE CHILDCARE	15 HOURS FREE CHILDCARE	30 HOURS FREE CHILDCARE

 **AVAILABLE IN ENGLAND**
For offers in Wales, Scotland and Northern Ireland check childcarechoices.gov.uk

Speak to your provider about any additional charges that may apply

For full details visit

childcarechoices.gov.uk

Getting childcare vouchers?

Go to GOV.UK to find out more



Operational Guidance: funded hours and charging

- Government funding is intended to deliver 15 or 30 hours a week of high quality, flexible childcare.
- DfE states funding is not intended to cover the costs of meals, other consumables, additional hours or additional activities.
- DfE states parents can therefore be expected to pay for such services offered by the provider alongside their free entitlement.
- Where parents choose to purchase additional services, this is a private matter between the provider and the parent.
- However, providers must offer alternative options for parents.

Admissions and charging policies: managing parental expectations

- Clear and accessible admissions information for parents which set out the number of standalone 15 and 30 hours places offered.
- Make it clear - which hours/sessions can be taken as funded provision.
- Publish a statement of how the entitlement is delivered and any additional charges for optional activities outside of the entitlement.
- A separate agreement for any additional hours or activities.
- Clear invoicing structures in place.

Schemes and funding to reduce the amount parents pay directly for childcare

- Childcare/employer voucher schemes.
- Provision at the parents' workplace.
- Tax Free Childcare.
- Universal Credit or childcare element of Working Tax Credit.
- Care to Learn.
- Grants to support higher education: Discretionary Learner Support, Childcare Grant.

Key features of tax-free childcare

- Tax-free childcare will provide government help of

20% of total childcare costs, up to maximum amounts

- The help can be used towards childcare costs for children under

12 (or under 17 if a child is disabled).

- The maximum amount is **£10,000** per child per year; that means a parent has put in £8000 and the government has put in £2000

- For disabled children, the maximum government top up is **£4,000 per child per year** (where a parent has put in £16,000)

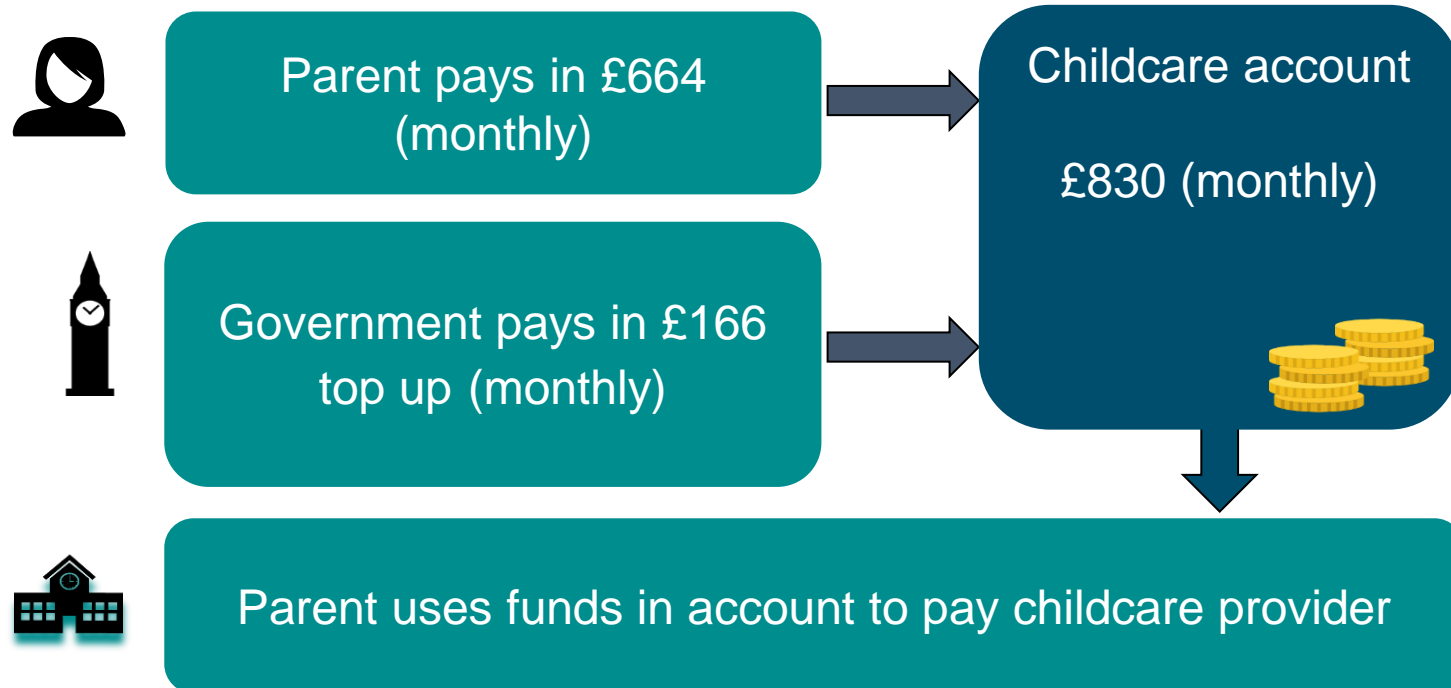


- Parents who are already in childcare voucher schemes can decide to stay in them if their employer continues to provide the scheme. But parents won't be able to join a childcare voucher scheme once tax-free childcare starts.

- Where one parent works and the other is getting benefits because they can't work or they are looking after a disabled person, they will still be eligible

- Tax-free childcare **can't be used at the same time as any other forms of help** – including tax credits, Universal Credit, childcare vouchers or student finance support for childcare.

Tax Free Childcare example



Source Childcare Service, February 2019

What parents need to do?

- Go to <https://www.gov.uk/get-tax-free-childcare>
- Use the step by step guide to apply. They will need:
 - a form of ID (passport or P60)
 - their National Insurance number
 - their partner's National Insurance number (if they have one)
- Use their childcare account to pay their provider.
- Sign into their account to reconfirm their details every three months.

Key features of the Universal Credit childcare element

- usually, both parents must be working, but there are exceptions where one partner is unable to work because of illness/disability or caring for a disabled person.

- The childcare element is currently worth up to

70%

of childcare costs, but up to

85%

of childcare costs will eventually be covered

(from April 2016)

- Childcare costs need to be reported every month to be included in the Universal Credit award

- Universal Credit is usually **1** payment, made to **one** person, **once** a month, and it must be claimed online

- Parents may have to look for work, even when they are in a job, as a condition of their Universal Credit

- Universal Credit includes elements for children and the claimant, and may include help with housing costs –

it replaces Housing Benefit, Income Support, income-based Jobseeker's Allowance, Child Tax Credit, Working Tax Credit and income-related Employment and Support Allowance





HELP PAYING FOR CHILDCARE



MONEY TOWARDS CHILDCARE

Any **one** of the following schemes...

Age
0-11

Or 16 if disabled

Get up to
£2000 per child
For working families

TAX-FREE CHILDCARE

Age
0-15

Claim back up
to **85%** of costs
For working families

UNIVERSAL CREDIT

Age
0-15

Or 16 if disabled

Claim back up
to **70%** of costs
For working families

TAX CREDITS



AVAILABLE IN UK

... **can** be used with

FREE HOURS OF CHILDCARE

Age
2

For families getting
certain government
support

15 HOURS FREE CHILDCARE

Age
3&4

For all families

15 HOURS FREE CHILDCARE

Age
3&4

For **working** families

30 HOURS FREE CHILDCARE



AVAILABLE IN ENGLAND

For offers in Wales, Scotland and Northern Ireland check childcarechoices.gov.uk

Speak to your provider about any additional charges that may apply

For full details visit

childcarechoices.gov.uk

Getting childcare vouchers?
Go to GOV.UK to find out more

Things providers have done to support affordability and sustainability

- Understood how much it costs to deliver different places on offer.
- Made sure fee structures reflect the different costs for babies, two, three- and four-year-olds.
- Researched what other local providers are charging and offering.
- Identified the percentage of setting income from funded hours.
- Considered how funded hours impact on the breakeven point and annual income.

Things providers have done to support affordability and sustainability

- **Found out more about the full government childcare offer at** www.childcarechoices.gov.uk
- **Stocktakes of the number of families who use any schemes.** If it is low, understand why and take action.
- **Signposted parents to the Childcare Calculator** to assist find out more and choose what works best for their family. <https://www.gov.uk/childcare-calculator>
- **Registered for Tax Free Childcare** <https://www.gov.uk/guidance/sign-up-to-tax-free-childcare-if-youre-a-childcare-provider>
- **Supported families to understand that Tax Free Childcare** which can help pay for additional services. For example, lunches or trips, where they are part of the childcare costs and will cover childcare when they are sleeping after a night shift or travelling to and from work.



Things providers have done to support affordability and sustainability

- Not assumed families cannot afford to pay a little more, if a fee increase is needed to achieve required income.
- Not assumed families will stop using employers' childcare vouchers in the near future. Even though new applications have closed, there may be families (with younger children) who may wish to continue to use them in the future.
- Ensured websites and marketing materials made it clear parents can use the schemes, and ensured staff know about them, and can help parents a little.

Things providers have done to support affordability and sustainability

- Continued to do the maths.
- Understood a pound charged is not a pound spent, if families access a scheme to reduce the amount they pay for childcare.
- Calculated how much a family may save using a scheme and ensure this becomes part of conversations about fees with current and prospective families.



As well as these savings, the term after your child is three you can access 15 or 30-hours of government funded early education which will reduce your costs by approximately another £a per year

Our day rate is £x but if you access one of the schemes such as Tax Free Childcare you could save 20% reducing your annual bill by up to £2,000 per year, or if you are eligible for Universal Credit it could be a maximum saving of 85% which could be up to £z per month?

You currently pay £x per month as your child is under two and our staffing ratios are higher. The term after his third birthday your monthly fee will drop from £x per month to £y per month. A saving of £P per year.

Finding out more

- **Providers can register for Tax Free Childcare**
<https://www.gov.uk/guidance/sign-up-to-tax-free-childcare-if-youre-a-childcare-provider>
- **Details about the full government childcare offer**
www.childcarechoices.gov.uk
- **Childcare Calculator to assist parents to find out more and choose what works best for their family** <https://www.gov.uk/childcare-calculator>
- **A tool families can use to work out what childcare costs they should claim**
<https://www.gov.uk/childcare-costs-for-tax-credits>
- **Discretionary Learner Support** <https://www.gov.uk/discretionary-learner-support>
- **Childcare Grant to pay for childcare costs for children under 15 (or under 17 if they have special needs)** <https://www.gov.uk/childcare-grant>
- **Universal Credit** <https://www.gov.uk/universal-credit>
- **Care to Learn** <https://www.gov.uk/care-to-learn>



Key note speaker



Collection and confirmation of
messages to share with DFE

Summary and close