

CHILDCARE SUFFICIENCY ASSESSMENT

Covid-19 Review
2020 – 2021

This document provides a review of the sufficiency of early years education in Derbyshire following the COVID-19 pandemic.

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Childcare Sufficiency Assessment

2020-2021 COVID-19 Review

1. INTRODUCTION

- 1.1 Since spring 2020 the COVID-19 pandemic has had an unprecedented impact upon the lives of people in the UK. One of the most dramatic actions taken to reduce the spread of the virus was the closure of schools and childcare settings to all but vulnerable children and those from families of critical workers.
- 1.2 At the start of the autumn term Derbyshire schools and childcare providers saw a return to full re-opening. This has not been affected by the localised three tier system or the second lockdown period in November, but there are a number of challenges that remain for both parents and childcare providers. Unfortunately we do not know how long the virus will continue to affect our everyday lives or how it will impact upon both the demand and supply for childcare in the longer term. The purpose of this report is to consider the childcare market in light of the changes brought by the pandemic and attempt to identify where there may be issues and what can be done to mitigate these.
- 1.3 The childcare sufficiency duties outlined in the government's statutory guidance remain the same but the childcare market is clearly in a different situation to that of previous years and it will continue to change throughout the lifetime of the virus.

2. THE CHILDCARE DUTY

- 2.1 The statutory duty under sections 6, and 7 of the Childcare Act 2006 requires the local authority to secure sufficient childcare, so far as is reasonably practicable, for working parents or parents who are studying or training for employment, for children aged 0 – 14 (or up to 18 years for disabled children).
- 2.2 The local authority must report annually to elected members and make this report available and accessible to parents. The report should include specific information about:

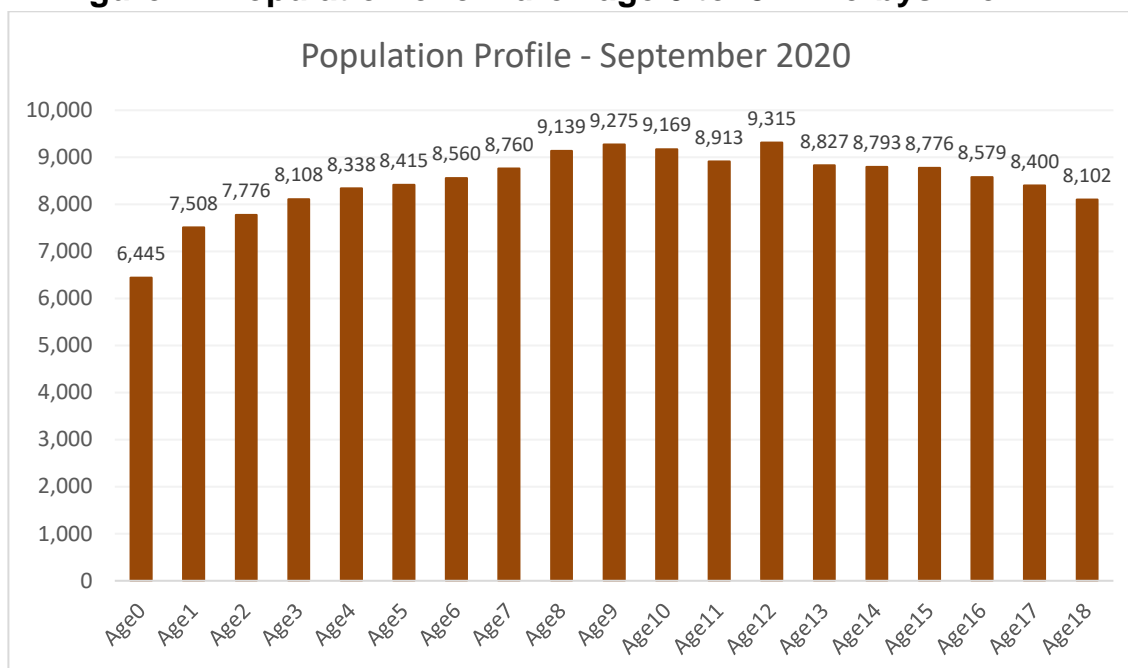
- How the local authority is ensuring there is sufficient childcare to meet needs of parents
 - Supply and demand of childcare, affordability, accessibility and quality of childcare provision
 - Details of how any gaps in childcare provision will be addressed.
- 2.3 Whilst the production of the report remains a statutory duty local authorities are responsible for determining the appropriate level of detail in their report, therefore this report focusses primarily on the impact that COVID-19 may have the early years free entitlements for two, three and four year olds.
- 2.4 The data in this report can only provide a snapshot and can change on a daily basis. While Derbyshire County Council believes this information to be correct, it does not guarantee its accuracy nor does the Council accept any liability for any direct or indirect loss or damage or other consequences arising from the use of such information supplied.

3. DEMAND FOR CHILDCARE

Population of children in Derbyshire

- 3.1 Understanding the population of children in Derbyshire is a key tool in estimating the potential demand for childcare to ensure there are sufficient childcare places, where reasonably practicable, for children age 0 – 14 and disabled children/young adults up to the age of 18 as required by the legislation.
- 3.2 Population data provided by NHS Digital based on the number of children on GP registers suggests a decline in the birth rate in recent years which could have implications for the demand for childcare now and in the future (figure 1).
- 3.3 The demand and type of childcare will differ in each age group, and as a child gets older the need for childcare will change or reduce. There are several age groups that require differing types of childcare and this can be found in figure 2 which shows the population of Derbyshire by district and the differing age groups.

Figure 1. Population of children age 0 to 18 in Derbyshire.



Source: NHS Digital 18th September 2020

Types of childcare

- 3.3 Children age 0 - 2 mainly require day care, usually provided by day nurseries and childminders (although some pre-schools and schools are registered to care for 2 year old children). Around 40% of two year olds are also eligible for 570 hours per year of free funded childcare (often taken as 15 hours per week over 38 weeks of term time). This is known as the two year old entitlement (see paragraph 3.20).
- 3.4 All 3 & 4 year olds are entitled to 570 hours of funded early education or childcare per year (the universal entitlement) which again is often taken as 15 hours a week for 38 weeks of the year. Working families may be entitled to a further 570 hours per year or 30 hours per week term time for their three or four year old. This is called the 30 hours extended entitlement. These hours alone are often enough to meet the childcare needs of many families although the option to pay for additional hours is available if needed. This type of provision can be provided by day nurseries, childminders, pre-schools and school nurseries.
- 3.5 As children aged 5-11 will be in full-time education, this group may require wrap around childcare before or after school or in the holidays, again this can be provided by the childcare providers listed above or by stand-alone out of school provision either on or off school sites.
- 3.6 As a child reaches secondary school age the need for childcare diminishes as they become more independent, for example, Figure 2 shows there are around 26,935 children age 12 - 14 in Derbyshire that could potentially

require childcare. The demand here is significantly less than other age groups. Official consultation results released by the Department of Education (DfE) in 2018¹ suggests only 26% of age group require formal childcare, therefore this figure could be as low as 7003.

Figure 2. Population by age group 0 – 18

District	Age 0 - 2	Age 3-4	Age 5-11	Age 12-14	Age 15-18 (SEND)	TOTAL
Amber Valley	3409	2657	9785	4180	310	20341
Bolsover	2469	1709	6432	2811	197	13618
Chesterfield	2958	2125	8261	3463	252	17059
Derbyshire Dales	1415	1155	4846	2319	191	9926
Erewash	3169	2416	9282	3776	296	18939
High Peak	2451	1880	7020	3177	236	14764
North East Derbyshire	2610	2069	7514	3239	249	15681
South Derbyshire	3257	2435	9091	3970	299	19052
TOTAL	21738	16446	62231	26935	2031	129381

Source: NHS Digital September 2020

- 3.7 In general, young people in the 15 -18 age group that require childcare are those with additional needs or disabilities. It is difficult to estimate the number of children and young people in Derbyshire with a disability or additional need but the Office for Disability Issues (Dept. for Work and Pensions) estimates that 6% of children are disabled². Using this figure it is estimated that there are currently approximately 2031 young people in Derbyshire aged 15 to 18 with an additional need or disability who may need childcare.
- 3.8 Childcare provision for disabled children/young people with special educational needs and disabilities (SEND) is provided by mainstream childcare settings and a number of specialist services in both the maintained and PVI sectors. All childcare provision must be inclusive and not treat children less favourably because of a disability or additional need and is required by law to make 'reasonable adjustments'. The Derbyshire Local Offer brings together information about the services and support available for children/young people with SEND, and their families; <https://localoffer.derbyshire.gov.uk/>

¹ www.gov.uk/government/statistics/childcare-and-early-years-survey-of-parents-2018

² <https://www.gov.uk/government/publications/disability-facts-and-figures/disability-facts-and-figures#fnref:3>

- 3.9 As shown in figure 2, there are approximately 129,381 children in Derbyshire that could potentially require childcare of some form, but not all will. Not all families have both parents in employment, some may have working patterns that mean formal childcare is not required and others may prefer to rely upon friends and family to provide informal childcare.

Potential impact of COVID-19 on demand for childcare

- 3.10 Whilst it is too early to measure the full extent of the pandemic on the demand for childcare there are a number of issues that should be considered. Prior to the pandemic significant numbers of parents relied upon friends and family members such as grandparents to meet their childcare needs rather than use formal childcare. Even after the first lockdown was relaxed some families may have no longer had this option due to shielding requirements or tighter restrictions on households mixing.
- 3.11 But unlike the first lockdown, the localised three tier system and the second lockdown saw the introduction of childcare bubbles. This is where one household links with one other household to provide informal childcare (unpaid and unregistered) to a child or children aged 13 or under. They can provide the childcare in either or both of the homes from the 2 households.
- 3.12 Additionally, changes in employment legislation and working patterns can impact upon the demand for childcare. Following the COVID-19 lockdown many employees will have found themselves working from home for the first time using technology to support this. The longer term impact of this on regular working practices is uncertain but it may be that many employers and employees continue with these flexible working practices. This would impact upon the demand and type of childcare required in the future, for example, a parent who now works from home may have the flexibility to change their working pattern so they can work around the needs of their child, i.e. evenings and weekends
- 3.13 It is assumed that the COVID -19 outbreak will have some longer-term impact upon the childcare market, for example, demand for childcare may change if local businesses close or large employers have to make redundancies. Higher unemployment can reduce the numbers of parents who require both paid childcare places and the extended entitlement and ultimately may affect the sustainability of early years provision.
- 3.14 Because of all of the above factors it is only possible to estimate the potential numbers of children that will require childcare and in this changing environment it will be a continually evolving picture, particularly if there is a period of global recession or higher unemployment.

Universal entitlement for three and four year olds

3.15 Typically in Derbyshire the number of parents who choose to take up some or all of their universal entitlement for three and four year olds is consistently around 99% each year, this compares favourably to the national average of 94% in England as a whole and 96% in the East Midlands region³. Initial indications from childcare providers suggest that fewer parents are choosing to access this entitlement. Further clarification as to the reasons behind this downturn may need to be undertaken but initial assumptions are that it is largely due to parental anxiety about safety or a reduction in the need for childcare if parents are working from home or no longer working. In a recent Ofsted briefing it was reported that more than a third of the 121 schools visited for the report had noticed a rise in parents taking their children out of school to home school them due to safety concerns⁴ and this trend may well be replicated in early years.

Lost children

3.16 Any downturn in take up of early years education is a cause for concern if it continues to have a significant impact upon the numbers of children going into reception classes without having had any form of early years education (termed 'lost children'). This may have consequences for the 'school readiness' of children in future years. Not only does it raise concerns about the levels of independence for pre-school children but it may also have safeguarding consequences.

30 hours extended entitlement

3.17 Despite an ongoing twitter and media campaign from Derbyshire, fewer parents applied for their 30 hour code before the cut off deadline of 31 August 2020 than in previous years. To support parents this term Derbyshire took the decision to fund any parent that received a 30 hours code before 14 September 2020.

3.18 In addition the actual numbers of parents applying has reduced when compared to the same term in the last academic year, the number of children with a 30 hours code funded in the current autumn term (2020/2021) has reduced by around 313 when compared to the same term in the 2019/2020 term.

³ <https://www.gov.uk/government/statistics/education-provision-children-under-5-years-of-age-january-2019>
Table 8LA

⁴ <https://www.gov.uk/government/publications/covid-19-series-briefing-on-schools-september-2020>

Figure 3. No. of 30 hour codes received by Derbyshire

	Autumn term 2020/2021	Autumn term 2019/2020
No of 30 hour codes funded	3103	3416

Source: Derbyshire County Council, Information and ICT, Children’s Services, Sep 2020

3.19 Investigation into the potential causes of this reduction will need to take place to confirm if it is due to fewer parents being eligible due to loss of employment or if it is due to health concerns around the coronavirus.

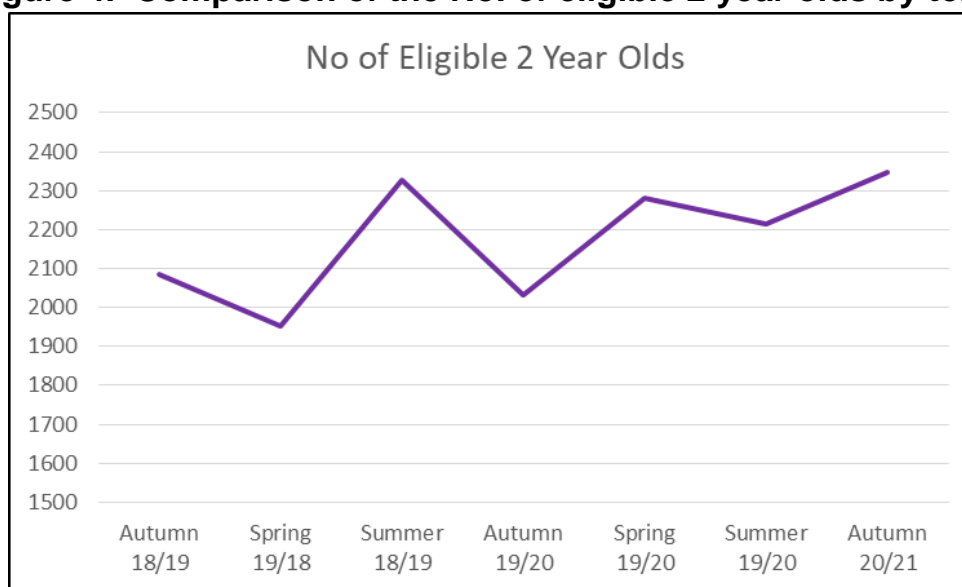
Two year old entitlement

3.20 Eligibility for the two year old entitlement is determined by the Department for Work and Pensions (DWP). To be eligible parents/carers must meet certain financial criteria which includes receiving income base Job Seekers allowance, Working Tax Credit or Universal Credit; but there are also some non-economic criteria. The full list of criteria can be found at: <https://www.gov.uk/help-with-childcare-costs/free-childcare-2-year-olds>

3.21 This means that the demand for two year old funded places could increase if more parents/carers claim these benefits due to unemployment.

3.22 By comparing the number of eligible two year olds on the DWP list over the last three academic years we can see there is a small uplift in the figures see figure 4. This will need monitoring over the next academic year to see if the eligible numbers continue to increase if there is a downturn in the economy.

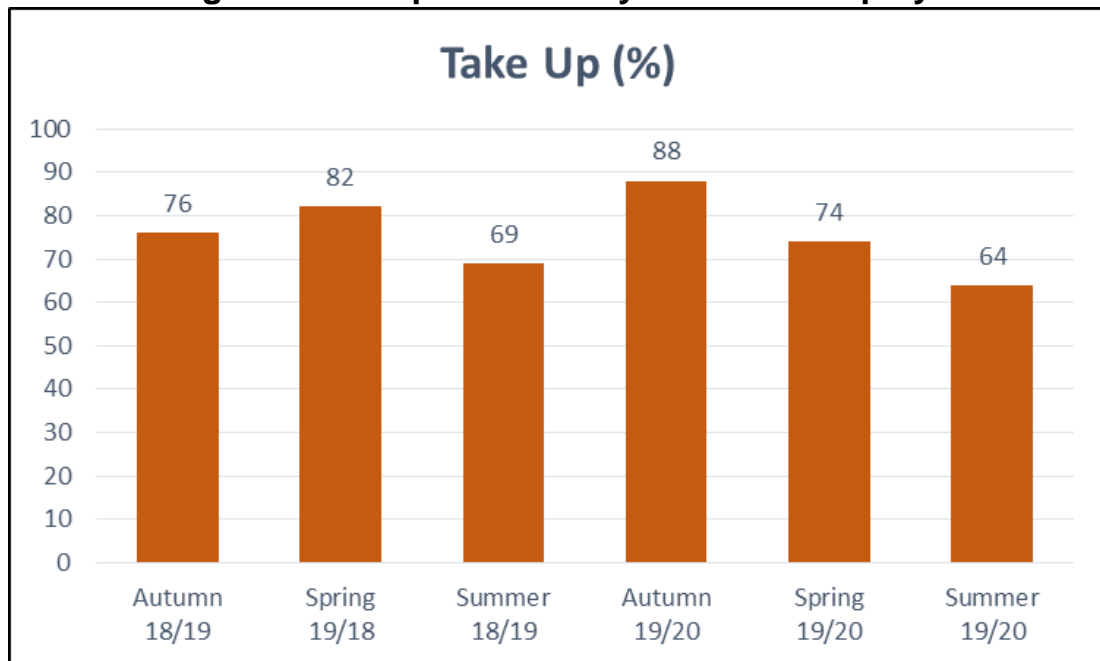
Figure 4. Comparison of the No. of eligible 2 year olds by term



Source: Derbyshire County Council, Information and ICT, Children’s Services, Sep 2020

3.23 Take up levels have been affected by the COVID-19 pandemic despite funding levels being maintained by the local authority see fig (below). This may be due to parents keeping their children at home due to health concerns even after the initial lockdown was relaxed and early years settings were fully re-opened again.

Figure 5. Comparison of 2 year old take up by term



Source: Derbyshire County Council, Information and ICT, Children’s Services, Sep 2020

Wraparound childcare

3.24 After school provision was instructed to close when the country first went into lockdown. Providers operating on a school site were allowed to open from 1 June 2020 and those operating off school sites from 4 July 2020.

3.25 The demand for wrap around childcare may be reduced if more parents are working from home or experience a period of unemployment as they will be at home when children return from schools and during school holidays. This potential fall in demand will need to be monitored going forward.

Affordability

3.26 During the COVID-19 pandemic the local authority received no feedback from parents regarding affordability, moreover the authority became aware of a few providers who were actually waiving fees for critical worker parents as a way of supporting the effort of the NHS staff.

3.27 Going forward the local authority will monitor this closely to ensure providers are not implementing ‘top up’ to offset any loss in income during the lockdown period. The definition of ‘top up’ as per A1.30 in the ‘Early Education and Childcare Statutory Guidance for Local Authorities’ June 2018 is:

- charge parents “top-up” fees (any difference between a provider’s normal charge to parents and the funding they receive from the local authority to deliver free places).
- require parents to pay a registration fee as a condition of taking up their child’s free place.

3.28 It is a legal duty for local authorities to ensure providers do not charge top up and to work with providers and parents to ensure all parents, including disadvantaged families, have fair access to a free place, which must be delivered completely free of charge.

4. SUPPLY OF EARLY YEARS PLACES

Number of early years providers in Derbyshire

4.1 The number of early years childcare providers in the county registered to deliver early years funded places has reduced from 712 in September 2019 to 705 in September 2020 see figure 6 overleaf.

Figure 6. No. of providers delivering early years funded places

	Sep-19	Sep-20	Change
Day Nurseries	143	141	-2
Pre- Schools	110	107	-3
Childminders	328	319	-9
School run provision	121	127	6
Independent schools	10	11	1
TOTAL	712	705	-7

Source: Derbyshire County Council, Information and ICT, Children’s Services, Sep 2020

4.2 The table shows a reduction in providers in the last 12 months, five of which were in group care settings. In any year there will be a small number of group care closures for different reasons such as retirement etc.

4.3 The provider type that has seen the largest area of growth in the last 12 months is school run provision. This is mainly due to schools creating or converting existing provision using the governor run model and could reduce the demand for non-school group care.

- 4.4 Childminder numbers have reduced by nine but this is only a 3% reduction on the previous year. The number of childminders has been falling nationally over an extended period and have reduced by 9,500 (20%) since 31 August 2015.⁵ Childminder closures have a smaller impact on the number of overall places than the closure of group care settings as they generally care for fewer children.

Potential impact of COVID-19 on the supply of early year places.

- 4.5 Early years childcare providers are currently working extremely hard to sustain their businesses where normal income streams have been reduced due to the COVID-19 pandemic.
- 4.6 Every autumn term providers see their lowest occupancy of children due to all four year olds taking up a full-time place in a reception class from September. This is the term when settings experience the most financial difficulty until numbers increase again in the spring and summer terms. The higher revenue in the spring and summer terms offsets the funding shortfall in the autumn term. It is anticipated that restrictions placed on providers due to the COVID-19 crisis could mean that providers do not have their usual reserves and many may face financial uncertainty in the coming year.
- 4.7 In an attempt to mitigate the above, in line with government guidance, Derbyshire funded childcare settings at pre-pandemic levels (see paragraph 6.1 on page 18 for further details of this and the other financial support that was available to childcare settings). To survive the financial uncertainty of the COVID-19 pandemic settings will also need to make necessary changes to services including being more flexible and re-assessing future models of delivery.

Quality of provision during the COVID-19 pandemic

- 4.8 On 17 March, all routine Ofsted inspections for early years and childcare providers were suspended. From September Ofsted started a programme of visits to early years registered providers in addition to the registration and regulation work for early years and childcare providers.
- 4.9 In April, temporary disapplications to the Early Years Foundation Stage (EYFS) came into force. This was to allow providers greater flexibility to respond to changes in workforce availability and potential fluctuations in demand, while still providing care that is high quality and safe.

⁵ <https://www.gov.uk/government/publications/childcare-providers-and-inspections-as-at-31-august-2019/main-findings-childcare-providers-and-inspections-as-at-31-august-2019>

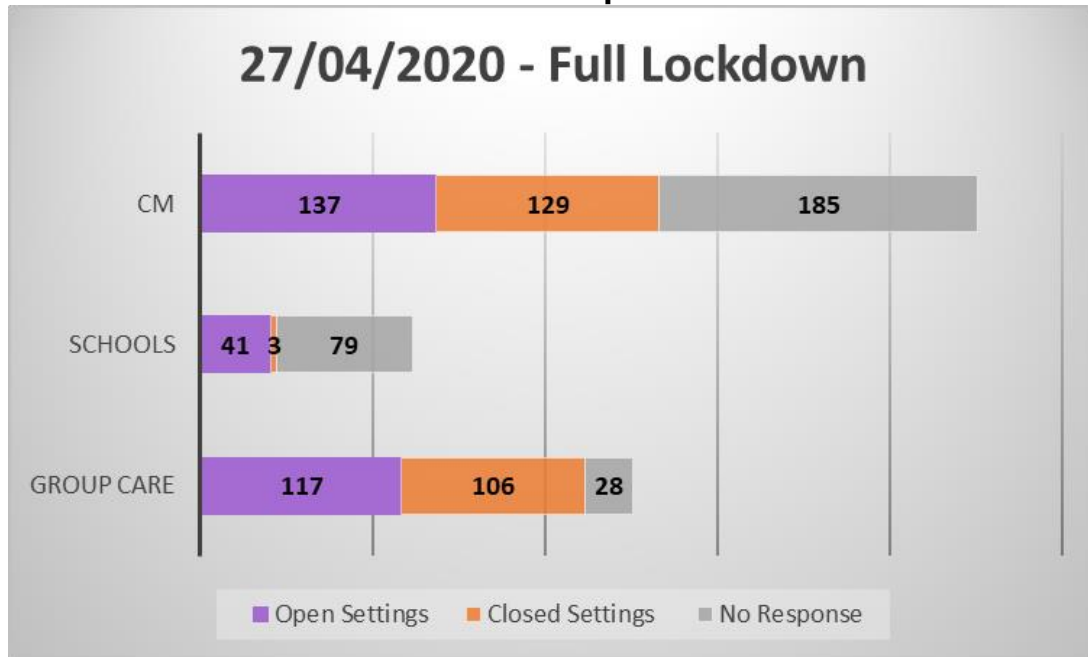
- 4.10 Between the period 28 September and 25 November 2020 these statutory requirements will be re-instated.
- 4.11 New regulations came into force on 26 September 2020. These allowed the temporary changes to the EYFS to be reapplied in the event of future coronavirus (COVID-19) related lockdowns imposed by government. This is because a lockdown may affect a provider's ability to comply with the EYFS.
- 4.12 To continue to support providers with the quality of provision throughout the pandemic several additional measures were put in place including:
- Frequently Asked Questions (FAQs) circulation
 - Key information and messages shared through virtual Leaders and Managers Briefings.
 - Monthly newsletters issued to the sector with key information, links to support and share good practice.
 - Virtual keeping-in-touch meetings delivered on a one to one basis with individual settings.

5. SUFFICIENCY OF EARLY YEARS CHILDCARE

Sufficiency of childcare during lockdown

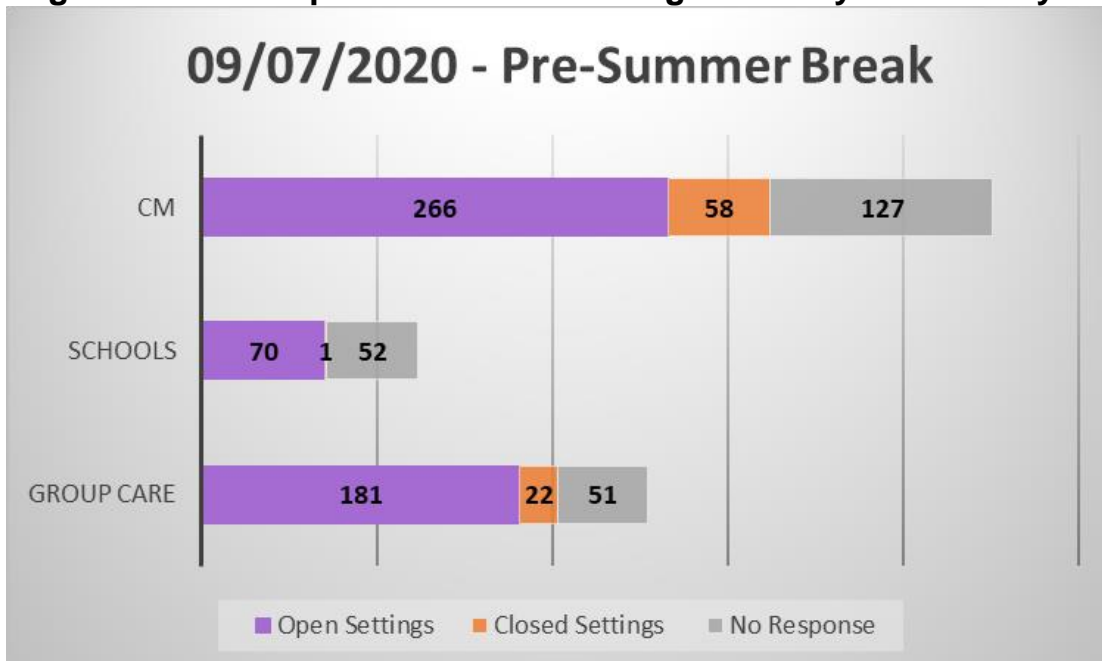
- 5.1 On 23 March 2020 the Government took the unprecedented decision to send the country into its first lockdown and as part of that measure all schools and childcare providers closed their doors to all but vulnerable children and children of critical workers.
- 5.2 During that period a number of childcare settings were forced to close their doors due to low numbers and/or health concerns. It was a requirement during this period that all schools and childcare providers reported weekly to the DfE to confirm if they were closed or open, and if so the number of children they were accommodating.
- 5.3 Figures 7, 8, 9 and 10 detail the numbers of Derbyshire childcare settings that responded to these weekly requests during full lockdown, prior to the summer break when lockdown restrictions were released and compared to full re-opening in the autumn of the new 2020-2021 academic year.

Figure 7. No. of open and closed settings in Derbyshire during full lockdown period



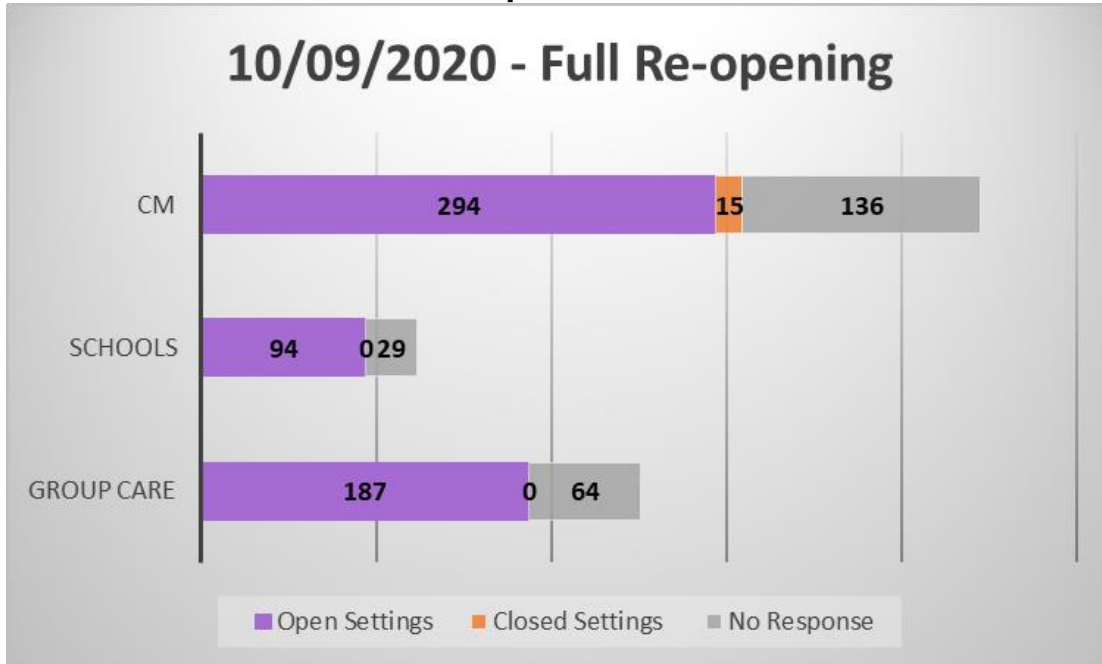
Source: Derbyshire County Council, Information and ICT, Children's Services, Sep 2020

Figure 8. No. of open and closed settings in Derbyshire in July 2020



Source: Derbyshire County Council, Information and ICT, Children's Services, Sep 2020

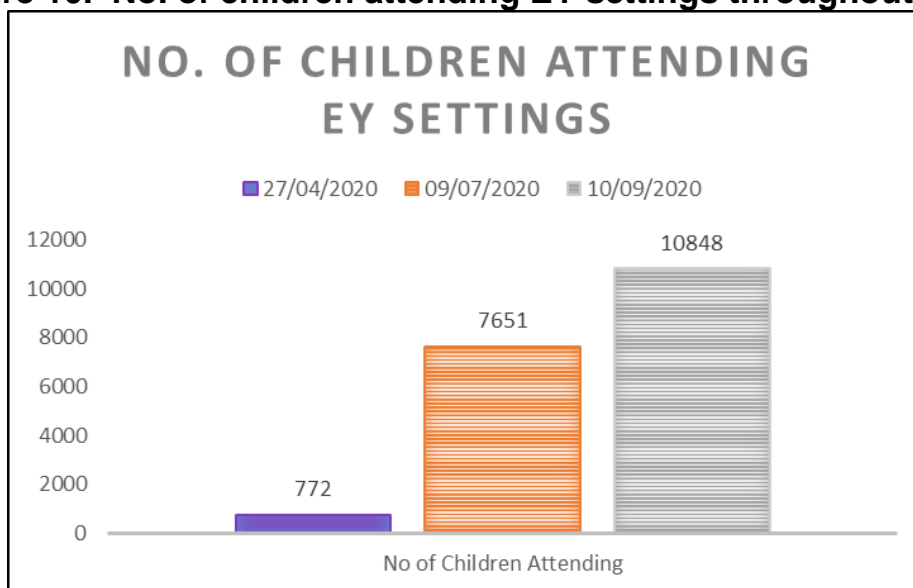
Figure 9. No. of open & closed settings in Derbyshire in September 2020



Source: Derbyshire County Council, Information and ICT, Children’s Services, Sep 2020

5.4 Figure 9 illustrates that all the group care and school based settings that responded were fully open again in September 2020 and only a minor number of childminders remained closed. Depending on how the virus spreads some settings may be forced to close again temporarily due to confirmed cases of COVID-19 or staffing issues. It is too early to report on the impact of the second lockdown period on the number of settings that remain open. Ongoing monitoring will take place and settings will be supported where necessary.

Figure 10. No. of children attending EY settings throughout pandemic



Source: Derbyshire County Council, Information and ICT, Children’s Services, Sep 2020

- 5.5 Figure 10 shows the number of children that were attending at the crucial points of the epidemic, initially full lock down, prior to the summer break when lockdown restriction had been relaxed and more children were able to return to childcare, and at the start of the new academic year when all provision should be fully re-open. All settings are expected to remain open to all children during the second lockdown unless advised to close, or left with no option but to close, due to public health reasons.
- 5.6 As part of the weekly DfE returns providers are asked if they have concerns about sufficiency following the COVID-19 pandemic. Less than one percent of providers that responded have indicated they are concerned.

Permanent closures of early years providers

- 5.7 An increase in the number of private sector provider closures (non-schools) could be an indication of the negative impact COVID-19 has had on the childcare market. To measure this the number of closures between 23 March 2020 and 30 September 2020 has been compared to the same period in the previous year.

Figure 11. Comparison of no. of childcare closures

	23/03/19 - 30/09/19	23/03/20 - 30/09/20
Childminders	21	28
Day Nurseries	2	3
Pre-schools	3	3
Total	26	34

Source: Derbyshire County Council, Early Years Service, Sep 2020

- 5.8 The table above illustrates that in the group care sector there is no significant increase but this will be monitored further in the coming months as the financial support schemes provided are phased out and as demand from parents could potentially change.
- 5.9 There has been a small increase in the number of childminder closures but this is only a small percentage of the total number of childminders. The childminding sector sees a greater number of both opening and closures over the course of a normal year as the personal circumstances of childminders can change relatively frequently which can impact on their ability to provide childcare. The impact on childminders will continue to be monitored to see if they have been disproportionately affected by the pandemic.

5.10 Currently there is no obvious impact in term of closures but this may change in the next year as the Government support schemes come to an end in spring 2021.

District analysis of early years sufficiency

- 5.11 Whilst Derbyshire as a whole does not indicate a deficit of early years funded places for 2, 3 & 4 year olds it is important to try and identify any specific areas that may have pockets of undersupply. The Early Years Sufficiency Team undertakes ongoing monitoring at both a district and ward level to identify areas of concern.
- 5.12 This monitoring compares the estimated number of early years childcare places required based on the population of 2, 3 and 4 year olds in each individual ward and compares it to the number of early year's places offered by the providers located in the ward.
- 5.13 Not every ward will have a childcare setting located within it but will have population data, therefore some wards will show a deficit of places.
- 5.14 Generally where one ward shows a deficit this is offset by the number of places available in neighbouring wards where there may be one or several childcare providers providing sufficient places to meet the needs of the population. This means that not all parents will access childcare within the ward in which they live and may be using childcare in neighbouring wards, districts or even other local authorities.
- 5.15 Across Derbyshire there is an oversupply of 1197 places in total but there are differences in the individual districts, the results of which have been indicated in the following RAG (red, amber green) rating.
- 5.16 Three districts indicate a shortfall in places but overall there are sufficient early years places in Derbyshire based on the population figures.

Figure 12. Sufficiency of places per district

District	Surplus/Deficit	RAG Rating
Amber Valley	-112	Undersupply
Bolsover	-12	Undersupply
Chesterfield	215	Oversupply
Derbyshire Dales	240	Oversupply
Erewash	384	Oversupply
High Peak	319	Oversupply
North East Derbyshire	182	Oversupply
South Derbyshire	-20	Undersupply
TOTALS	1197	Oversupply

Source: Derbyshire County Council, Early Years Service, Sep 2020

5.17 There are a number of points to consider in the interpretation of this data:

- Prior to the COVID-19 lockdown Derbyshire received no communications from parents/carers stating they are unable to find a suitable funded early years place for their child which is an indicator that there are sufficient places.
- Parents do not access childcare within the boundaries of the districts and may use a setting from outside the area in which they live for a variety of reasons including work. For example, a parent from Amber Valley may work in Derby City and use a childcare provider located in this authority, or may use settings in neighbouring districts such as Erewash where there is a surplus in places.
- Whilst the figure of 1197 surplus places may seem significant, if averaged out across all providers this would result in only 1.69 surplus places per provider.

District sufficiency assessments

5.18 Further sufficiency analysis has been undertaken at a district level and individual district reports can be found in the Appendices.

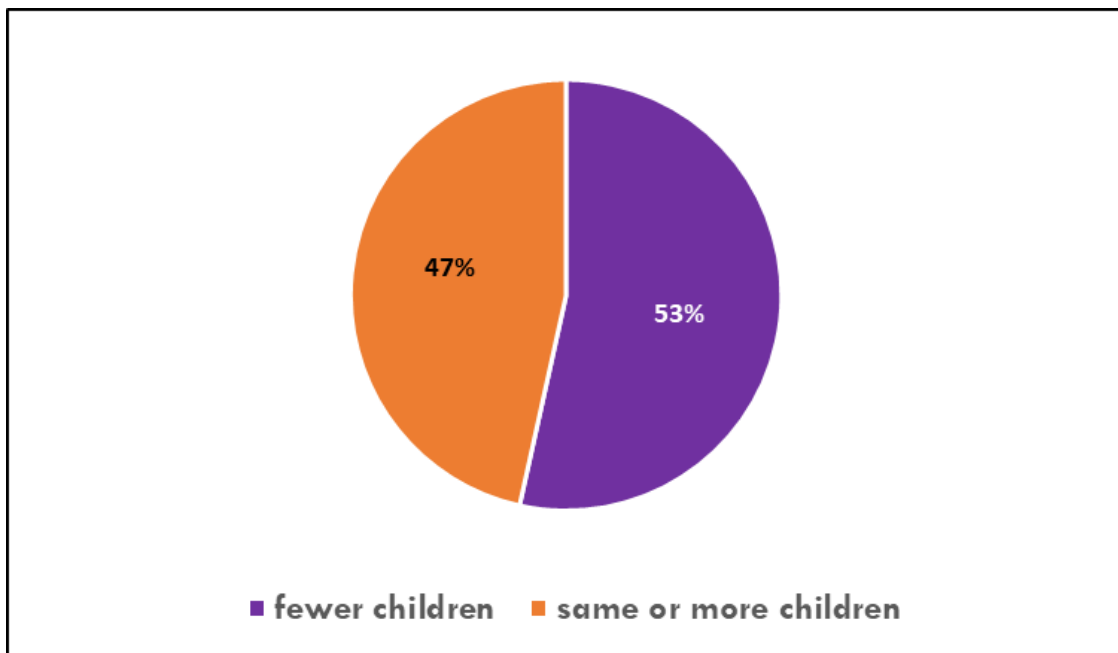
6. SUSTAINABILITY

- 6.1 When the pandemic initially took hold in the summer 2019-2020 term the government confirmed that early years funding would continue during any periods of nursery, preschool or childminder closures, or where children were unable to attend due to COVID-19.
- 6.2 This meant that settings could claim for those children that were definitely due to attend for the summer period. Where a child of a critical worker or vulnerable child had to change childcare provider due to the closure of their normal setting the local authority took the decision that funding would follow the child to the new setting.
- 6.3 To provide additional support to providers in the autumn 2020 term, the DfE guidance stated that local authorities were to fund providers which were open at the levels they would have expected to see in the autumn term had there been no coronavirus outbreak.
- 6.4 Derbyshire followed these guidelines and in the autumn 2020 term funded providers based on their attendance figures for autumn 2019. There was no clawback of funding if actual attendance was lower. New providers or

those who did not have funded children last year were paid on the actual attendance figures.

- 6.5 The guidance also recommended that providers which had been advised to close, or left with no option but to close, due to public health reasons should continue to be funded. Settings that were closed in the autumn 2020 term without public health reason did not receive any funding.
- 6.6 Based on this and using the number of hours funded as an indication of the number of children attending childcare settings, an analysis has been undertaken to compare the autumn term 2020 figures with the autumn 2019 data on which they will be funded. This shows that just under half of settings have more or the same number of children than in the same period in the previous year. Those settings that have fewer children will be supported financially and receive additional funding to match last year's income.

Figure 13. No of children at providers in autumn 2020 compared to autumn 2019.



- 6.7 Further investigation into the potential reasons for a drop in the number of children attending settings for their free entitlement will be undertaken. This will also attempt to establish any particular trends or geographical locations that are adversely affected.

6.8 Other support offered to providers by Derbyshire during the pandemic and ongoing includes:

- Frequently Asked Questions (FAQs) circulation
- Brokerage service for critical workers and vulnerable children where a child's normal provision was closed due to the pandemic
- Virtual Leaders and Managers Briefings.
- Virtual keeping-in-touch meetings with individual settings.
- DfE COVID-19 updates forwarded to providers daily.

Government support for early years businesses

6.9 In addition to the support offered from the local authority a range of support measures were introduced by the Government to support businesses such as early years providers and their employees including self-employed childminders who have been affected by COVID-19, these include:

- Coronavirus Job Retention Scheme (furlough scheme)
- VAT and self-assessment payments deferred
- Self-employment Income Support Scheme
- Statutory sick pay relief package for small and medium sized businesses (SMEs)
- 12-month business rates holiday for nursery businesses in England
- Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
- Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank
- HMRC Time To Pay arrangements
- Coronavirus Bounce Back Loan
- Coronavirus Local Restrictions Support Grant
- Information on data protection and the coronavirus provided by the Information Commissioner Office
- School funding: Exceptional costs associated with coronavirus (COVID-19)

6.10 Many organisations will not be able to fully assess their sustainability until these support schemes have ended. This means that the full extent of the longer term impact COVID-19 has on the childcare market may not be apparent until after April 2021.

7. CONCLUSIONS

- 7.1 As the country is still in the grip of the COVID-19 pandemic, it is too early to tell if the pandemic will permanently change the shape of the childcare market. The virus still impacts upon everyday life of parents, children and childcare providers and it is difficult to anticipate how the demand for and supply of childcare will look post pandemic
- 7.2 Unlike the initial lockdown, schools and childcare have remained fully open during the localised three tier system and the second lockdown. The Government has indicated that they will be the last places to close in the event of subsequent lockdowns or the localised three tier system.
- 7.3 Many of the additional support mechanisms put in place by the Government to support childcare businesses, schools and working parents have been extended into 2021. Until these measures are no longer available it will be difficult to measure the ongoing sustainability of childcare providers and the demand from working parents for childcare.

Actions

- 7.4 Further research and analysis on the longer term effects of the pandemic on the sector will be required over the next year including the following:
- Establish if demand from parents has changed and the reasons behind this.
 - Continued monitoring of the supply of places to identify any trends or areas that have been more adversely affected.
 - Identify the support providers and parents require from the Early Years Service and ensure this is responsive to changes in the childcare market.

Appendix I

Sufficiency assessment for Amber Valley district

Analysis shows that there is an approximate undersupply of -112 early years places for 2, 3 & 4 year olds in the district currently. Whilst the data shows an undersupply the local authority has received no indication from parents that they were unable to find a suitable place for their child prior to the COVID-19 outbreak, so it is assumed that parents are travelling to other areas to access childcare.

- The average number of early years funded places day nurseries in Amber Valley offer is 83
- The average number of early years funded places pre-schools in Amber Valley offer is 37
- Collectively the number of places in the district offered by childminders is 276

Based on this information any closures will exacerbate the deficit and potentially create issues for parents, including travelling further to access childcare.

Amber Valley potential local risk factors:

In May a large employer based in Derbyshire announced that they will be making up to 9000 redundancies following the impact of the COVID-19 and these would be largely from their Derby site. Whilst the company is based in Derby City, due to its close proximity to the west of the Amber Valley district it is possible that some parents within the district may be affected by the job cuts. Higher unemployment in an area can impact upon the demand.

Recommendations

The sufficiency picture in Amber Valley continues to be monitored closely as any further closures could significantly exacerbate the deficit in places. Parental feedback will need to be a vital part of the monitoring process.

Appendix II

Sufficiency assessment for Bolsover district

Analysis shows that there is an approximate undersupply of -12 early years places for 2, 3 & 4 year olds in the district currently. Whilst the data shows an undersupply the local authority has received no indication from parents that they were unable to find a suitable place for their child prior to the COVID-19 outbreak, so it is assumed that parents are travelling to other areas to access childcare.

- The average number of early years funded places day nurseries in Bolsover offer is 60
- The average number of early years funded places in pre-schools in Bolsover offer is 40
- Collectively the number of places in the district offered by childminders is 54

Based on this information any closures will exacerbate the deficit and potentially create issues for parents, including having to travel further to access childcare.

There are no potential local risk factors specific to the Bolsover district identified at present.

Recommendations

The sufficiency picture in Bolsover continues to be monitored closely, as one group care closure could impact significantly on the sufficiency of places in the district.

Appendix III

Sufficiency assessment for Chesterfield district

Analysis shows that there is a significant surplus of places across the district which means Chesterfield could sustain a reduction in the number of early years settings providing the number of places does not reduce by more than 215.

- The average number of early years funded places day nurseries in Chesterfield offer is 77
- The average number of early years funded places pre-schools in Chesterfield offer is 49
- Collectively the number of places in the district offered by childminders is 217

A small number of PVI provider closures in this district may not significantly impact upon the sufficiency of early years places, but such closures could mean parents have to travel further to access their childcare. Chesterfield is the smallest in size of all the districts in Derbyshire with the highest geographical concentration of childcare provider so distances may not be an issue.

There are no potential local risk factors specific to the Chesterfield district identified at present.

Recommendations

The sufficiency picture in Chesterfield continues to be monitored closely, but the current data suggests that this area could sustain a reduction in the number of early years providers located in the district.

Appendix IV

Sufficiency assessment for the Derbyshire Dales district

Analysis shows that there is a significant surplus of places across the district which means Derbyshire Dales could sustain a reduction in the number of early years settings, providing the number of places does not reduce by more than 240.

- The average number of early years funded places day nurseries in Derbyshire Dales offer is 65
- The average number of early years funded places pre-schools in Derbyshire Dales offer is 27
- Collectively the number of places in the district offered by Childminders is 54

A small number of PVI provider closures in this district may not significantly impact upon the sufficiency of early years places, but such closures could mean parents have to travel further to access their childcare. Given the rurality of the district parents may already be travelling further distances to access childcare than in other districts.

Potential local risk factors in Derbyshire Dales:

- A significant proportion of the district is reliant on tourism. The full impact of the COVID-19 pandemic on this tourism and leisure sector of the local economy has yet to be measured.

Recommendations

The sufficiency picture in Derbyshire Dales continues to be monitored closely, particularly the unemployment rate but currently the data suggests that this area could sustain a reduction in the number of early years providers located in the district.

Appendix V

Sufficiency assessment for the Erewash district

Analysis shows that there is a significant surplus of places across the district, and therefore in theory Erewash district could, sustain a reduction in the number of early years settings, providing the number of places does not reduce by more than 384.

- The average number of early years funded places day nurseries in Erewash offer is 71
- The average number of early year funded places pre-schools in Erewash offer is 40
- Collectively the number of places in the district offered by childminders is 359

A small number of PVI provider closures in this district may not significantly impact upon the sufficiency of early years places, but such closures could mean parents have to travel further to access their childcare.

Potential local risk factors in Erewash district:

- In May a large employer based in Derbyshire announced that they will be making up to 9000 redundancies following the impact of the COVID-19 and these would be largely from their Derby site. Whilst the company is based in Derby City, due to its close proximity to the east of the Erewash district it is possible that some parents within the district may be affected by the job cuts. Higher unemployment in an area can impact upon the demand for childcare places and ultimately can affect the sustainability of early years provision.

Recommendations

The sufficiency picture in Erewash continues to be monitored closely but the current data suggests this area could sustain a reduction in the number of early years providers located in the district.

Appendix VI

Sufficiency assessment for the High Peak district

Analysis shows that there is a significant surplus of places across the district, and therefore in theory Derbyshire Dales could, sustain a reduction in the number of early years settings, providing the number of places does not reduce by more than 319.

- The average number of early years funded places day nurseries in High Peak offer is 50
- The average number of early years funded places pre-schools in High Peak offer is 29
- Collectively the number of places in the district offered by childminders is 268

A small number of PVI provider closures in this district may not significantly impact upon the sufficiency of early years places, but such closures could mean parents have to travel further to access their childcare.

Potential risk factors in the High Peak district

- Parts of the High Peak are reliant on tourism which has been hard hit by the COVID-19 pandemic, although the full extent of the job losses related to this this is not yet known

Recommendations

The sufficiency picture in High Peak continues to be monitored closely but the current data suggests that this area could sustain a reduction in the number of early years providers located in the district.

Appendix VII

Sufficiency assessment for the North East Derbyshire district

Analysis shows that there is a significant surplus of places across the district, and therefore in theory North East Derbyshire could, sustain a reduction in the number of early years settings, providing the number of places does not reduce by more than 182.

- The average number of early year funded places day nurseries in North East Derbyshire offer is 64
- The average number of early years funded places pre-schools in North East Derbyshire offer is 41
- Collectively the number of places in the district offered by childminders is 206

A small number of PVI provider closures in this district may not significantly impact upon the sufficiency of early years places, but such closures could mean parents have to travel further to access their childcare.

There are no potential local risk factors specific to the North East Derbyshire district identified at present.

Recommendations

The sufficiency picture in High Peak continues to be monitored closely but the current data suggests that this area could sustain a reduction in the number of early years providers located in the district.

Appendix VIII

Sufficiency Assessment for the South Derbyshire District

Analysis shows that there is an approximate undersupply of -20 early years places for 2, 3 & 4 year olds in the district currently. Whilst the data shows an undersupply the local authority has received no indication from parents that they were unable to find a suitable place for their child prior to the COVID-19 outbreak, so it is assumed that parents are travelling to other areas to access childcare.

- The average number of early years funded places day nurseries in South Derbyshire offer is 60
- The average number of early years funded places pre-schools in South Derbyshire offer is 35
- Collectively the number of places in the district offered by childminders is 416

Based on this information any closures will exacerbate the deficit and potentially create issues for parents, including having to travel further to access childcare.

Potential Local Risk Factors in South Derbyshire District:

- A number of large employers located in the South Derbyshire district have announced significant job cuts.
- The full impact upon the travel industry is not yet known but air travel has been significantly affected and there could be implications for South Derbyshire parents employed by the regions airport and its airlines, two of which have announced job cuts due to the pandemic

Higher unemployment in an area can impact upon the demand for childcare places and ultimately can affect the sustainability of early years provision.

Recommendations

The sufficiency picture in South Derbyshire continues to be monitored closely, as one group care closure could impact significantly on the sufficiency of places in the district.