



**Isle of Wight
Council**

**Isle of Wight
Childcare Sufficiency
Assessment 2024**

Document information

Title: Isle of Wight Childcare Sufficiency Assessment 2024

Status: APPROVED

Current version: 1.0

Author: Laurence Keynes, Demand & Supply Childcare Development Officer
Early Years Advisory Team, Children’s Services

Laurence.Keynes@iow.gov.uk

Tel: 01983 823152 Ext 8322

Sponsor: Theresa Wall, Early Years Advisory Lead
Early Years Advisory Team, Children’s Services

Theresa.Wall@iow.gov.uk

Tel: 01983 821000 Ext 8418

Consultation: None required

Approved by: CMT

Approval date: 16.04.2024

Review frequency: Yearly

Next review: January 2025

Version history

Version	Date	Description

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1. Introduction

Childcare Sufficiency Assessment

- 1.1. The IWC has a statutory duty to ensure there is sufficient access to childcare provision for parents on the Isle of Wight (IOW).
- 1.2. This duty is annually reviewed through the publication of the Childcare Sufficiency Assessment (CSA), with an accompanying action plan for elected council members and is published for parents. With sufficient childcare, families can find provision that meets their child's needs and supports parents to make an informed choice about their employment and training opportunities.
- 1.3. This year the report is an assessment of childcare sufficiency for the whole 0 to 4-year-old age range, utilising a range of local and national data sources to identify the type, amount and capacity of childcare that is available and whether this matches the demand from parents on the IOW. The report also expands its coverage of Out of School (OOS) childcare including the new Wraparound childcare offer and the Government funded Holiday Activities and Food (HAF) programme.
- 1.4. The IWC will use this information to inform the work of the Early Years service and the subsequent actions to facilitate and shape a diverse and sustainable local childcare offer that 'is sufficient to meet the requirements of parents in their area'.

What is Childcare?

- 1.5. A statutory definition from Section 18 of the Childcare Act 2006 is 'any form of care of a child' including 'education and any other supervised activity'. Early years provision is defined in Section 20 of the Childcare Act 2006, as 'the provision of childcare for a young child beginning with their birth and ending immediately before the 1st of September following the date on which he attains the age of 5'.
- 1.6. Childcare plays a crucial role in the lives of most families. It enables parents to go out to work to contribute to the family income and remain in the employment market when they have young children. There is an established body of academic evidence showing that good pre-school childcare positively effects a child's future educational attainment, health, and happiness¹.
- 1.7. Working parents with children utilise many different forms of formal and informal childcare with their choices dependent on factors such as family income, employment patterns, geographical location, parental preferences, childcare availability, and the age of their child.

The Early Years Service on the Isle of Wight

- 1.8. The Childcare Acts 2006 and 2016 place a variety of duties on all local authorities. There are several services across the IOW that focus on 'Early Years' which is usually defined by the DfE as children up to the age of 5. The

aim of these services is to make sure IOW children and their families can access high quality childcare to achieve the best start in life and education.

- 1.9. The Early Years Advisory Team (EYAT) has responsibility for supporting high quality Early Years provisions across the IOW, including within schools, in their practice and provision. From 2024 this will also include the Holiday Activities and Food (HAF) Programme and the new Wraparound Childcare offer.
- 1.10. The Early Years Special Educational Needs (SEN) Advisory Team provide advice, information and signposting to early years providers ensuring the needs of children with Special Educational Need or Disability (SEND) are being met.
- 1.11. The CSA report is a deliverable outcome from the Isle of Wight Early Years Service Plan 2023/24.

Methodology

- 1.12. The Isle of Wight CSA has been based upon a measurement of the supply and demand for childcare using both national statistics referenced throughout this report and a variety of data collected by the IWC2 up to the end of December 2023.
- 1.13. The previous CSA¹ covered the period 2020-2022; this report will reflect the changes in the childcare market from January to December 2023.

¹ [Childcare sufficiency assessment \(iow.gov.uk\)](https://www.iow.gov.uk)

2. Demographics

The Isle of Wight: Population, economy and deprivation

Population

- 2.1. The Isle of Wight (herein referred to as 'the IOW') covers an area of 147 square miles, with a resident population of 140,400, and is the largest and second most populous island in England. 84% of the IOW is rural, with a wide range of settlements and 60% of the Island's residents live within the urban east of the Island in the main towns of Newport, Cowes, East Cowes, Ryde, Sandown and Shanklin.
- 2.2. The 2021 Census revealed an ongoing demographic shift towards residents aged 65 and over; they account for 29.5% of the Island's population as opposed to the England average of 18.4%. During the same period, the population of residents aged 0-15 was down 6.3% with a reduction of 13% in children aged under five. The IOW is in the top 20 local authority areas nationally that have seen a reduction of 5% or more in the under-fives age group (under 5) since the 2011 Census.
- 2.3. The next Subnational Population Projections for England will be based on the 2021 Census which is due in early 2024. This data set will provide a revised projection of the longer-term trends in the IOW's population across all age groups into the 2030s.

Economy

- 2.4. Over the last year the IOW's economy has continued to perform well with high levels of employment, driven by the 'traditional sectors' of retail, tourism, health care and education. The Office for National Statistics (ONS) monthly unemployment Claimant Count² shows the Island experienced an unemployment rate of 3.8-3.9% out of season, dropping to 3.2% during the summer in 2023. The percentage of claimants when compared nationally (3.7%) is similar but remains well above the South East average of 2.9%.
- 2.5. Many employment opportunities remain seasonally based, with fewer full-time jobs (62%) and more part time employment (38%) compared with the wider South East (68.2%, 31.8%) and national figures (68.8%, 31.2%). The IOW is still well below the national and regional rates of employment with 73.8% (26.2% inactive) of the working age population being employed, compared with 78% nationally and 81.3% for the South East.³
- 2.6. Lower levels of pay on the IOW compared with the South East and nationally, can make returning to work before funded childcare is available financially difficult. Higher levels of part-time work will limit the demand for childcare to within the hours that are funded. As a local economy with relatively low wage levels, there is a higher take up of the 'in work' benefits, previously Tax Credits (Working, Child) and now Universal Credit with its expanded support for

² [Unemployment - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

³ [Labour Market Profile - Nomis - Official Census and Labour Market Statistics \(nomisweb.co.uk\)](https://nomisweb.co.uk)

childcare introduced as part of the Government’s growth agenda for the UK economy.

Deprivation

- 2.7 Levels of deprivation experienced by communities on the IOW are measured by the English Indices of Deprivation 2019⁴ published by the Department for Housing, Communities and Local Government. Using weighted measurements of deprivation, the IOW is ranked 98 (average score) and 80 (average rank) out of 317 local authorities in England, where 1 equals the most deprived local authority district in England.
- 2.8 Deprivation is concentrated in 12 wards or Lower-layer Super Output Areas (LSOAs) on the IOW in East Cowes, Ryde, Newport, Shanklin and Ventnor that are within the 20% most deprived in England. In this group 3 wards or LSOAs in Ryde and Newport are also listed within the 10% most deprived for the whole of England. The IWC utilises Early Years Pupil Premium (EYPP) to support families in the most deprived areas.
- 2.9 The IOW is a self-contained labour market with a limited number of commuters to the mainland. There is a flow of commuters from rural areas to the main employment centres of Newport and to a lesser extent Ryde. The location of work has a major influence on where parents access childcare. Data illustrates that providers serve their immediate geographic areas. Providers in or near the main all year-round employment centre (Newport) also attract children from other areas of the IOW.

Number of Early Years children

- 2.10 Figures for 2022 show there are 5,483 children under the age of five living on the IOW (down from 5,552 in 2021), illustrated by age in the table below. This is the available number of children who may require places in a childcare provision. The downward trend in the number of under five-year-olds is predicted to stabilize in the next 2 years at a level 25% lower than 10 years previously.

Table 1: Number of children under 5 by age on the Isle of Wight

Age	Number of Children		
	2019	2021	2022
Under 1	1,144	991	1,007
1 year of age	1,226	1,053	1,048
2 years of age	1,265	1,127	1,071
3 years of age	1,413	1,180	1,155
4 years of age	1,414	1,201	1,202
Totals	6,462	5,552	5,483

(Source: CSA Report, 2021 Census, ONS)

⁴ [English indices of deprivation 2019 - DLUHC - GOV.UK](https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019)

- 2.11 Not all children aged 4 years included in the table above will be accessing Early Years funded education within the Early Years sector. A significant proportion of these children who are rising five are captured in the school places planning as they will potentially already be attending Year R through the September annual intake of new pupils. An estimated 40% of those aged 4 will still need to be considered for a preschool place throughout the year, which calculates at approximately 480 children across the Island, unchanged from the previous year.

Table 2: Number of applications to Primary Schools on the IOW 2020-2023

School Year	Number of applications
September 2020	1183
September 2021	1225
September 2022	1182
September 2023	1171

(Source – IWC School Admissions)

Number of school age children

- 2.12 On the 2021 Census there are a total of 9,685 (9,867 in 2020) children aged 5-11 and 5,636 (5,728 in 2020) children aged 12-14 living on the IOW. Many of these primary aged children will require childcare as part of the Government’s Wraparound childcare offer, and/or during the school holidays.
- 2.13 The lower number of under 5-year-olds coming through Early Years is already having an influence in reducing the Published Admission Number (PAN) for many IOW primary schools. In the current and next academic year 13% of Island primary schools would have reduced their PAN.
- 2.14 The level of Free School Meals (FSM) in school aged children will help inform planning for the Wraparound offer and ensure HAF activities for the school holidays in 2024 meet the needs of local communities. In 2023 the total number eligible for FSM grew by 3% from 3,790 to 3937 children. Within these figures there were more significant rises in FSM eligible children at schools in the Ryde, Newport, West Wight and rural areas.

Birth Data

- 2.15 Shaping childcare provision on the IOW requires gathering and analysing data to inform the sector of key trends. Fundamental to this sector is understanding the number of future parents and children in the local community. The following table covers a 6-year period of historic data on live births and the current projected births through until 2025:

Table 3: Live and projected births on the Isle of Wight 2017-2025

Year	Live Births	Projected Births
2020	1009	
2021	1028	
2022	970	1083
2023		1070
2024		1069
2025		1061

(Source - ONS)

- 2.16 Actual live birth numbers for 2022 were 10.4% below the projected figure for the year confirming an ongoing decrease in the local birth rate. This reduction in birth rate is the result of changes in fertility rates, social and economic change, and an older population⁵.

New Housing

- 2.17 The IWC is in the draft stage of its Island Planning Strategy⁶ which includes a new housing target outlined in the table below. A delay in the IWC approval process has occurred due to the recent publication of the revised National Planning Policy Framework (NPPF).
- 2.18 The IWC is proposing to build a reduced average figure of 453 dwellings of varying sizes per year over the first five years of the strategy across the IOW. These will be on different sized developments and will include a target for affordable housing. All figures remain subject to change and are taken from the draft version of the Island Planning Strategy and are subject to full Council approval and subsequent public consultation.
- 2.19 The IWC's Planning Team will consult with the Early Years Advisory Team to ensure any proposed large site developments consider the need of early years childcare places in that area.
- 2.20 The current formula amounts to 0.03 children per dwelling, with the 5 age groups covered (under ones to under-fives) the average number for each individual age group will be $0.3/5 = 0.06$. This is the 'cohort size' and will be used to calculate future additional figures for funded 0- to 4-year-olds places. The proposed new housing targets could generate 13 children per year (under-fives) across the IOW:

⁵ [Childbearing for women born in different years - ONS \(2022\)](#)

⁶ [Emerging Island Planning Strategy \(iow.gov.uk\)](#)

Table 4: Draft Indicative Housing Trajectory 2022-2037 for the IOW

Source of Supply	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-10	Year 11 -15	Total
Large sites with permission	250	250	331	305	206	776	240	2358
Allocated sites	0	10	304	355	302	1163	805	2939
Windfall	100	100	100	100	100	500	500	1500
Total	350	360	735	760	608	2439	1545	6797

(Source – Draft Island Planning Strategy)

Looked After Children

- 2.21 Looked After Children (LAC) are defined as those children who have been in the care of the local authority for more than 24 hours. They may be placed with foster carers, in residential homes or with parents or other relatives. These children become looked after when their parents are unable to provide ongoing care in either a temporary or permanent capacity.
- 2.22 The IWC has responsibility for 40 children (January 2024) under 5 as LAC, the number of children fluctuating throughout the year. If the child is legally adopted, the IWC is no longer their Corporate parent.
- 2.23 The EYAT has a Service Level Agreement (SLA) in place with the Isle of Wight Virtual School which covers the delivery of support services for children in care aged 0-5. A member of the EYAT attends all Personal Education Plans (PEPs) for children under 5, offering support and advice. In addition, EYAT will deliver specific training on the latest guidance around LAC as part of their CPD programme for EY practitioners.

3. Supply of Childcare on the Isle of Wight

Early Years Providers & Places

3.1. In total there are 78 childcare providers on the IOW offering a maximum of 2369 Early Years childcare places. Appendix 1 provides the Ofsted definitions of all childcare provision used in this section. The table below gives an overview of the number and types of provision on the Island.

Table 5: Number and change in providers and places 2022-2023

Type of Provision	Number of providers			Number of registered places		
	2022	2023	% Change	2022	2023	% Change
Childminders	33(active)	30 (active)	-9%	217 places	185 places	-15%
	2 (inactive)	1 (inactive)	-50%	0	0	0%
Childcare on Domestic Premises (CoDP)	1	1	0%	15 places	15 places	0%
Pre School classes within schools	11	11	0%	318 places	298 places	-6%
	1 (inactive)	1 (inactive)				
Maintained nursery schools	1	1	0%	30 places	29 places	-3.4%
Private, voluntary and independent (PVI) nurseries	37	34	-8%	1948 places	1842 places	-5.4%
Totals	84	78	-7%	2528 places	2369 places	-6.3%

(Source – Data Collection Dec 2023)

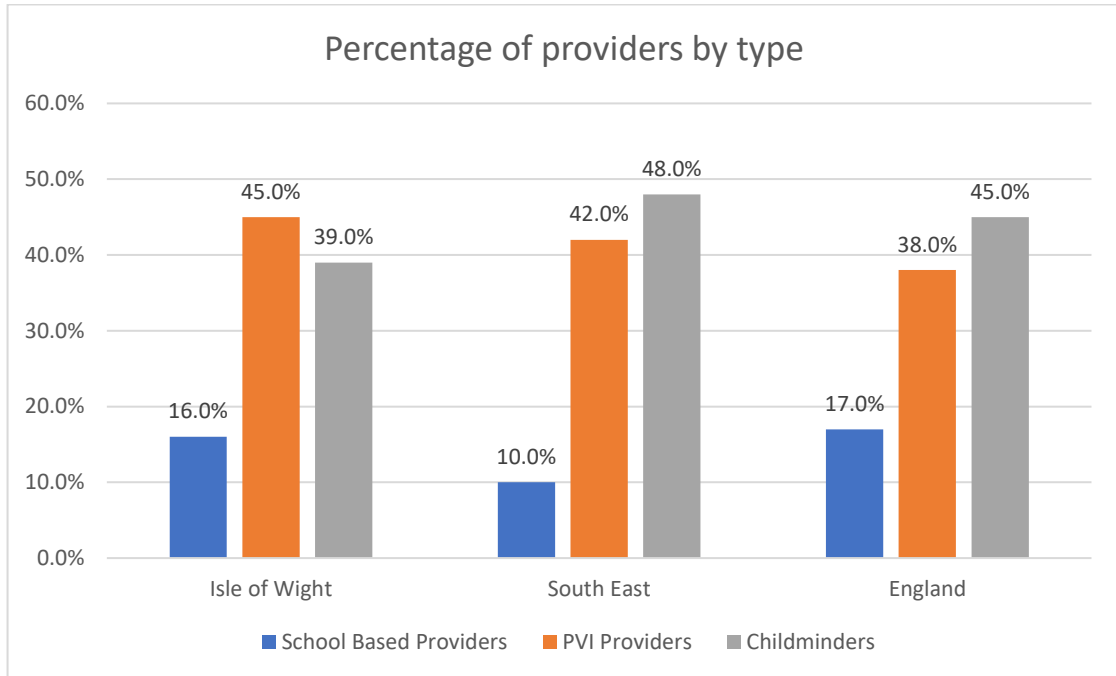
- 3.2. The different types of provision in Early Years are described in detail in Appendix 1; the term ‘provider’ is used in this CSA to describe either school-based or privately owned business or organisations running a preschool or nursery.
- 3.3. For all types of provision, the number of registered places represents the Ofsted registered maximum number of children who can be on the premises at any given time. In practice, many providers choose to operate below their number of registered places for a variety of business and operational reasons (cost, staffing availability, etc).
- 3.4. The changes in the local market for childcare since the previous CSA provide a mixed picture compared with national trends⁷. Please note that due to the small size of the local market, it only takes 2+ changes in provider numbers to produce a significant percentage change. The headline changes are:
- The IOW has seen a 7% decline in the total number of providers over the last year which is above the national figure of 5% decline in providers.
 - There has been no increase in school-based providers on the IOW against a national increase of 1%, with the number of places locally down 6% over the last year against a national increase of 7%.
 - While the number of PVI providers on the IOW declined by 8%, nationally this group dropped by 2% in the last year. This can be explained by 1 PVI closing completely and 2 other PVI operators closing second sites on the IOW.
 - The drop in the number of childminders, down a further 9% on the IOW, was in line with a 10% decline nationally, with the number of places available on the Island down 15% compared with this time last year.
 - Overall, the number of places available has declined by 6.3% (159 places) over the last year, due to the closure of 3 providers and 13 providers reducing their maximum capacity for places by an average of 19.8%. This is against a slight rise nationally of 1% in registered places in the last year.
 - As of December 2023, there were 2540 children under 5-years-old on roll (registered) with providers and childminders on the IOW; details can be found in section 4 of this report. This gives a figure of 1.07 children for every childcare place on the IOW, up from 0.99 children for each place in last CSA report. The change in ratio reflects a drop in providers and places but the number of children on roll remains constant.
- 3.5. In comparison with our closest statistical neighbour (Torbay) using the most recent data from 2022, their childcare market is delivered by 47 (46 in 2021) school-based and PVI providers and 58 childminders, a reduction of 16% in the number of childminders since 2021. Overall, the number of places has increased by 3% from 2061 in 2021 to 2129 in 2022⁸.

⁷ [Childcare and Early Years provider survey 2023 - DfE](#)

⁸ [Childcare Sufficiency Duty Report \(torbay.gov.uk\)](#)

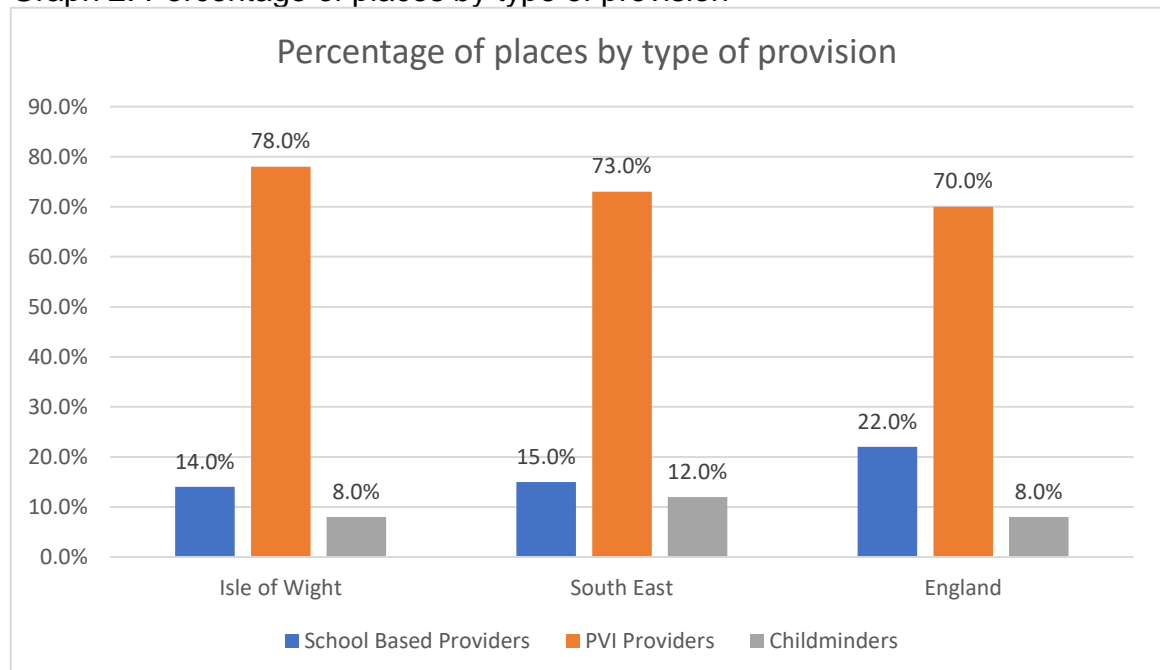
3.6. The graphs below show how the market breaks down into the different types of provision by provider. The second graph illustrates how the places are distributed by type of provision:

Graph 1: Percentage of providers by type of provision 2023



(Source - EYAT)

Graph 2: Percentage of places by type of provision

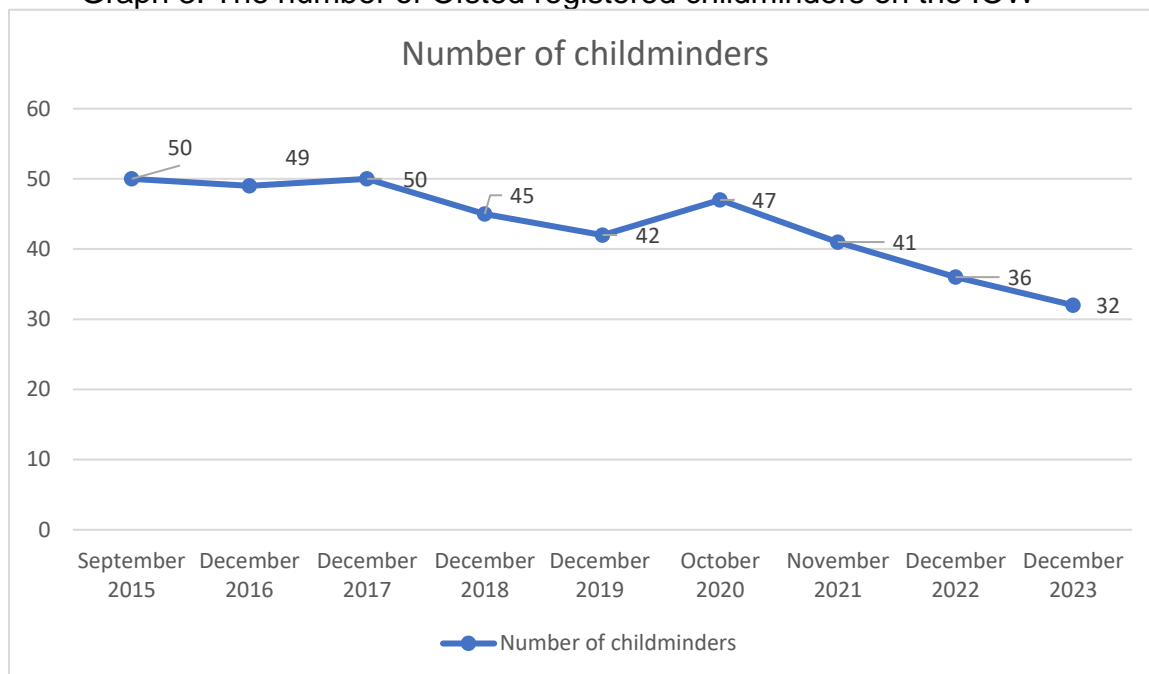


(Source - EYAT)

3.7. The EYAT will continue to monitor the decline in the number of active childminders on the IOW and has already taken steps to support the recruitment and training of new childminders.

- 3.8. To address the decline nationally in the numbers of active childminders the Government announced in the Spring 2023 Budget the introduction of a start-up grant scheme for new childminders registering on or after 15th March 2023. The start-up grant is worth £600 for a childminder registering directly with Ofsted or £1200 for new childminders registering through a CMA.

Graph 3: The number of Ofsted registered childminders on the IOW



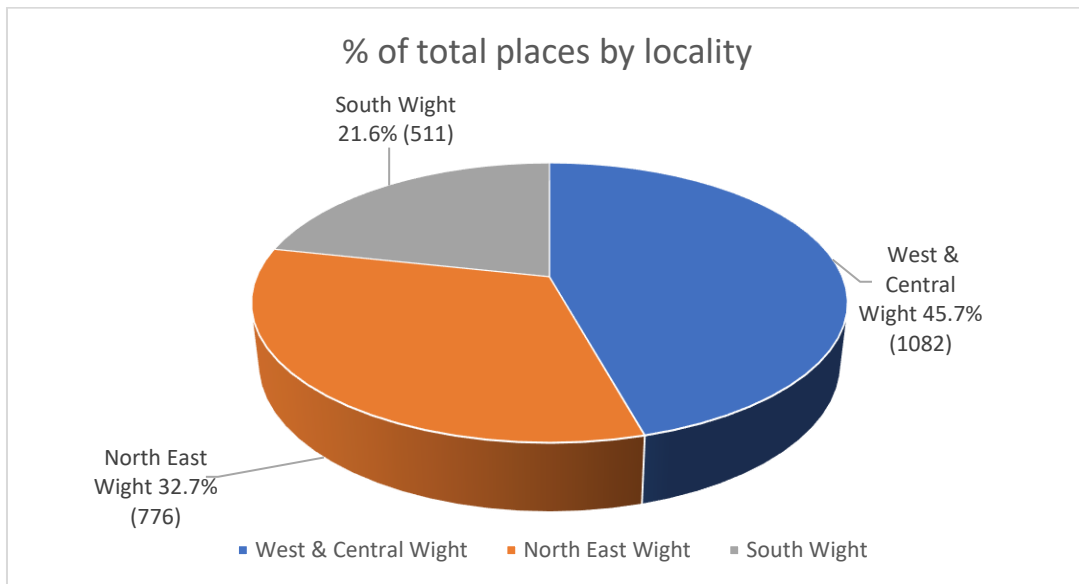
(Source – Ofsted)

- 3.9. The 11 IOW Schools that operate pre-school/nursery provision do so under Section 27⁹. There is also 1 maintained nursery school provider.
- 3.10. 74 providers are locally owned or run by sole traders, businesses, charities or associations/ organisations with just 2 providers (offering 187 places) being part of 2 regional private and charitable childcare chains. Currently 3 organisations operate 2 providers each and one has 3 providers locally, with all the remaining providers operating from single sites.
- 3.11. The following two graphs show the distribution of places by locality, beginning with the overall distribution of places followed by a chart detailing the distribution of the different types of provision on the IOW, again by locality.
- 3.12. In 2023 the South Wight locality saw the most significant decrease in childcare places with the closure of a provider, significant reductions in maximum capacity of places at 2 other providers in the locality, and a childminder deregistering. Overall, the number of places in the South Wight locality decreased by 19.5% (124 places) in 2023. Most providers (including childminders) and places remain focused in the main towns on the Island, in

⁹ [Education Act \(2022\) - DfE](#)

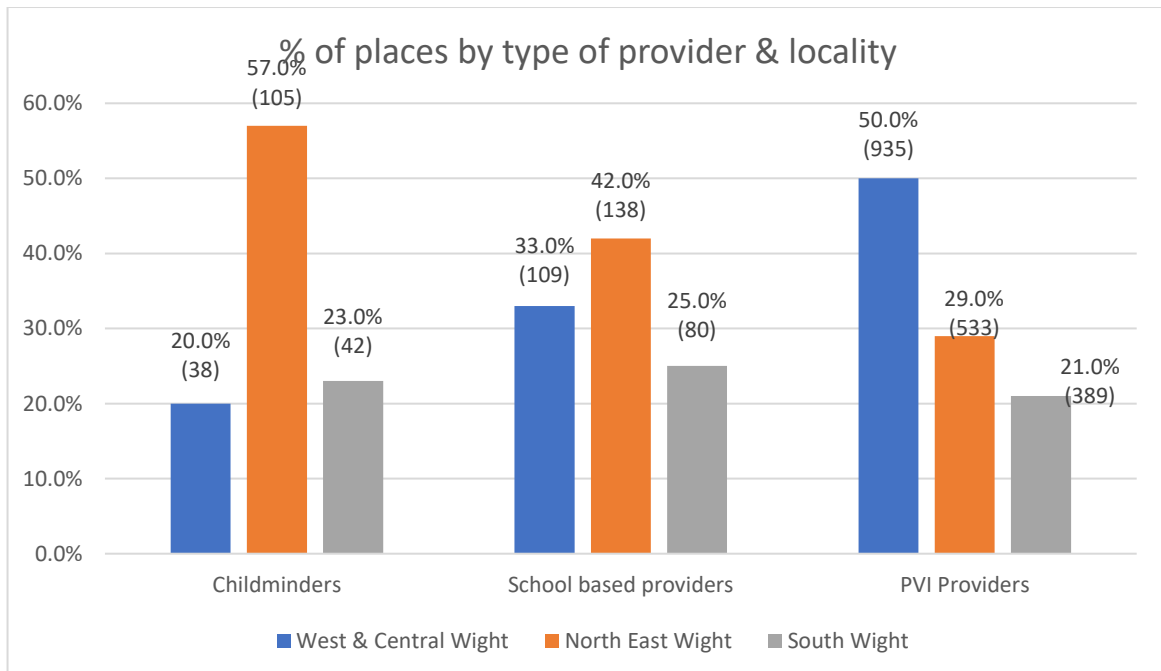
particular a growing concentration in Ryde and Newport with 54% of places on the Island, up from 51% last year.

Graph 4: Total numbers and percentage of places by locality on the IOW



(Source – Data Collection Survey December 2022)

Graph 5: Numbers and percentages of places by type of provider and locality on the IOW



(Source- Data Collection Survey December 2022)

3.13 The following table examines the size of the 29 PVI businesses/organisations by the number of employees, excluding all childminders (30) and schools (12 providers). As a result of site closures over the past year, most of the redundant staff went on to join other providers, this has led to employment

growth among those remaining PVI providers classed previously as micro businesses which can now be defined as ‘small businesses’. Overall, the workforce of this part of the sector remains at the same level as in the previous year.

Table 6: Size of business by number of employees

Size of Business	Numbers of Providers (2022)	Numbers of Providers (2023)
Micro (0-9 employees)	13	10
Small (10-49 employees)	14	16
Medium (50- 249 employees)	3	3
Total	30	29

(Source – Data Collection Survey December 2023)

- 3.14. Table 7 looks at the average size of providers on the IOW in terms of the number of childcare places available. It shows that school-based providers on the Island remain considerably smaller in terms of the average number of childcare places offered, but childminders and PVI providers have moved closer to the respective national figures for England:

Table 7: Average number of childcare places per provider, IOW compared to England

Type of Provision	Average number of childcare places		
	Isle of Wight	England	% IOW Difference to National
Childminders	6.2	6.5	-5%
School based providers	26	36	-28%
PVI nurseries	53	49	+7%

(Source: Data Collection Survey December 2023, 2023 Childcare and Early Years Provider Survey¹⁰)

- 3.15. Analysing the data, there are sufficient childcare places across the IOW in December 2023, with the 3 locality areas still well served by providers and childminders. Looking forward to 2024, there will be two challenges to this sufficiency, with most areas now having little capacity in childcare places to absorb children should a setting close; in such circumstances the EYAT will

¹⁰ [Childcare and early years provider survey, Reporting Year 2023 – DfE – GOV.UK](#)

work with parents and providers to minimize the disruption to childcare. Secondly, the demand for the new funded childcare offer for working parents is still being assessed as to what likely impact this will have on sufficiency through 2024 into 2025.

Parental Demand

3.16. As part of assessing the changing parental demand for childcare going forward and to see how parents' childcare choices had been affected by the Cost of Living crisis, the EYAT will be undertaking a new Parental Survey in early 2024. The results of this survey will help inform work around developing the Wraparound childcare offer and raise further awareness of the new Expanded Entitlement funding and SEND services.

Other Childcare

3.17. The number of home childcarers (nannies) who have voluntarily registered with Ofsted on the IOW has dropped from 10 to 9 this year; they will provide childcare in the child's own home.

3.18. Creches are defined as temporary childcare while the parent(s) are doing something else, such as shopping, leisure activities or training. There are still no creches or creche providers either registered or active on the IOW, the demand for this type of childcare provision is met by existing providers.

3.19. Finally, there are 2 residential holiday camp operators catering to the educational tourism market, PGL Little Canada and 123 Camps; these are voluntarily registered with Ofsted as 'childcare on non-domestic premises'.

New and closed providers

3.20. The market has been fairly static since the last CSA report was published in January 2023. It has seen 1 provider exiting the market completely and 2 organisations closing second sites (providers). A breakdown of the numbers of the different types of providers and places available can be found in Table 5.

3.21. The key business developments in the marketplace include the following:

Group and school-based providers:

- 3 early years childcare providers have closed losing 107 places and 29 employees.
- 1 preschool within a primary school is in the process of closing permanently. The children attending this school had already moved to a neighbouring primary school from 1st January 2023.
- No new providers have opened.

Childminders:

- 6 childminders have de-registered, a number of whom had been inactive for a period of time.
- 1 childminder remains registered but inactive.
- 3 new childminders have registered.

- 3.22. It should be noted that the number of places quoted as lost to overall market capacity reflects the number of children receiving childcare when the provider closed, rather than the Ofsted registered capacity of the provider when fully operational.
- 3.23. Overall, the sector’s capacity is now 2369 places, a decrease of 6.3% since January 2023. This is out of line with national trends (1% increase in the same period) reflecting instead the local market and the changing demographics on the IOW. All children from the closing provisions found alternative places with other providers and childminders. The EYAT actively tracks the employment destinations of former employees of closed providers with the majority finding new employment elsewhere in the sector.
- 3.24. According to the DfE’s 2023 Childcare and Early Years Provider Survey¹¹ the trend nationally is a continual decline in the number of active childminders, down a further 10% in 2023. The IOW has followed this trend with a 15% decline in the number of registered childminders from 36 (with 217 places) in December 2022 down to 30 (with 185 places) in December 2023. The decisions to cease childminding are centred mainly around changes in personal circumstances and retirement. It should also be noted that a number of those childminders deregistering during this time had been inactive for some time.
- 3.25. The IWC continues to provide training and business support to active childminders and seeks to encourage new entrants to the local market. In the 2023 Spring Budget the Government announced new financial support for childminders - a grant of between £600 and £1200 is available to new childminders registering from 15th March 2023 to 31st March 2025.
- 3.26. The most significant change facing providers and childminders in 2024 will be the roll-out of the next Expanded Entitlement and the Wraparound childcare offer. The EYAT will monitor the marketplace to see how these changes will affect IOW providers’ business sustainability and overall childcare sufficiency.

Opening hours of settings

- 3.27. Nationally, childcare is most commonly delivered between 8am and 6pm on weekdays reflecting the traditional working week. On a daily basis it is usually booked on the 2-session model of a morning and/or an afternoon:

Table 8: Opening times of childcare provision

Type of Provision	Number of Providers	Open 8am or earlier weekdays	Open 6pm or later weekdays	Open weekends	Open Term Time only	Open for more than 38+ weeks	EYE funded open for 38+ weeks
Childminders	30	30	13	0	0	30	25

¹¹ [Childcare and Early Years provider survey 2023 - DfE](#)

CoDP*	1	1	0	0	0	1	1
Nursery classes in schools	11	3	0	0	11	0	0
Maintained nursery schools	1	0	0	0	1	0	0
PVI nurseries	34	31	11	0	0	34	34

(Source- Data Collection December 2023 *CoDP = Childcare on Domestic Premises, Ofsted)

3.28. The above table illustrates a continuing flexible childcare market allowing parents to access their childcare around their work commitments, yet limitations to accessing childcare remain around early evening, weekend and school holiday periods. Trends since the last report include:

- No change in the opening and closing times for school-based providers.
- All school-based providers remain term time only.
- A slight decrease in the number of PVI providers offering childcare on or before 8.00am or after 6.00pm.
- No provider offers weekend provision.
- All PVI providers now use an all-year operating model.

3.29. Feedback from the Jobcentres indicates the need for more childcare over the weekends and school holidays to help facilitate parents returning to work or needing more hours under recent reforms to UC.

Vacancies & Waiting Lists

3.30. Vacancy rates can change rapidly on a day-to-day basis. The EYAT has asked providers to report vacancies to the team so we can help promote them, however not all providers choose to do this. Providers will use social media, parental messaging groups and conversations with parents to help fill available sessions.

3.31. As already noted, many providers will operate at below capacity due to a variety of operational models. In general, vacancy rates are higher in the Autumn, when 4-year-old children are likely to move on to a school place.

3.32. The EYAT is aware of 19 providers (down from 22 in 2022) and 18 childminders (9 in 2022) operating a waiting list system as of December 2023. Around a quarter of Group providers reported in the recent Data Collection survey (Dec 2023) that they were having issues with recruitment and retention of staff with experience, especially at Level 3. The EYAT has not received any feedback from parents that they are struggling to find childcare places. Further work is required with these providers to understand what waiting list numbers are telling the providers about the likely new demand for the Expanded Entitlement from April and then September 2024.

Fees & Charges

- 3.33. Funded entitlement covers a significant portion of childcare places. Working parents who require more than 15 hours of Extended Entitlement or ineligible for government financial support will need to pay for those additional hours.
- 3.34. Table 9 below details the average cost per hour, reported to us by providers in the Summer Fees Survey in July – September 2023 and subsequently updated with the Data Collection Survey December 2023. Providers will vary fees based on the number of hours booked, with reductions for longer hours, or discounts for siblings. The national figures are based on a parent accessing 25 hours of childcare per week, for 3- and 4-year-olds the universal entitlement applies (15 hours), and that the parent is paying for 10 hours.
- 3.35. These average local figures from 2023 will contain a wide range of fees being charged by individual providers and childminders due to the small size of the local market, it only takes 2+ outliers to produce a significant % change.
- 3.36. **Headline changes are:**
- The hourly fee level has continued to rise across all age ranges as providers experience considerable financial pressure on their business models from the substantial rises in business costs over 2023.
 - Fees for 0–2-year-olds have seen the most significant local rise, up 16% through the year against a national increase of 12%. The median average is now £6.50, and prices per hour range from £5.40 to £8.68.
 - Fees for 2-year-olds have seen a rise of 13% in the last year, well above the national rise of only 4%. The median average is now £6.00, and prices per hour range from £5.00 to £11.35.
 - Fees for 3- & 4-year-olds saw the smallest rise locally (10%) and nationally (4%). The median average is now £5.50, and the prices per hour range from £4.20 to £8.63.

Table 9: Average (mean) cost of childcare by school based and group providers on the IOW and England.

Age of child	Average price per hour – Nursery providers					
	Isle of Wight		% Change	England		% Change
	2022	2023		2022	2023	
0-2-year-olds	£5.73	£6.66	16%	£6.37	£7.11	12%
2-year-olds	£5.43	£6.15	13%	£6.21	£6.48	4%

3 and 4-year-olds	£5.20	£5.72	10%	£5.93	£6.18	4%
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(Source – Data Collection 2022, Childcare and Early Years Provider Survey 2023)

- 3.37. Since 2019 childminders' prices on the IOW have closed the gap with national figures in each age group. The hourly rate has risen on average by 8% for 0-2-year-olds and 9% for 3- and 4-year-olds over the last year, whereas there was 5-15% increase during the same period nationally. The price per hour charged by individual childminders varies between £3.50 up to £6.50 per hour in each age range with a median average of £5.00 per hour across all three age groups:

Table 10: Average (mean) cost of childcare by childminders on the IOW and England

Age of child	Average price per hour – childminders					
	Isle of Wight		% Change	England		% Change
	2022	2023		2022	2023	
0-2-year-olds	£4.56	£4.92	8%	£5.36	£5.62	5%
2-year-olds	£4.55	£4.92	8%	£5.28	£5.56	5%
3 and 4-year-olds	£4.51	£4.92	9%	£4.80	£5.50	15%

(Source – Data Collection 2023, Childcare and Early Years Provider Survey 2023)

- 3.38. There remains no formal regulation by DfE or Ofsted of non-funded childcare fees or charges made by providers, including for before or after school clubs. The DfE continues to provide guidance to providers delivering funded childcare around fees and charges, advising such providers on what is or is not included in the free entitlement and to have a clear, fair and transparent policy in place.
- 3.39. In January 2024 the DfE introduced changes to the model agreement¹² used by LAs with providers on what is included in the funded entitlement, what a provider can charge for (meals and snacks) and what they can seek as a voluntary contribution from parents for items such as consumables etc. This past year has seen a 17% increase in the number of providers charging for a consumable/ additional activities, 41% of providers and 42% of childminders now have some form of charge. Making comparisons across the sector on the

¹² [Free early years provision and childcare: model agreement - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118442/free_early_years_provision_and_childcare_model_agreement.pdf)

level of such charges remains difficult due to the varied application to parental bookings.

- 3.40. The fee increases for non-funded childcare are likely to be centred on inflationary business costs especially around utilities and wage costs, with the NLW/NMW rates rising at around 10% per year. IOW fees continue to close the gap with national and regional averages. The EYAT will continue to monitor the situation in 2024, looking closely at the factors driving fee increases, the response of parents still experiencing financial pressure and the impact of the newly funded entitlement from April 2024.

Parental Information, Advice and Guidance

- 3.41. The IWC has a statutory requirement under Section 12 of the Childcare Act 2006 to have a Family Information Service (FIS) in place to provide free impartial information and signposting for families with children aged 0 to 19 (up to 25 years for those with additional needs). The current site hosting the Local Offer covering all providers offering funded childcare places can be found on this link [Local Offer \(iow.gov.uk\)](https://www.iow.gov.uk/local-offer)

- 3.42 The IWC has now launched a new site for a FIS- [IW Family Information Hub \(iow.gov.uk\)](https://www.iow.gov.uk/family-information-hub). The mobile-friendly site is regularly updated and contains a directory of extra support services open to families. The site has been used extensively to list HAF activities locally for 2023 Summer and Christmas school holidays. In addition, the details and appropriate Local Offer information will be added in due course. All local Early Years providers are now listed alongside details of all available government financial support for childcare, with the appropriate links to the Government's main portal for information on childcare options - [Childcare Choices](https://www.childcarechoices.gov.uk)

4. Quality of childcare on the Isle of Wight

Background

- 4.1 Statutory guidance states all children should have the opportunity to take up their government funded hours in high quality Early Years provisions.
- 4.2 Ofsted carries out regular inspections to evaluate the overall quality and standards of Early Years provision in line with the principles and requirements of the Early Years Foundation Stage Statutory Framework (EYFS)¹³. Since 2019 Ofsted have also utilised the EIF (Education Inspection Framework)¹⁴ to help provide consistency across inspections from early years to post 16 education and skills provision.

Ofsted outcomes: Providers

- 4.3 The current data shows 97% of Early Years providers on non-domestic and domestic premises on the IOW had inspection outcomes of Good or Outstanding (January 2024). The IOW is on a par with the national average figure (97%) and is now above the national percentage judged to be Outstanding (14%). The table below illustrates the IOW consistently produces a high-quality childcare offer delivered across all providers and childminders as well as comparing favourably with our closest statistical neighbour:

Table 11: Comparison of Ofsted judgements locally and nationally 2023

Area	Total number inspected	% Outstanding	% Good	% Good and Outstanding	% Requires Improvement	% Inadequate
All England	38,000	14	83	97	2	1
Isle of Wight	66	18	79	97	4	0
Statistical Neighbour (2022)	94	15	82	97	2	1

(Source – Ofsted)

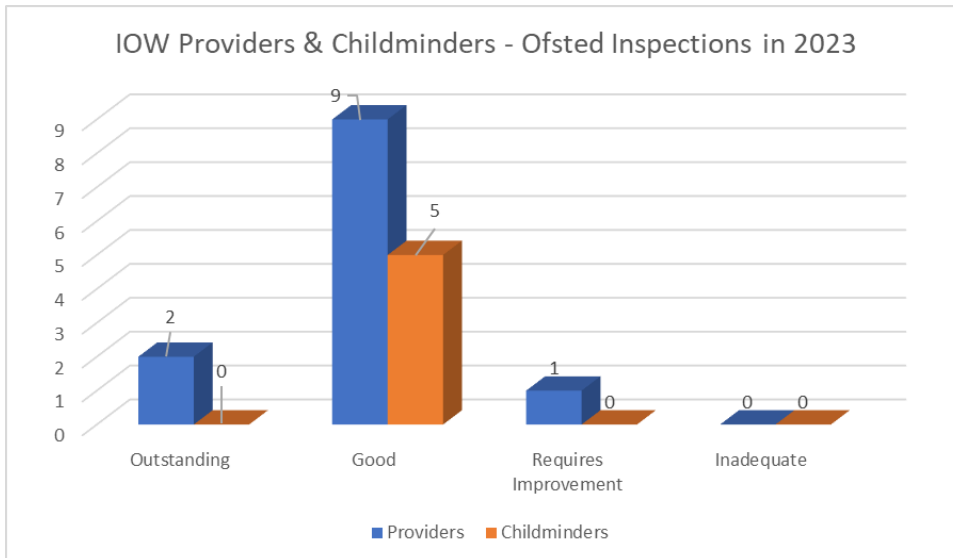
- 4.4 There are a further 6 providers who are waiting for their ‘first inspection’ following changes in their status which requires a new Ofsted registration. The providers remain open through this process. A further 13 providers are now due an Ofsted inspection in the foreseeable future. Due to the size of the IOW, the 4% that ‘Requires Improvement’ represents 2 providers.

¹³[Early years foundation stage \(EYFS\) statutory framework 2021 - DfE - GOV.UK](#)

¹⁴[Education inspection framework \(EIF\) 2023 - DfE - GOV.UK](#)

4.5 In 2023 18% of providers were rated as Outstanding and 79% rated as Good, down slightly on last year's figures of 20% and 78% respectively. The outcomes of all inspections of providers undertaken in 2023 are shown in Graph 6:

Graph 6: Ofsted judgements of provider and childminder inspections on the IOW in 2023

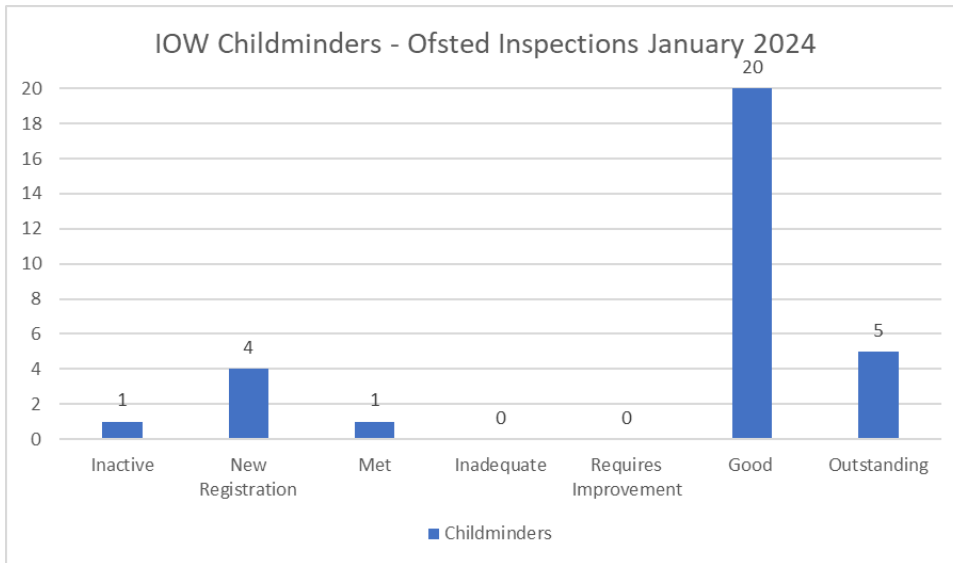


(Source - Ofsted)

Ofsted Outcomes: Childminders

4.6 As of January 2024, 96% of childminders inspected achieved outcomes of Good or Outstanding which is in line with the national figure of 97%. 1 childminder rated as 'Met/compliant' (up 1), none are rated as either Requires Improvement (down 1 on the previous year) or Inadequate. 4 new childminders are awaiting their first Ofsted inspection, which will happen within the first 30 months of registration, and there is 1 childminder inactive on the IOW. In 2023 5 childminders received an Ofsted inspection and all had "Good" judgements.

Graph 7: Ofsted registered Childminders on the IOW



(Source - Ofsted)

- 4.7 Childminders can register with Ofsted directly or as part of a Childminder agency (CMA); as of January 2024, no childminder on the IOW have registered with a CMA.
- 4.8 The IOW's Ofsted inspection figures have maintained a consistent trend of being in line with national data.

Early Years Foundation Stage (EYFS) outcomes

- 4.9 The evidence shows that good quality early years education has a real impact upon outcomes for young children especially from disadvantaged backgrounds. Previously this had been measured against a series of outcomes (Good Level of Development - GLD) in areas of learning (Early Learning Goals – ELG) as a benchmarking exercise at the end of EYFS/Year R before children transition into Key Stage 1. The Early Years Foundation Stage (EYFS) data had suggested that children on the IOW did the same as and, often better than the national average as measured by GLD.
- 4.10. In September 2021, the EYFS was reformed, and children are now assessed against revised Early Learning Goals (ELG), and due to the change's comparisons against previous GLD were no longer valid. The first two years of results from the Early Years Foundation Stage Profile 2021- 2023¹⁵ are shown in the table below, with the Island's reception year broadly in line with the national average and ahead of our statistical neighbour's average score.

Table 12: GLD outcomes compared to national and statistical neighbour averages

Area	2021-2022	2022-2023
Isle of Wight	63.2%	69.8%

¹⁵ [Early years foundation stage profile results: 2021 to 2023 - DfE - GOV.UK](#)

England	65.2%	69.6%
Statistical Neighbour	63.7%	63.5%

(Source – Early Years Foundation Stage Profile, DfE)

Safeguarding

- 4.11 All settings and childminders follow statutory guidance Keeping Children Safe in Education, Isle of Wight Safeguarding Children Partnership (IOWSCP) and Hampshire, Isle of Wight, Portsmouth, and Southampton (HIPS)¹⁶ procedures.
- 4.12 Advice and signposting where necessary are provided by the EYAT. Safeguarding audits are completed annually as well as safeguarding visits being undertaken on a four-year rolling programme.
- 4.13 The EYAT reports to the IOWSCP annually on trends and recommendations on safeguarding in the sector locally. For 2023 the EYAT highlighted the need for providers to have the appropriate policies and training for staff in place.
- 4.14 All Providers have a named Designated Safeguarding Lead (DSL) who receives the appropriate level of training in line with the requirements of the IOWSCP and, is available whenever the setting is operational.

Workforce

Existing workforce

- 4.15. The DfE requires providers to inform them of the qualification status of their staff through the Statutory Early Years census return. Below is a table which illustrates the levels of qualifications that have been obtained by Early Years Practitioners on the IOW and reported via the EYAT's Data Collection survey (December 2023). The headlines from most recent survey of the workforce's qualifications are:
- Overall, the size of the workforce has remained almost unchanged, growing by 0.8% from 490 employees in 2022 to 494 employees. Even with 3 providers closing in the last year, staff were deployed on other sites and those made redundant were taken on by other providers.
 - 81% of the IOW's Early Years workforce hold a Level 3 and above qualification, down 2 % on the previous year.
 - The Level 6 and Level 7+ qualifications are concentrated in school-based providers with 17.8% (21% in 2022) of the schools' early years workforce at these levels compared with 6.1% (5% in 2022) of the PVI providers' early years workforce and 15% (19% in 2022) of the childminders'.
 - PVI providers are now making more use of unqualified staff, employing just under 11% of their workforce compared with 7% the previous year. School based providers still only employ 5.5% unqualified staff.
 - The qualifications of childminders (including assistants) remain almost unchanged from the previous survey:

¹⁶ [Hampshire, Isle of Wight, Portsmouth, and Southampton Safeguarding Partnership](#)

Table 13: IOW Childminder, School, and providers staff qualifications December 2023

Qualification Levels	School based providers	PVI Providers	Childminders (including assistants)	Market Combined Totals	
				Qualifications Totals	Level of Qualification % of total staff number
Unqualified	4	45	13	62	11.6%
Relevant early years level 2 qualification/s	2	32	6	40	7.5%
Relevant early years level 3 qualification/s	42	248	4	294	55.2%
Relevant early years level 3 qualification/s and in management	12	70	10	92	17.3%
Early year's professional status (Level 6)	3	9	3	15	2.8%
Qualified teacher status (Level 7)	7	11	3	21	3.9%
Early year's teacher status (Level 7)	3	6	0	9	1.7%
Total number of staff	73	421	39	533	100%

(Source – Data Collection Dec 2023)

4.16. In January 2024 the Government introduced several reforms to qualifications in the Early Years sector, principally with the publication of a new statutory document on Early Years qualification requirements and standards¹⁷. At the same time, several other changes were made to who qualifies for the staff: child ratio, these are detailed in Appendix 1.

¹⁷ [Early years qualification requirements and standards \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

Future workforce

- 4.17 The IOW has two well-established post-16 training providers (Isle of Wight College and HTP Apprenticeship College) delivering full time campus-based courses (Levels 1 and 2 and the new T Levels) and work-based apprenticeships (Levels 2, 3 & 5) with local childcare providers.
- 4.18. The following table provides student numbers since September 2020 on full time courses on the IOW. Overall numbers have returned to broadly similar overall levels for 2023 -24, the lower Level 3 numbers represent the tail end of this qualification as it has been replaced by T Levels:

Table 14: Numbers of students studying f/t childcare course on the IOW

Course Level	2020-2021	2021-2022	2022-2023	2023-24
Level 1 & 2	69	62	40	67
Level 3	45	36	22	9
T Level	0	0	17*	27**
Total No of Students	114	98	79	103

(Source – IW College, HTP Apprenticeship College, * Year 1 Only, ** Year 1 & Year 2)

- 4.19. The IW College introduced Government’s new T Levels in September 2022; the new qualification is taking time to gain traction with students. HTP has decided to put the introduction of T Levels in their curriculum on hold and remain focused on developing childcare apprenticeships.
- 4.20. The following table provides current childcare apprenticeship numbers from both training providers. It should be noted that following the introduction of the new T Levels there has been an increase in take up of Level 3 apprenticeships as an alternative:

Table 15: Numbers of childcare apprentices on the IOW 2023

Apprenticeship Level	2022-2023	2023-2024
Level 2	8	6
Level 3	18	27
Level 4	2	0
Level 5	8	10
Total No of Apprentices	36	43

(Source – IW College, HTP Apprenticeship College)

- 4.21 The IWC supports future childcare & early years practitioners through the apprenticeship model, working with providers that are part of maintained schools to access the IWC’s Apprenticeship Levy. Currently there are 3 Early Years apprentices within IOW schools.
- 4.22. In the most recent Data Collection survey, questions were included on the lower age range of the workforce to start to better understand the numbers of new entrants starting their careers in Early Years, as well as to assess the likely impact of the NLW age range dropping to 21 years old from 1st April 2024. The following table explores this data:

Table 16: Number and percentage of workforce aged under 21 on the Isle of Wight

Type of Provider	Aged 18-20	Aged 20-21	% of wider workforce
PVI Providers	23	30	12.6%
School providers	5	8	17.8%
Childminders	1	1	5%
Total	29	39	12.7%

(Source: Data Collection survey 2023)

Recruitment

- 4.23. Job vacancies in the sector remain at a low level with peak recruitment around the beginning of each academic year (September and October). Providers are not required to report vacancies, so the EYAT monitors local and national employment data on a regular basis. In 2023, there was on average 5 vacancies for Early Years practitioners being advertised monthly locally and online.
- 4.24 Feedback from both training providers reports continued interest from young people in an Early Years career through the available courses and in the increasingly popular apprenticeship model of working, earning, and training. Ongoing anecdotal evidence from training providers and the Jobcentres highlights the sector’s continued low pay as a barrier especially during the recent Cost of Living Crisis as a disincentive for older workers looking to enter or return to the vocation.
- 4.25. The most recent Data Collection survey (2023) again reported 1 in 3 providers (excluding childminders) were experiencing difficulties in recruiting qualified staff during the year. Work is underway with providers to broker new relationships with local recruiters and training providers to develop new workforce development solutions for the sector.

Surveys

- 4.26. The EYAT will undertake the following surveys of parents/service users and providers across 2024 to monitor the wider childcare market on the IOW:
- Early Years Census (annual, 18th January 2024)
 - Data Collection (annual)
 - Parental Survey (annual, due February 2024)
 - Wraparound/ Out of School Childcare (annual, due spring 2024).

5. Funded Early Years Education on the Isle of Wight

Introduction

- 5.1 The Government funding for Early Years Education (EYE) is continuing to evolve with the addition of the new 'Expanded Entitlement' for children of working parents (aged 9 months to 36 months), introduced in three stages from April 2024.
- 5.2 The new Expanded Entitlement will see funded childcare for working parents introduced from April 2024 for 2-year-olds and then expanded to 9 months to 23 months in September 2024, and finally increased to 30 hours for working parents from September 2025.
- 5.3 The DfE fund local authorities for their expenditure on schools, early years and children and young people with high needs through the Dedicated Schools Grant (DSG), made under section 14 of the Education Act 2002.
- 5.4 The Early Years National Funding Formula (EYNFF) allocates funding to each local authority to deliver the universal and additional entitlements for 3- and 4-year-olds, with a separate formula that sets the funding for delivery of the 2-year-olds disadvantaged entitlement. A new formula for the new Expanded entitlement for 9 months to 2-year-olds of working parents will be introduced based on the 3- and 4-year-old formula with additional measures to reflect income deprivation affecting children.
- 5.5 All providers (school-based, PVI, and childminders) in receipt of EYE funding must annually sign the IWC's Terms and Conditions, these are written based on DfE guidance. This document covers what is asked of providers to deliver the funded entitlements, to meet all standards and safeguarding requirements, to support children with SEND and to provide appropriate data to inform decision making locally and nationally.
- 5.6 In 2023-24 all school-based (12, 100%) and PVI providers (35, 100%) signed up to access EYE funding, and 25 of 30 (83%) childminders take children with EYE funding.
- 5.7 In response to the Cost of Living pressures faced by providers, in September 2023 the DfE made a one-off increase, known as the Early Years Supplementary Grant (EYSG), in the funding rates across each of the entitlements for 2-, 3- and 4-year-olds for 2023-24.
- 5.8 The IWC and the Early Years sector on the IOW are currently waiting for an announcement on the new funding settlement by DfE. A national consultation will follow on setting the new rates for the existing and new entitlements for 2024-25. This will lead to a local consultation with providers on the rates paid before final approval is given by the IWC's Schools Forum.
- 5.9 The tables below show the numbers of funded and non-funded children on roll as reported in the recent Data Collection survey (December 2023). It shows

how essential EYE funding is to Early Years providers. The percentage breakdown figures for funded (59%) and unfunded (41%) remain unchanged from the previous CSA. The additional information on non-funded places will help build a more detailed data set of children of working parents already attending early years childcare to support the roll-out of the new Expanded Entitlement.

Table 17: Number of funded children on roll on the IOW December 2023

Type of Provision	No of 2-Year-olds	No of 3- & 4-Year-olds	Total	% of Total
School Based Providers	64	211	275	84%
PVI Providers	267	869	1136	57%
Childminders	14	70	84	40%
Totals	345	1150	1495	59%

(Source – Data Collection December 2023)

Table 18: Number of non-funded children on roll on the IOW December 2023

Type of Provision	No of under 1-Year-Olds	No of 1-Year-olds	No of 2-Year-olds	No of 3-Year-olds	No of 4-Year-olds	Total number of places	% of Total Places
School Based Providers	1	9	33	6	4	53	16%
PVI Providers	68	294	412	81	10	865	43%
Childminders	14	43	55	14	1	127	60%
Totals	83	346	500	101	15	1045	41%

(Source – Data Collection December 2023)

- 5.10. Providers and childminders can also seek indirect Government support through parents from HMRC and DWP. Parents may claim back a percentage of eligible childcare costs through tax free childcare accounts (extra 20%), Universal Credit (up to 85%) and the soon to be phased out Tax Credits (up to 70%). Some costs of non-funded places included in the table above will be claimed back by parents.

Universal Entitlement

- 5.11. The 'Universal Entitlement' covers all 3-year-olds from the term after their third birthday and all 4-year-olds, they are eligible for up to 15 funded hours of childcare or up to 570 hours per child's eligible birthday year. This equates to

15 hours over 38 weeks and can also be stretched over 52 weeks to cover school holidays.

Table 19: Number of 3 & 4 years olds in some form of EYE education

Year	Number of 3- & 4-year-olds benefiting from some early years education	Percentage of 3- & 4-year-olds benefitting from some early years education			
		Isle of Wight	Statistical Neighbour	South East	England
2019	2639	96%	95%	93%	92%
2020	2448	93%	93%	95%	92%
2021	2287	91%	90%	95%	93%
2022	2295	93%	92%	94%	93%
2023	2146	89%	92.5	96.5%	93.7%

(Source – LA Interactive tool¹⁸)

5.12. Early Years Education hours under the Universal Entitlement on the Island had remained relatively unchanged over the past three years but has decreased by 3.9% in the last year. This equates to approximately 265 children not accessing any Early Years Education, reasons for this drop in participation include a lower take up of the 2-Year-old Entitlement in previous years, greater use of family based informal childcare and more parents are still working from home. Figures for the disadvantaged 2-year-old entitlement saw a significant increase in 2023.

Extended Early Years Entitlement (30 hours)

5.13. This entitlement provides eligible families with children aged 3- and 4-years-old to have up to 30 funded hours of childcare per week. Eligibility for the additional 15 hours is based on both parents or the sole parent being in work¹⁹.

5.14. The graph below shows the take-up of the Universal Entitlement of 15 hours alongside how many qualified for a further 15 hours under the Extended offer on the IOW. It shows a consistent level of take-up term on term for 3- and 4-year-olds over the past 3 academic years, with working parents of 50+% of the children then stretching the hours to 30. In part this reflects the seasonal nature of employment on the IOW, the tourist season running from Easter through until the October half term. The slight reduction in total numbers of 3- and 4-year-olds each year reflects the ongoing drop off in the birth rate and the number of under 5-year-olds on the IOW.

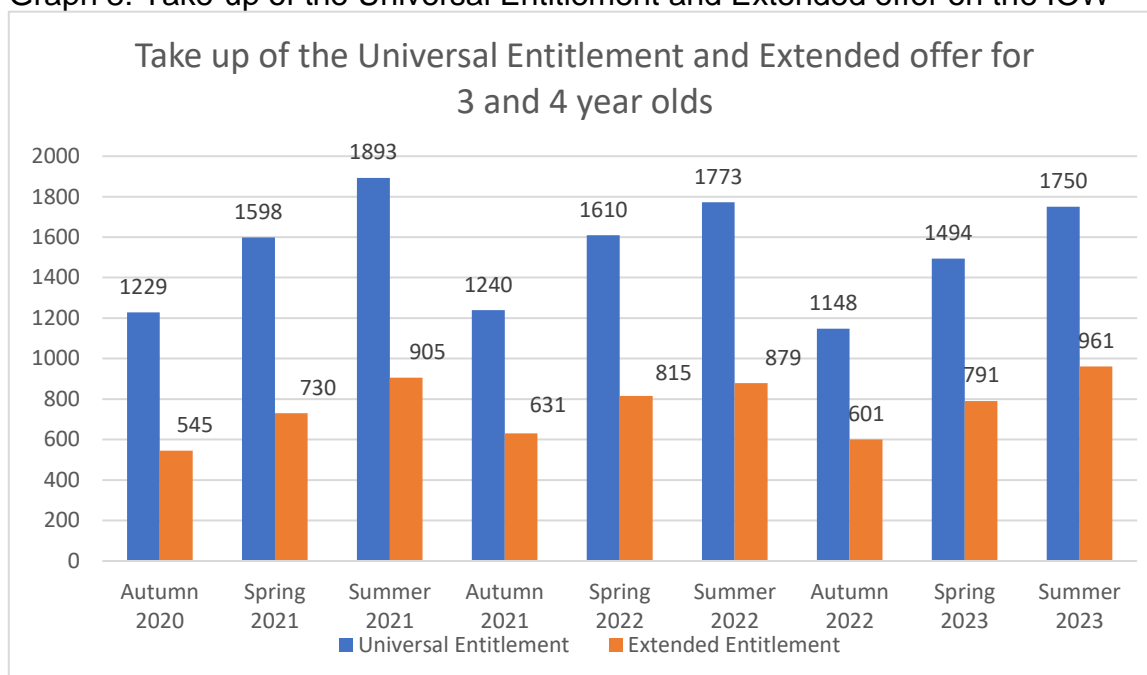
5.15. In the Data Collection Survey (2023), providers supplied data for the number of children whose working parents (in full time employment) were going beyond the Extended Entitlement (30 hours) and buying additional hours to provide sufficient childcare. A total of 372 children were in childcare for 30+

¹⁸ [Local authority interactive tool \(LAIT\) - DfE - GOV.UK](#)

¹⁹ [Childcare Choices | GOV.UK](#)

hours as of December 2023; this represents 21% of children claiming the Universal Entitlement and 39% of the Extended Entitlement take-up.

Graph 8: Take-up of the Universal Entitlement and Extended offer on the IOW



(Source - EYAT)

Two year old Entitlement

5.16. The 2-year-old entitlement of 15 funded hours of childcare, is subject to the parent being in receipt of a qualifying benefit²⁰ or if a child is looked after by the Local Authority or in receipt of Disability Living Allowance. It aims to improve disadvantaged children’s social and cognitive outcomes so that by the age of 5 they are as ready as their more advantaged peers are to start and fully benefit from school.

5.17. During 2023 qualifying parents were accessing on average 13.5 of 15 hours of funded childcare each week. This slight under-claim is due to the length of available sessions offered by providers and childminders.

5.18. The IWC receives a list of 6/7 times a year from the DWP of potentially entitled parents in receipt of a DWP benefit. The IWC contacts parents by email or text via the Gov.uk/notify service to advise that they may be eligible for the 2-year-old entitlement and a link to apply. This is delivered by 8 school-based (73%) and 34 PVI providers (97%) and 7 childminders (23%) who offer places to 2-year-olds and are registered to claim the available EYE funding.

Table 20: Numbers of 2-year-olds benefiting from funded Early Years education

²⁰ [Help paying for childcare: Free education and childcare for 2-year-olds - GOV.UK \(www.gov.uk\)](https://www.gov.uk/help-paying-for-childcare)

Year	Number of 2-year-olds benefiting from funded early years education	Percentage 2-year-olds benefitting from funded early years education			
		Isle of Wight	Statistical Neighbour	South East	England
2019	320	69%	73%	68%	68%
2020	323	76%	75.5%	69%	69%
2021	280	67%	65%	61%	62%
2022	300	77%	76%	69%	72%
2023	279	85.6%	76%	74%	74%

(Source – LA Interactive tool, Dec 2023)

5.19. 2-year-old funding on the IOW as a percentage of the population for the age can be seen in the above table; take-up has significantly increased over the last year, placing the IOW well above regional and national averages, as well as our statistical neighbour.

Expanded Entitlement

5.20. In the Spring 2023 Budget announcement the Government confirmed that funded Early Years childcare would expand to support its wider growth agenda for the UK economy and be implemented in stages from April 2024:

- Phase 1: From April 2024, working parents of 2-year-olds will be able to access 15 hours of childcare support.
- Phase 2: From September 2024, 15 hours of childcare support will be extended to working parents of children from the age of 9 months to 3-year-olds.
- Phase 3: From September 2025, working parents of children aged 9 months to the age of 5 will be entitled to 30 hours of childcare support a week.

5.21. The DfE has worked with local authorities nationally to help plan the roll out of the new entitlement, supplying data in June 2023 from a variety of sources to outline the potential size of the new market for funded childcare and forecast the potential rise in demand at each stage of the roll out. The DfE has also awarded funding to all local authorities to support the roll-out over the next 2 years.

5.22. The DfE's figures predicated a 4% increase in demand for places in April 2024 followed by an increase of 8% in September 2024. The formula used by the DfE to calculate these increases is a single, national one that does not take into consideration local factors affecting the supply and demand of childcare. The IOW already has more 2-year-olds in funded and non-funded childcare compared with the April 2024 predicted demand figures produced by the DfE.

5.23. The EYAT surveyed providers in the Data Collection Survey to identify any emerging issues as they prepared for the new entitlement roll-out. 16% of providers will need to make adaptations to their premises to meet the requirements of the new entitlements, especially for 9 months plus from

September 2024. Most providers expect their existing children (2-year-olds, 9 months to 23 months) to claim the new entitlement as part of their booked childcare.

Early Years Pupil Premium

5.24. The Early Years Pupil Premium (EYPP) provides extra funding for 3- and 4-year-old children whose parents are in receipt of certain benefits or children who have been in care or adopted from care. The provider could be entitled to up to £353 per year of funding to support 3- and 4-year-old children's development, learning and care to ensure they are 'school ready'.

5.25. The table below shows the numbers of 3- and 4-year-old children where providers have made a claim for EYPP over the last 2 years. The yearly lower Autumn figures reflect the annual move of 4-year-olds into Year R in schools. The overall upward trend in the numbers claiming has continued reflecting the impact of the Cost of Living crisis on parents'/carers' incomes and provider awareness of this extra funding:

Table 21: Number of children per term with EYPP claimed on the IOW

Term	Numbers of children	% EYPP of total population	Total population of 3- & 4-year-olds
Spring 2022	226	9%	2460
Summer 2022	335	14%	
Autumn 2022	238	10%	
Spring 2023	324	15%	2146
Summer 2023	372	17%	
Autumn 2023	177*	8%*	

(Source – EYAT, * provisional figures)

5.26. In December 2023, the number of applicants for the Autumn 2023 term reached a provisional figure of 177. Initial mapping of the areas and providers where this funding was awarded for Summer term 2023 shows a strong correlation to providers and children from wards with a high level of deprivation and households in receipt of 1 or more of the qualifying benefits.

5.27. In 2024 EYPP will be extended to cover children under the existing disadvantaged 2-year-old entitlement as well as the new Expanded Entitlements for working parents, starting with 2-year-olds from April 2024, followed by 9 months to 23 months from September 2024.

Ethnicity

5.28 The IOW childcare market seeks to be inclusive and supportive of cultural diversity of its parents and children. Data from the Spring 2023 Census records the EYE funded childcare for 2-, 3- and 4-year-old children found that 89% were White British, with 6% from a variety of ethnic backgrounds. A further 5% were 'information not obtained' or 'refused' on the Census.

Other Funding

5.29. Further indirect funding options for childcare are available from the Government (through HMRC and DWP) depending on parents' circumstances and incomes. Parents apply for these directly from the relevant organisation. Following the Spring 2023 Budget announcements around the enhanced Early Years and Wraparound childcare offers, these funding options will be central for working parents to receive further government support to access additional childcare in the future.

Tax Free childcare (TFC)

5.30. Financial support is available for parents whose income is above the upper threshold for help either through UC or previously Tax Credits. The parent opens and pays into an online childcare account through Gov.uk²¹.

5.31. The table below shows the annual number of families and children where TFC accounts have been used on the IOW. There continues to be a year-on-year growth in numbers, which is an encouraging sign of providers' and parents' awareness of this Government support:

Table 22: Number of Tax Free Childcare accounts opened and used on the IOW

Year	Annual number of families with used Tax Free Childcare Accounts	Annual number of children with used Tax Free Childcare Accounts
2017- 2018	100	120
2018- 2019	250	305
2019- 2020	470	585
2020- 2021	510	625
2021- 2022	675	825
2022- 2023	845	1,075

(Source – HMRC²²)

5.32. Childcare providers register to the scheme to receive payment via this method. The table below shows the number and type of childcare providers registered to accept payments through TFC accounts. A high number of non-registered primary schools use Early Years providers to deliver before and after school provision. To support the Wraparound childcare offer, the EYAT

²¹ [Get Tax-Free Childcare: step by step - GOV.UK \(www.gov.uk\)](https://www.gov.uk/get-tax-free-childcare)

²² [Tax-Free Childcare Statistics, March 2023 - HMRC- GOV.UK](https://www.gov.uk/tax-free-childcare-statistics)

will encourage more activity providers to seek the appropriate Ofsted registration to access to these accounts.

Table 23: Number of providers registered for Tax Free Childcare accounts on the IOW

Type of Provider	Number signed up for TFC Accounts	Number not signed up for TFC Accounts	% signed up
Early Years Providers (PVI)	34	1	97%
Primary Schools	32	7	82%
Childminders	29	1	97%
Home Childcarers	3	6	33%
Holiday Clubs	3	--	-
Activity Providers	2	--	-

(Source – HMRC)

Tax Credits

5.33. Working Tax Credits (WTC) and Child Tax Credits (CTC) are working-age benefits administered by HMRC. It provided a top-up to parents on a low income both in (WTC and CTC) and out of work (CTC only), with working parents able to claim eligible childcare costs²³. The benefit has been closed to new applicants for some time and replaced by Universal Credit (UC).

5.34. HMRC’s provisional 2023 figures estimate there are 2,300 households with 4,300 children still in receipt of Tax Credits²⁴. These figures are already substantially lower than reported in the previous CSA, even before October 2023 when the DWP began issuing migration notices to recipients of Tax Credits informing them they will be moved across to claim UC through 2024.

Universal Credit (UC)

5.35. UC is now the main working-age benefit available to IOW residents. Parents in work and on UC can claim back up to 85% of eligible childcare costs every month, and in the Spring 2023 Budget announcements, the maximum allowed per month rose by 50% to £950.92 (for 1 child) or £1630.15 (for 2 or more children). There is now additional help when starting work with up-front childcare costs.

5.36. Going forward, more work needs to be done to raise parental and provider awareness of this other indirect government funding for Early Years and Wraparound childcare costs. This will be particularly important with the planned move of all claimants from Tax Credits to UC which will include a significant number of households on low incomes with eligible children.

²³ [Tax credits: work out your childcare costs - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/tax-credits-work-out-your-childcare-costs)

²⁴ [Child and Working Tax Credits statistics: Provisional awards - April 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/child-and-working-tax-credits-statistics-provisional-awards-april-2023)

Childcare Vouchers

5.37. This Government scheme to help parents in work with childcare costs closed to new applicants on 4 October 2018; there is unlikely to be any Early Years childcare being paid through the voucher scheme.

Future Demand

5.38. Predicting future demand for childcare on the IOW is one of the outcomes of producing the annual CSA report. As detailed in the last CSA, there is a clear downward trend in the birth rate on the Island which will affect the numbers of children requiring childcare places over the next few years. However, at the same time the announcement of the new Expanded Entitlement will change the boundaries of the marketplace with the potential for generating a new demand for childcare from parents then able to return to work earlier.

5.39. In the short-term, developing a methodology to understand better the likely demand for the new entitlement (9 months to 2-year-olds) will include applying the take up percentage of the Extended Entitlement (30 hours) to this younger age group. Additional data is supplied on a regular basis by the DfE in the form of the Local Authority Readiness Self-Assessment, this has forecast demand for places will rise by 4% for the April 2024 offer and 8% for the September 2024 offer.

5.40. The location and level of demand for early years childcare for working parents will help the EYAT in predicting where demand may be for primary-aged Wraparound childcare in the years to come.

5.41. In 2023 the hourly rate charged for the under 2- years-old age group by providers has gone up by 16% to on average £6.66 per hour, while childminders' fees have risen by 8% to an average cost of £4.92 per hour. These increases reflect both the inflationary pressures on business costs (wages, rent, utilities, etc) faced by providers and the still flexible income generation from this age group.

Table 24: Numbers of providers active in the under 2-year-old provision

Type of Provision	No of providers offering places to under 2-year-olds		
	January 2022	December 2022	December 2023
Childminders	20	28	24
School based providers	1	1	1
PVI providers	25	26	23

Totals	46	55	48

(Source- Data Collection Surveys January 2022, December 2022, December 2023)

5.42. The final two tables in this section allow the EYAT to start to build up a more detailed, longer-term picture of this part of the marketplace. All future EYAT surveys will ask for data on the single year age cohorts on roll with each provider and childminder to support market management.

5.43. This part of the market remains dominated by PVI providers, with only one school-based provider currently offering places for this age group, although this might change in 2024. The drop in the number of active providers in 2023 reflects closures and childminders de-registering with Ofsted, while the decline in overall places mirrors a continuing fall in the birth rate, rather than changes in parental demand for childcare.

Table 25: Number of childcare places in the under 2-year-old provision

Type of Provision	No of places used by under 2-year-olds			
	January 2022	December 2022	December 2023	
			0-12 months	1-year-olds
Childminders	62	74	31	43
School based providers	15	12	1	9
PVI providers	391	418	67	286
Totals	468	504	437	

(Source- Data Collection Surveys January 2022, December 2022, December 2023)

5.44. Over the next 2 years further detailed work with the marketplace will be required to better understand the impact of the new funded entitlement for children from 9 months upwards of working parents. Alongside engagement with parents and providers, the EYAT will work with IWC colleagues and outside stakeholders such as Jobcentres to understand employment trends on the IOW.

6. Wraparound & Holiday Childcare

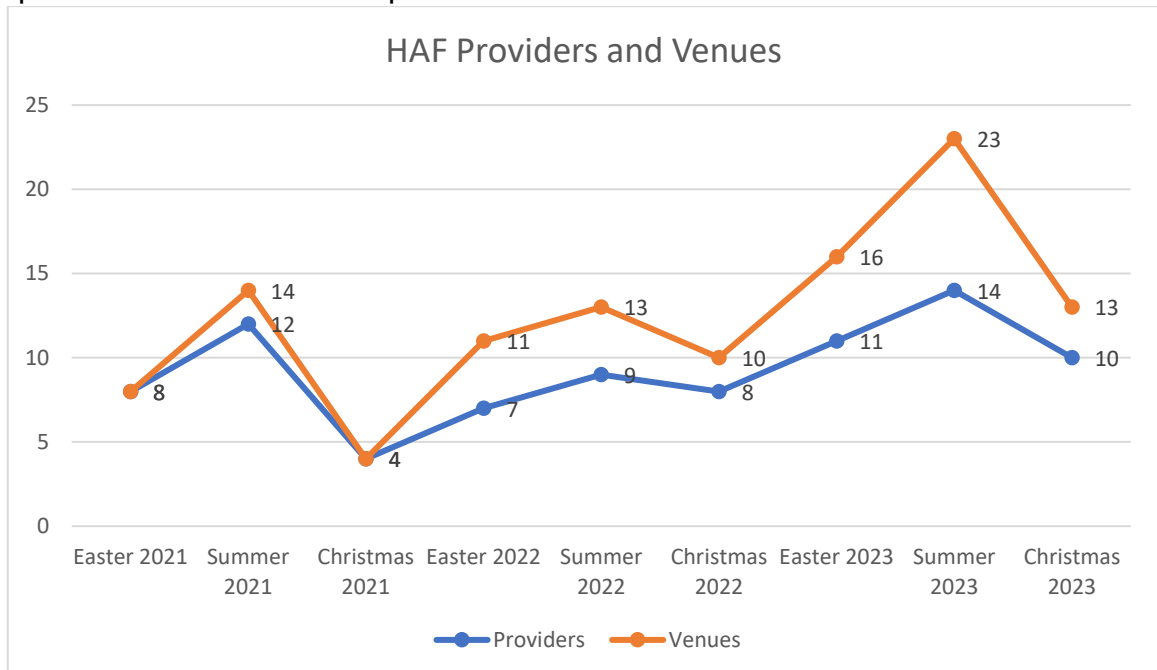
Introduction

- 6.1. The previous CSA had used the term Out of School (OOS) childcare but following the Spring 2023 Budget announcement of a new programme and initial funding, it is now referred to as 'Wraparound childcare'. This will now cover breakfast/before school clubs and after school clubs running term time only. This form of childcare can operate either on or off a school site and can be run by the school or by a PVI childcare provider, a childminder or activities provider.
- 6.2. 'Holiday childcare' will now refer to the Holiday Activity and Food (HAF) programme and other holiday play and childcare schemes running during school holidays and half terms.

Holiday Activity and Food Programme (HAF)

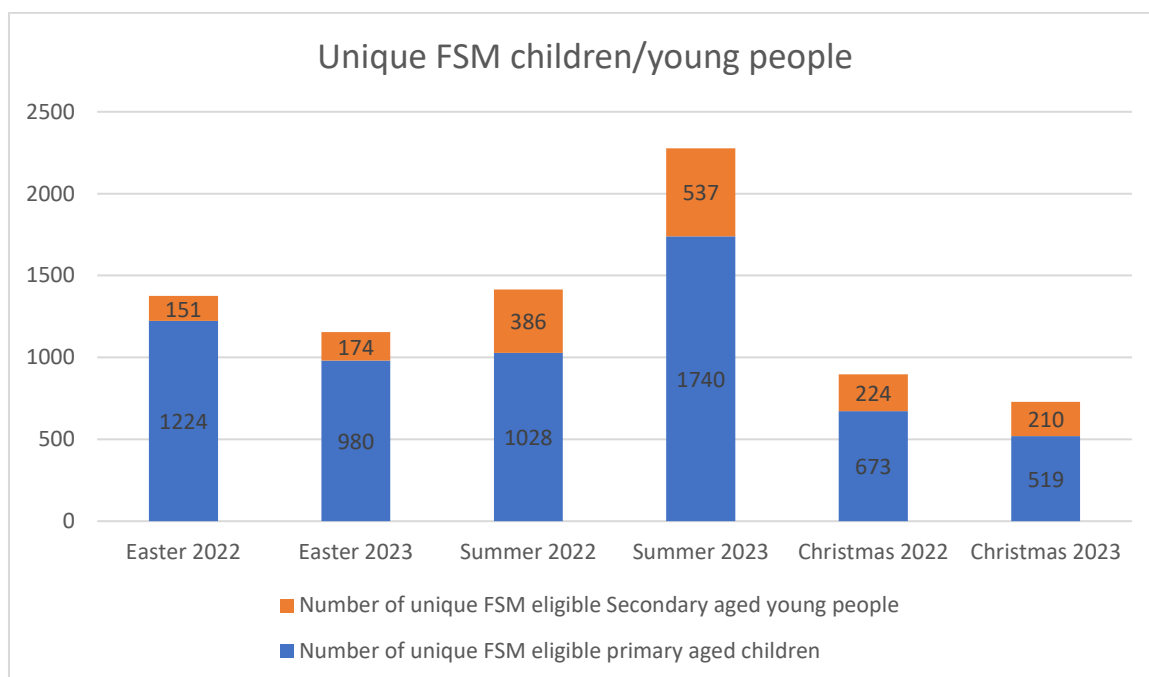
- 6.3. HAF is a DfE funded initiative that has been running on the Island since 2021 and delivered through our partner Hampshire County Council (HCC)'s Connect4communities Programme²⁵. The HAF programme's aims are to provide free, enriching activities and healthy food for free school meal (FSM) eligible children and young people aged 5 to 16. These activities have been run through the main school holidays of Easter, Summer and Christmas in 2023.

Graph 9: The number of HAF providers and venues on the IOW 2021 to 2023



²⁵ [connect4communities | Hampshire County Council](#)

Graph 10: The number of children and young people qualifying for FSM accessing HAF provision in 2022 and 2023



(Source – HCC HAF DFE returns: *FSM eligibility from IWC schools attendance data.)

- 6.4. The graph above outlines the number of unique FSM children attending in 2022 and 2023. The programme has seen a year-on-year overall increase of 21% in the number of secondary-aged children attending and 10.7% increase in primary-aged. Summer 2023 was particularly successful, increasing the number of eligible children and young people participating in the programme by 61% on the previous summer. The numbers of FSM children on the IOW increased by 3.9% from 3790 to 3937 according to the Spring School Census 2023.
- 6.5. The commissioning process for 2023/24 took place in February 2023 and contracted for delivery across all three holiday periods, with priority given to the longer summer delivery period. This gave early identification of gaps in delivery and enabled a more local partnership strategy to engage with new providers to ensure sufficient provision across more communities through the year, especially for the Summer delivery period.

Easter 2023

- 6.6. Easter 2023 was the first time that HCC used their new HAF Provider Framework of pre commissioning checks of providers followed by a more robust checking of data returns after each delivery period. The numbers of providers and sites increased to 11 providers on 16 sites delivering 1776 places compared with Easter 2022 with 1749 places on 11 sites run by 7 providers. This was part of a revised strategy to improve access in more communities on the IOW.

- 6.7. As shown in Graph 10 the number of unique children attending provision was down 16% on Easter 2022, but average attendance rates increased from 1 to 1.4 days. The balance of primary and secondary provision also began moving in the right direction from 89/11% to 85/15%, and the number of children with SEND continued to rise from 9.4% to 11%.

Summer 2023

- 6.8. Summer 2023 saw the largest programme (see graph 10 above) yet for HAF on the IOW with 14 providers on 23 sites across the holiday period, delivering a wide range of activities including sports, skateboarding, dance, theatre, days out and craft activities. This included 3 new providers who were contracted to fill in gaps in provision in under-represented areas, bringing new activities and more diversity of provision.
- 6.9. Further work was undertaken to improve the marketing of the programme using a dedicated page on the new Family Information Hub site²⁶. Listing all providers and the activities being delivered, this was supported with press and social media activity co-ordinated by the IWC's Communications Team. This work was co-ordinated by Island based IWC and HCC officers leading to a year-on-year increase of 61% in the numbers of unique children and young people accessing the HAF programme.

Christmas 2023

- 6.10. The Christmas HAF 2023 programme on the IOW is historically a quieter time than similar schemes on the Mainland or in the other delivery periods locally, due to the short nature of the school holiday and the lack of parental demand for childcare during this period.
- 6.11. Christmas 2023 saw the IOW's HAF programme reach 729 unique children across 13 schemes. This was more unique children than previously projected based on the number of places commissioned from providers. Two trends from the Christmas period were an increase in the number of secondary age young people, up from 24% in the summer to 29% at Christmas, secondly demand from children with SEND has grown significantly from 9% of children attending provision the previous Christmas to 16% this Christmas.
- 6.12. Even with fewer places commissioned this Christmas due to the longer summer period being prioritised, there were a higher number of unique children engaged. This is the result of much improved conversion rates of awarded places to bookings. Even with the shorter delivery period, the programme was able to deliver a varied programme of activities. The key learning to help inform future Christmas commissioning is to be more proactive in helping providers adapt delivery methods to meet the challenge of the time of year and the availability of premises and delivery methods.
- 6.13. Funding has been confirmed by the DfE and the programme will run through the three school holidays in 2024 finishing in March 2025. From February 2024 the IWC will manage and deliver the HAF programme on the IOW

²⁶ [IW Family Information Hub | Holiday Activities and Food \(HAF\) \(iow.gov.uk\)](https://www.iow.gov.uk)

following the end of the partnership with HCC. Objectives for 2024 will be ensuring:

- Provision maintaining a varied and changing programme of activities.
- More geographical availability across the IOW especially in rural areas.
- Improved take up by young people in secondary education.
- Improved signposting to relevant local agencies to better support parents.
- More providers becoming Ofsted registered as appropriate for age range of delivery.
- Work in partnership with other youth-based services and activities.

Wraparound Childcare

- 6.14. In the Spring 2023 Budget the Government announced an investment of £289 million to LAs to help facilitate and support the expansion of Wraparound childcare for primary school-aged pupils (5 to 11-years-old). The Government's ambition is for all parents of primary school children who need it to access childcare in their local area from 8am – 6pm. This will help to ensure parents have enough childcare to be able to work full time, take on more hours and work more flexibly.
- 6.15. The IOW's allocation of this funding will support the IWC to work with Island primary schools and Early Years providers including childminders to start or expand childcare provision between 8am and 6pm to enable us to test flexible ways of providing childcare and gather evidence of what works. The EYAT has already taken steps to reassure the existing providers in the market, mainly PVI providers and childminders, that both DfE and the IWC see them as a key part of the provision going forward.
- 6.16. To date DfE has produced a programme handbook to help guide LAs in the early stages of the programme, especially in developing a capacity plan to deliver the programme in each local authority area. Further guidance for schools outlining their role in the new offer is due for publication in early 2024.
- 6.17. Parents of primary school-aged children will still be expected to pay to access this provision, as this programme aims to increase the availability of childcare, rather than provide ongoing subsidised childcare. Government support with these childcare costs will be available to eligible parents through Tax Free Childcare and Universal Credit childcare.
- 6.18. The expectation is that parents should start to see an expansion in the availability of Wraparound childcare from September 2024, with every parent who needs it able to access term-time Wraparound childcare by September 2026.
- 6.19. Responses to the Data Collection survey (December 2023) show in the table below that Early Years providers remain the bedrock of the sector's providers. Those providers offering before and after school provision were either school based providers or PVI providers operating on school premises. The survey

also highlighted barriers for other providers entering the Wraparound market, these included financial viability of the offer and lack of staffing, appropriate equipment or space to run any new provision.

Table 26: Out of School and holiday provision offered by early years providers on the IOW

Wraparound/ Out of school provision	Numbers of Providers 2022	Numbers of Providers 2023
Before & after school	27	24
Before only	3	2
After only	3	3
Under consideration	0	2
None	16	15
Holiday Club	24	22

(Source – Data Collection Surveys December 2022 & 2023)

- 6.20. Apart from formal after school clubs, parents may also use school-based activity clubs as childcare, but as these clubs provide a specific activity (football, dance, etc) for children over eight, they do not have to be registered and regulated as childcare by Ofsted. Parents are unable to use Tax Free Childcare accounts and UC childcare to pay for this childcare. In 2023 four such providers joined Ofsted’s voluntary register to allow parents to access this funding to pay for childcare for 8-year-olds and over.
- 6.21. Going forward the EYAT will undertake regular surveys of Out of School provision with primary schools and early years providers to gather more intelligence and understanding about the market to help inform the roll out of the Wraparound childcare programme. The DfE is supporting the programme by providing data on a regular basis from several central government sources to all local authorities.

Fees & Financial Support

- 6.22. As already reported in Table 26, 24 early years providers currently deliver either or both before and after school provision; this is a reduction of 3 providers since the previous CSA.
- 6.23. The next table shows the average (mean) prices per hour for breakfast clubs (before school) and after school clubs delivered by Early Years providers; the line for childminders covers both before and after school as part of their longer standard working day. The average cost of breakfast clubs has remained unchanged over the last year and the cost of after school provision has increased by 5%, this compares with an 8% increase regionally and 1% increase nationally. The increased cost of this provision delivered by

childminders both locally, regionally and nationally has been around 1%. Work will continue with providers, the better to understand the dynamics of this part of the market and its relationship to local seasonal employment patterns across the Island.

- 6.24. The Government expects parents to pay for the new Wraparound childcare offer and where eligible access indirect childcare financial support through Tax Free Childcare accounts and Universal Credit Childcare. There will be a need to raise the profile of both forms of government support for childcare with parents and stakeholders, as well as ensuring all schools are able to take payments from parents using Tax Free Childcare accounts.

Table 27: Average (mean) cost of before and after school provision delivered by early years providers.

Type of provision	Average price per hour				
	Isle of Wight			South East (2023)	England (2023)
	2022	2023	% change		
Before school	£4.29	£4.29	0%	£4.56	£4.49
After school	£4.98	£5.22	+5%	£4.56	£4.49
Childminders	£4.65	£4.70	+1%	£4.76	£4.82

(Source- Data Collection Survey December 2022 and 2023, Coram Childcare Survey 2023²⁷)

Ofsted

- 6.25. Early Years providers active in the Wraparound childcare market will always be on the Early Years Register but will also have registration on 1 or 2 other Ofsted registers depending on their wider offer. The Compulsory Register covers looking after children between 5- and 8-years-old for more than 2 hours on each day they are providing childcare. The Voluntary Register is for childcare for those children over 8-years-old.
- 6.26. The DfE has confirmed that it is a requirement of the new Wraparound childcare offer that all providers are registered with Ofsted to ensure quality.
- 6.27. The HAF programme will seek to continue to raise the quality of holiday provision on the IOW when delivery is brought inhouse. The programme will support and encourage existing and new providers to join the appropriate Ofsted register.

²⁷ [_ Coram Family & Childcare Survey 2023 - Coram Group : Coram Group](#)

7. Special Educational Needs and Disabilities (SEND)

Current SEND offer

- 7.1 Childcare and early years education for children with special educational needs and disabilities is available on the Isle of Wight, both within mainstream provision and a Special school offering early years places where this has been assessed as appropriate to meet the needs of the child.
- 7.2 The Childcare and Families Act 2014 requires each Local Authority to produce and publish a Local Offer [Local Offer \(iow.gov.uk\)](http://iow.gov.uk) which sets out, in one place, information about provision available across education, health and social care for children and young people in the area, who have special educational needs and or disabilities.
- 7.3 The Early Years SEN team ensure all registered Early Years childcare providers have their own versions of the local offer. This information is held on the IOW Family Information Hub site and by providers on their websites; all registered early years providers have their own local offer in place.
- 7.4 The Early Years SEN team offer a 'portage service' for eligible children who have a significant delay in two or more areas which must include cognition and learning. This is a home visiting education service for pre-school children with SEN.

Disability Access Fund (DAF)

- 7.6. The Disability Access Fund (DAF) provides funding to support children with disabilities and/or special educational needs. A child in receipt of Disability Living Allowance (DLA) is eligible to receive an annual lump sum of £828.00 for each child in 2023/2024.
- 7.7. The DAF is designed to aid access to early years places by, for example, supporting providers in making reasonable adjustments to their settings and/or helping with building capacity be that for the child in question or for the benefit of all children attending the setting.
- 7.8. Changes for 2024/25 will see the amount rise to £910 annually and include qualifying children under the new Expanded Entitlements from April and September 2024.

Table 28: Numbers of children in receipt of DAF on the IOW

Provider	Number of children claiming DAF 2020-21	Number of children claiming DAF 2021-22	Number of children claiming DAF in 2022-23	Number of children claiming DAF in 2023-24
Early Years Providers	32	18	37	31*

(Source: IWC EYAT, * provisional)

7.9. Providers accessed DAF to support 31 children* in 2023.

Education, Health and Care Plans (EHCP)

- 7.10. Education, Health and Care Plans (EHCP) and the needs assessment process through which these are made, were introduced under part 3 of the Children and Families Act 2014. The Act, and an accompanying SEND Code of Practice, sets out how local authorities must deliver these responsibilities.
- 7.11. There are currently 62 children in Early Years (including YR) with EHCPs, with a further 55 children that are in the EHCP assessment process.
- 7.12. The Early Years census in January 2023 will give up to date data on the number of children aged 0-3-years-old with an EHCP and the number of children identified as SEN without an EHCP.
- 7.13. Early identification is important as it results in prompt intervention to support children and their families so that difficulties can be addressed and educational gaps do not continue to widen as they prepare to enter primary school.

'Short Breaks' and Out of School provision

- 7.14. Short Breaks is a statutory service under Section 25 of the Children and Young Persons Act 2005, and is funded through the IWC and aims to increase activity opportunities available for children and young people (0-19) with disabilities and/or additional needs to participate in.
- 7.15. The IWC's Short Breaks programme offers a range of opportunities including after-school, evenings and weekend activities and overnight stays, full details of the service can be found here: [Short Breaks \(iow.gov.uk\)](https://www.iow.gov.uk). In 2023 the Short Breaks programme consisted of 13 providers delivering 14 different activities, over the year 658 sessions were delivered for 3157 children and young people.
- 7.16. There is still only one local Ofsted registered childcare provider offering specialist SEND OOS childcare for early years and primary aged children.
- 7.17. The Holiday activity and food (HAF) programme provides inclusive access for SEN children with the programme's providers supporting children with a range of SEND.

Vacancies

- 7.18. Medina House is the only Special school on the Island that caters for Early Years children with complex needs. There are 12 YR children attending the Specialist school, there were no vacancies in December 2023.
- 7.19. The four specialist units on the IOW attached to primary schools who cater for children with range of needs, none of them have any Early Years children attending the units.

8. Overall Sufficiency and Action Plan

Conclusions

8.1. By end of 2023 the IOW has sufficient childcare places (2,389) to meet the current demand from parents for high quality childcare, delivered through a diverse but slightly smaller marketplace of 78 childcare providers. This childcare marketplace consists of 13 school-based providers, 35 Private, Voluntary and Independent (PVI) providers, 30 childminders and 9 home childcarers. The EYAT has had no requests or enquiries from parents in rural areas, suggesting that childcare provision is geographically spread across the Island serving all the main towns and employment centres.

Providers and places

- 8.2. Over the past year the sector has had a small overall change, with the total number of all types of providers decreasing by 7% (down 5% nationally) from 84 to 78 and the number of available places reduced by 6.3% in the same period from 2528 to 2389 places. There was no change in the number of school-based providers but the number of PVI providers dropped by 8% against a national figure of a 3% decline in numbers. Following national trends, the number of childminders on the IOW reduced by 9% during this period with 30 active in the market in December 2023 delivering 185 places, down 15% in the last year.
- 8.3. The EYAT is working with the sector to manage the transition to a lower birthrate and its impact on delivering childcare for 2-, 3- and 4-year-olds. At the same time the EYAT is supporting the sector to identify the likely increase in demand for childcare from 9 months to 2 -year-olds when the Expanded Entitlement is introduced from April 2024.
- 8.4. Opening hours remain almost unchanged across all types of childcare providers over the last year, but with a slight reduction in early opening (before 8.00am) and the later closing times (after 6.00pm) by some PVI providers to help ensure wider financial viability. Vacancy rates remain low with 19 providers maintaining a waiting list down from 22 last year and 18 childminders up from 9 previously. In response to specific questions in the recent Data Collection Survey providers stated their use of waiting lists was to manage parental interest in the new Expanded Entitlement for April and then September 2024.
- 8.5. 2023 has been a year when inflationary pressures on business costs have had a significant influence on increasing fee levels for non-funded childcare for children under 3-years of age. Local providers have increased fees an average 14.5%, this has been well above the national increases (8%) while childminders have also been above (8%) the national average fee increase (5%). With inflation easing, except for labour costs, and the roll-out of the new Expanded Entitlement, there may not be the need or scope for significant fee increases in 2024.

Wraparound and HAF

- 8.6. The Spring 2023 Budget announcement of the Wraparound childcare offer for working parents will transform the EYAT's work in this area to deliver the offer by September 2026. Work in 2023 was centred around better understanding of this marketplace through gathering the available data and combining it with data provided by the DfE. A range of actions are included in the action plan to establish awareness, availability, and cost for parents.
- 8.7. 2023 was the last year the partnership with HCC delivered the Holiday Activities and Food (HAF) programme and saw the addition of IOW based staffing and improved local marketing. This helped deliver a 13% increase in overall figures for qualifying children and young people on the programme compared with the previous year, as well as increasing the range and availability of quality holiday provision on the Island. In 2024 the IWC will bring delivery back inhouse with a focus on improved access in rural areas, greater engagement with secondary-age children and an expanded range of activities on offer.

Quality and workforce

- 8.8. Quality is central to the provision of childcare and the Island continues to maintain high standards in this area with 95% of settings inspected by Ofsted achieving 'Good' and 'Outstanding' and childminders with 96% achieving 'Good' and 'Outstanding' at Ofsted inspections. Both parts of the Early Years register are in line with national figures for inspections, and the EYAT will continue to support providers to maintain high standards in 2024.
- 8.9. Early Years childcare requires a highly trained and qualified workforce, with 81% of those employed in the sector achieving a relevant Level 3 qualification and above, down 2% over the year. Addressing this slight decrease in the level of the trained workforce, the EYAT will continue to work closely with training providers to deliver apprenticeships to the sector, alongside delivering LA training, CPD programme and highlighting DfE funded educational opportunities.

Early Years Entitlement

- 8.10. Funded Early Years education is an important element of the offer from 100% of our providers and 83% of the local childminders. The IOW has traditionally had a high level of engagement of 3- and 4-year-olds with early years provision, either with childcare providers or primary schools for Year R. In 2023 89% of 3- and 4-year-olds on the IOW were in early years provision, which is a decrease of 4% on the previous year and below both regional and national averages for this age group. Reasons for this drop could include the impact of a year with a lower birth rate, the tail end of those children effected by the Covid Pandemic and more parents are still working from home.
- 8.11. The Universal Entitlement of 15 hours for all 3- and 4-year-olds is the core offer with 1750 children accessing these hours in the Summer 2023 term. For this same term there were 55% (961) of parents, up from 51% in 2022, who were in work whose children also qualified for the Extended offer of up to

another 15 hours of funded of childcare. Of these, in December 2023 372 children were in additional hours of childcare beyond the 30 funded hours, representing 21% of those claiming the Universal Entitlement and 39% of the Extended Entitlement take-up.

- 8.12. The last part of the current funded offer is for disadvantaged 2-year-olds; the EYAT has worked well in partnership with the DWP to identify and engage 86.5% of those qualifying in some form of early years provision, up from 77% the previous year. The IOW remains well above the regional and national averages (74%).
- 8.13. Work began in 2023 on preparing for the roll-out of the new Expanded Entitlement from April 2024. The DfE provided national data on forecasting the likely demand for the new entitlement from April and September 2024. EYAT has surveyed providers to gauge the level of parental demand and at this time it is expected there will be sufficient places to meet the new offer in April 2024. As required, a funding consultation on the likely rates was undertaken in the last quarter of 2023-24 in preparation for a final decision on the likely rates by the Schools Forum in January 2024.

Support for vulnerable children

- 8.14. The Early Years Pupil Premium (EYPP) provides additional funding to qualifying children to ensure they are 'school ready'. Over the last year 14% on average of the 3- and 4-year-olds on the Island had made a claim for EYPP funding.
- 8.15. Early Years providers continue to make good use of the Disability Access Fund (DAF) supporting 31 children who are in receipt of DLA to access enhanced Early Years childcare.
- 8.16. The demand and need for SEND services has continued to grow on the Island. The number of early years children with ECHPs remains high, with 44 children in reception year on the IOW with agreed ECHPs at the start of January 2024.
- 8.17. The IOW has a well-developed Short Breaks offer which is now working in partnership with the HAF programme to provide a more inclusive offer for children with SEND.
- 8.18. In conclusion, in 2023 parents/carers on the IOW had access to a successful, high quality childcare market. Based on the evidence in this report, it should continue to deliver sufficient childcare places for the under 5-year-olds and start to provide Wraparound childcare for primary aged children on the Island over the next year.

Update on 2023-2024 Action Plan

8.19 The IWC has made good progress and steady delivery against the actions and priorities detailed in the previous CSA.

Statutory Duty	Action	Progress to date
<p>Early Years Childcare market (Section 7, childcare Act 2006)</p>	<ul style="list-style-type: none"> • Offer a business support package to all Early Years Providers to help ensure their viability and sustainability in a challenging business environment. Establish a database of other funding and grants available to the sector. • Develop a workforce strategy in partnership with local training providers and the DWP/Jobcentres to help employers in the sector recruit, train and retain more qualified staff. • Work with the IWC's Planning team on new housing developments to ensure Early Years places are prioritised in the initial planning stage to meet possible future childcare demands. • Develop and expand an Early Years business risk register across all providers to identify any risks that might affect business viability and the availability of sufficient childcare places. • Develop the marketplace for Out of School (OOS) childcare and enhance the Holiday Activities and Food (HAF) 	<p>The EYAT has delivered business support for individual EY providers through 2023, alongside running a business planning workshop and providing regular updates on other funding/ grants available to the sector.</p> <p>New links have been established with local training providers to market the apprenticeship model more effectively to EY providers.</p> <p>The IWC's Planning Policy team are more aware of the need to deliver EY places as part of new housing developments, and EYAT being recognised as the relevant stakeholder in the planning process.</p> <p>An EY risk register has been established bringing together existing and new data sources to help identify risks at an earlier stage.</p> <p>The OOS market has been mapped and this work has fed into the emerging Wraparound childcare programme. With additional local input on partnerships, quality and marketing, the HAF</p>

	<p>programme’s reach and effectiveness on the Island.</p> <ul style="list-style-type: none"> • Develop a dashboard of data sources on all available aspects of the marketplace built around the existing Power BI interactive mapping tool to better inform market management, future CSA reports and other IWC reporting requirements. 	<p>programme delivered improved take-up and the addition of new IOW based providers.</p> <p>The Power BI mapping tool has proved a useful platform to add new data sources to assist the market management process.</p>
<p>Promotion of childcare options (Section 12, Childcare Act 2006)</p>	<ul style="list-style-type: none"> • Seek to continue to improve the Family Information Service website to ensure information is accurate and signposting is clear to maximise the ability for parents to identify and secure childcare. • Ensure the Early Years websites are kept up to date with accurate information to enable parents to secure the childcare that meets their needs. • Promote the availability and monitor the level of take-up of 2-year-old and the Extended Entitlement funding to parents. • Work with DWP/Jobcentres to promote the available childcare options as part of their return to work agenda. 	<p>The new Family Information Service website has been launched and contains details of all Early Years providers, funding options for parents and holiday childcare options.</p> <p>The EY content on the IWC’s website is currently being reviewed and updated to reflect the new funded childcare entitlements.</p> <p>Effective use of the DWP customer lists to help improved the take-up of 2-year-old entitlement.</p> <p>Briefing sessions have been delivered to DWP/Jobcentre staff on available childcare options to support their return to work agenda with parents on UC.</p>

<p>Early Years Education (Sections 1 & 2, Childcare Act 2016)</p>	<ul style="list-style-type: none"> • Continue to monitor and promote 2-, 3- and 4-year-old funding to ensure sufficient places. • Continue to monitor and promote entitlements for disadvantaged children of EYPP and DAF funding and SEND services. • Liaise with neighbouring authorities at regional meetings to share processes and identify good practice models. 	<p>The EYAT continues to monitor all funding for the EY entitlements and the more specialist funding to ensure that sufficient places were delivered in 2023, and that EYAT is aware of trends in additional funding needs (EYPP, DAF) for disadvantaged and SEND children on the IOW.</p> <p>Officers in EYAT are beginning to join wider LA networks and have benefited from greater awareness of new practice and models of delivery.</p>
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2024-25 Action Plan

8.20. In the year ahead the EYAT will prioritise the following for development and implementation as part of the CSA’s action plan. The priorities are mapped against the statutory duties of the IWC in this area of service delivery, but they will be flexible to allow the IWC to respond effectively to how the new Early Years funded entitlement and Wraparound childcare offers affect the sector’s stability and sustainability. Consideration will also be given to the ending of the partnership with Hampshire County Council and the return to inhouse delivery of services (HAF) by the IWC.

8.21. These actions will continue to build our knowledge and understanding of sufficiency and management of the local childcare market (Early Years, Wraparound and Holiday) and help ensure continued sufficient high-quality childcare for all children on the IOW:

Statutory Duty	Actions
<p>Early Years Childcare market (Section 7, Childcare Act 2006)</p>	<ul style="list-style-type: none"> • Support the recruitment of new childminders to sustain the current market with the intention of growing the market in areas where needed. • Continue to support all Early Years providers to deliver flexible funded places for 9 months to 4-year-old nursery education, as well as supporting where needed the expansion and development of new childcare places across the IOW. • Undertake further research into the size, demand and trends for 2-year-old and under provision on the IOW to support the roll-out of the new Expanded Entitlement.

	<ul style="list-style-type: none"> • Continue to ensure childcare is inclusive and meets the needs of children with special educational needs and disabilities by ensuring the Local Offer is fit for purpose. • Support the roll-out of the Wraparound childcare offer and make effective use of the available funding to ensure there are sufficient childcare places for parents. • Bring inhouse the delivery of the Holiday Activities and Food (HAF) programme from Easter 2024, and seek to improve its reach, effectiveness and the range of activities delivered through the programme on the IOW.
<p>Promotion of childcare options (Section 12, Childcare Act 2006)</p>	<ul style="list-style-type: none"> • Continue to develop the content on the Family Information Service website to ensure information is up to date and signposting is clear to maximise the ability for parents to identify, secure and fund the appropriate childcare provision. • Ensure the IWC's websites are kept up to date with accurate information to enable parents to secure the childcare that meets their needs. • Promote the availability and monitor the level of take-up of disadvantaged 2-year-old, Extended and Expanded Entitlement funding to parents. • Work with DWP/Jobcentres and other partners/stakeholders to promote the available and new childcare options as part of the Government's growth agenda for the UK economy.
<p>Early Years Education (Sections 1 & 2, Childcare Act 2016)</p>	<ul style="list-style-type: none"> • Continue to monitor and promote Early Years Education funding for all entitled children to ensure sufficient places. • Continue to monitor and promote entitlements for disadvantaged children of EYPP and DAF funding and SEND services. • Liaise with other LAs at regional meetings to share processes and identify good practice models.

Appendix 1 Childcare: Statutory Duties, Definitions and Ratios

Statutory Duties

The Isle of Wight Council (IWC)'s statutory duty to ensure there is sufficient access to childcare provision for parents on the IOW is based on the following acts of Parliament:

Childcare Act 2006²⁸

The act gives Local Authorities a key role in shaping the childcare market in their area. Working with providers from the Private, Voluntary, Independent (PVI) and maintained sectors, the Local Authority will look to create a strong, sustainable and diverse childcare market that meets the needs of local parents.

Section 6: gives Local Authorities a duty of securing, so far as reasonably practicable, that the provision of childcare (whether or not by them) is sufficient to meet the requirements of parents in their area in order to enable them to:

- take up, or remain in, work, or
- undertake education or training which could reasonably be expected to assist them to obtain work.

Section 7: also gives Local Authorities a related duty to secure funded early years provision in the area. The Local Authority needs to secure early years education places offering 570 hours a year over no fewer than 38 weeks of the year, for every 3- and 4-year-old child in their area from the term after their third birthday until the child reaches compulsory school age, known as 'Universal Entitlement'. There is also a requirement to secure Early Years Education provision for eligible 2-year-old children, from the term after their second birthday.

Childcare Act 2016²⁹

Section 2: In September 2017 this act placed an additional duty on the Local Authority to secure funded childcare for those children who qualified to receive an 'extended entitlement'. This requires childcare places to be made available to working parents who meet eligibility criteria to secure a further 15 hours for 3- and 4-year olds on top of their universal entitlement. Early Years Education and childcare should be accessible, flexible, inclusive, and provided through a range of settings to meet parental demand.

Section 12: gives Local Authorities the duty to provide information, advice and assistance to parents and prospective parents relating to the provision for childcare, services, or facilities that may be of benefit to parents and prospective parents, children, and young people.

Section 13: gives Local Authorities the duty to provide information, advice, and training to childcare providers.

²⁸ [Childcare Act 2006](#)

²⁹ [Childcare Act 2016](#)

In January 2024 the Department for Education (DfE) issued revised guidance on both Childcare Acts of 2006 and 2016 to reflect the widening funded childcare offer being introduced for working parents from April 2024.³⁰

Definitions

Parents have a variety of different types of Ofsted registered childcare providers to choose from on the IOW. Terms used to describe the different types of childcare in this report include the following:

- **Childminders** – these are self-employed childcare professionals who work in their own home. They are limited to smaller numbers of children and often a wider age range. Childminders do offer more flexibility to meet parents' working patterns.
- **Childcare on Domestic Premises (CoDP)** - is classified by Ofsted as "where there are four or more people working together, for example four childminders, or two childminders and two assistants, or one childminder and three assistants."
- **Nursery classes within schools** - a nursery class is a pre-school class attached to a primary school.
- **Maintained nurseries** - a maintained nursery school is funded and controlled by the Local Authority.
- **PVI nurseries** – a nursery that has identified its business structure as private ('for profit'), voluntary (committee led) or independent school.
- **Home childcare** – a nanny providing childcare in the child's home.
- **Out of School (OOS) Provision** – Childcare that is provided term time outside school hours, for example breakfast clubs and after school clubs.
- **Holiday play providers** - childcare that is available during school holidays for a variety of ages.
- **Wraparound Childcare** – the childcare offer for primary-aged children from 8.00am to 6.00pm weekdays, to be in place from September 2024.

Ofsted also uses several other terms when referring to childcare provision. These include:

- **'Childcare on non-domestic premises'** - a collective term used by Ofsted to describe nurseries, pre-schools, play groups, creches and out of school providers all operating from premises not being used as a home.
- **'Group based providers'** - an alternative title for PVI nurseries that operate on non-domestic premises.
- **'School based providers'** - covers both maintained nursery schools and nursery classes within schools.

Ratios

The DfE's EYFS Statutory Framework details the level of staffing required depending on the age of the children in question. It goes on to determine the level of qualifications needed by staff to manage a setting and to look after the children in that setting.

³⁰ [Early education and childcare \(applies from 1 April 2024\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/early-education-and-childcare)

Following a national consultation in Summer 2023, the DfE approved a variety of changes to the EYFS Statutory Framework for both group providers and childminders taking effect from 4th September 2023 and then from 4th January 2024.

Following these changes group and school-based settings can now consider applying the following flexibilities, if appropriate:

- Level 3 practitioners in group and school-based settings will no longer be required to hold a Level 2 maths qualification to count within staff:child ratios.
- A manager in group and school-based settings can now allow students and apprentices to count in staff:child ratios at the level below their level of study, if the manager is satisfied that they are competent and responsible.

All Childcare and Early Years providers must adhere to the following ratio of suitably qualified adults (with the appropriate childcare qualifications at Level 2 and above) to look after children:

- 0- 2 years old – one adult to three children
- 2-3 years – one adult to four children (from 4th September 2023 providers can now have the flexibility of a 1:5 ratio)
- 4-8 years – one adult to six children

In addition, the manager of the setting is required to have a Level 3 or above qualification with an appropriate maths qualification.

The DfE has now published a new document detailing the [Early Years qualification requirements and standards](#). This still sits alongside an approved list of qualifications that meet the criteria for counting in the EYFS Statutory Framework's child ratios: [Check early years qualifications - GOV.UK \(www.gov.uk\)](#)

Childminders are not required to be qualified but must be registered with Ofsted. According to the now separate Childminder EYFS Statutory Framework³¹, childminders (whether providing the childminding on domestic or non-domestic premises) may care for a maximum of six children under the age of eight. Of these six children, a maximum of three may be young children, and there should only be one child under the age of one. Following changes to the Statutory Framework in September 2023 childminders can now care for more than the specified maximum of three young children if they are caring for siblings of children they already care for, or if the childminder is caring for their own child.

A child is a young child up until 1st September following his or her fifth birthday. Any care provided for older children must not adversely affect the care of children receiving early years provision. If a childminder employs an assistant, they in turn may look after a maximum of 6 children under the age of 8.

³¹ [Early years foundation stage \(EYFS\) statutory framework - GOV.UK \(www.gov.uk\)](#)