

Childcare Sufficiency Assessment (CSA)

January 2023



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1. Overall assessment and summary

The Childcare Act 2006 places a duty on local authorities to work in partnership with providers to influence childcare provision as far as reasonably practicable to ensure that there is sufficient childcare for working parents, or parents who are studying or training for employment, for children aged 0-14 or up to 18 for disabled children. Further to this the Children and Families Act 2014 repealed the Local Authority's duty to assess sufficiency of childcare provision. However, as the Authority is still required to understand and influence the provision of childcare in the City, a review of current provision and the relationship to demand has been assessed and is presented in this report. Sufficient, high-quality childcare is a vital component of the local economy and can support regeneration and employment. In addition, a market that can offer high quality, accessible and affordable childcare has the potential to contribute to the reduction of child poverty. There is a large body of research that supports the positive impact on children's outcomes when they attend high quality childcare, especially those from vulnerable backgrounds. The development of good quality childcare that meets the needs of the families in Portsmouth supports the Local Authority's role to comply with the duty under Sections 1 to 5 of the Childcare Act 2006 to improve the wellbeing of young children and reduce the inequalities between them. If the council should find ourselves in a position where there are insufficient childcare places in Portsmouth, the local authority has a statutory duty to provide childcare to fill this gap.

Having sufficient childcare in Portsmouth means that families can find childcare that meets their child's learning needs and enables parents to make a real choice about work and training. This applies to all children from birth to age 14, and to children with disabilities. In this report, the council's Early Years team has assessed sufficiency using data about the need for childcare and the amount of childcare available. The team use information about childcare sufficiency to plan their work supporting the local childcare economy. Some main findings from the report follow.

- There has been a drop in the number of private, voluntary, and independent (PVI) providers. Since September 2020 we have seen 11 settings close. Three other settings that were closing have been taken over by existing providers.
- There is a larger drop in the number of childminders – which follows a national trend. In 2020 there were 106 childminders compared to 83 currently. However, places available have not dropped by the same percentage as there is an increase in childminders employing assistants or working together to be able to offer a greater number of places.

Support to families is offered by the Early Years team outreach officers, and parents and carers have access to telephone support and are also signposted to the council's website information including a childcare search facility.

- Portsmouth shows continued success in the placement of children eligible for 2-year-olds, with 75% of eligible children accessing a funded place.

- The level of 3- and 4-year-olds accessing Early Education Funding remains consistent.

Stimulating the Childcare Market in Portsmouth.

The duties in the Childcare Act (section 6) require LAs to shape and support the development of childcare in their area to make it flexible, sustainable, and responsive to the needs of the community. The council encourages existing providers to expand their provision and new providers to enter the local childcare market. In Portsmouth we currently achieve this by:

- Continuing to ensure the requirements for new/additional Early Years places are included in all large-scale building developments, and smaller developments where there is a clearly evidenced need.
- Referring both new and existing providers to this document when planning new places to understand where there are potential gaps in provision.
- Offering New Business Support which can be requested by any individual, school or organisation wanting to start a childcare business.
- Providing support to existing childcare providers for a range of business issues which may impact on sustainability. This includes supporting providers who wish to expand.
- Supporting providers to work in partnerships within areas to meet future demands.
- Offering local networks/events covering local issues to support the delivery of high quality, sustainable Early Years and Childcare provision.
- Both developing and signposting to business tools to support new and existing providers.
- Carrying out Free Entitlement audits to ensure parents can access their free places within the statutory guidance, ensuring that this is free at the point of delivery.
- Identifying suitable available premises in areas recognised as having a potential childcare sufficiency need.
- Regular bulletins to providers providing support and updates.
- Signposting childcare providers to relevant funding streams to support the development of new childcare places.
- Providing opportunity to subscribe to a flexible Early Years training programme including a variety of both face to face and online training.

Provider Concerns.

In preparation for writing this assessment we asked our providers to report any concerns they have about sufficiency and the cost-of-living crisis. The main findings are listed below:

1. Concerns around the level of government funding and the rise in utility bills, food, rent, wages, and the further increase in the National Living Wage in April 2023. The increase in the National Living Wage is reported as one of the most significant concerns that may contribute to closures and sustainability issues.
2. Recruitment is problematic across the sector in Portsmouth. Settings are reporting that they are finding it very difficult to recruit new staff, and that many staff are leaving the sector to pursue higher paid employment. Some settings have had to limit the number of children they are taking due to recruitment issues.
3. High numbers of children with SEND are adding to the recruitment pressures due to the inability to find qualified staff to support vulnerable children.
4. Settings report rental increases, and high business rates which are adding significantly to financial pressures.
5. A recent funding consultation with providers has highlighted that many settings are on the brink of closure due to the increases in staffing costs, rent, business rates, heating and food.

Conclusion.

- 1.1 At the time of writing this report, sufficiency of childcare in Portsmouth is adequate in the city but with several recent closures, some gaps in provision particularly in densely populated areas have been identified, specifically in the Fratton and Portsea area. There are many vacancies across the city but in less populated areas some of which are harder to access by public transport and many parents are unable to afford public transport with the added pressures of the cost-of-living crisis.
- 1.2 Many providers have faced challenges concerning their viability, with increasing rent and staffing costs. The cost-of-living crisis has impacted on the sector, and there are increasing concerns that these financial issues will lead to more closures across the city.
- 1.3 Recruitment of high-quality staff is also increasingly difficult in the childcare sector, and often college leavers are coming into settings with low expectations of the sector and poor literacy skills. Portsmouth City Council Early Years team are working with schools and colleges to attract well qualified aspirational staff into

childcare who will have an opportunity to follow a clear career path within the early year's profession.

- 1.4 The long-term effects on the childcare market following the Covid-19 pandemic are still being felt, and a change in families working patterns and an ability to work more from home has seen a reduction of big fee-paying parents and has had an impact on some providers. The Early Years team at Portsmouth City Council continue to be responsive and proactive in trying to assist these settings to remain sustainable and are constantly monitoring the situation.
- 1.5 The indications are that the population will continue decrease over the next year very slightly and then subsequently increase again. An increase in population will apply more pressure to the sector and the number of childcare places across the city if there are more closures.
- 1.6 The childcare market is in a state of flux and the current situation with the cost-of-living crisis and the fallout from the pandemic is unprecedented. The Early Years team will be constantly monitoring and supporting those providers in financial difficulty to try and prevent any more closures.

2 Future plans

- 2.1 The publishing of the annual Childcare Sufficiency Assessment is part of the LA's legal duty in managing the childcare market to ensure there is sufficient childcare. It must be recognised that the statistics and data are fluid and constantly changing. This document only provides a snapshot of the position of the childcare market at any given time. Nevertheless, this assessment still provides a good indication of trends or areas for further investigation and action, and the tools used in the production of the assessment enable ongoing analysis and monitoring of the childcare data for future planning.
- 2.2 The Early Years Sufficiency team will continue to manage the childcare market in Portsmouth considering all available data and developing new data streams where possible to identify gaps in the market and future trends that may require action. Where a gap in the market is identified, the team will endeavour to meet the needs of parents/carers whilst considering the financial viability of new and existing provision. The gap in childcare provision in the Fratton and Portsea area has been recognised and this is something the team will aim to address when possible. We hope that confidence in the childcare market will be restored in order that existing

providers will once again look to expand and open new settings, and new providers will look to open in Portsmouth again.

- 2.3 Additional charges for Early Years Funded places, limiting fully funded places and additional costs for privately paid places are becoming increasingly familiar, particularly in private provider settings. All providers can add an additional voluntary charge to government funded place for things like meals, nappies and sun cream. The concern is the impact that charges and limited fully funded places may have on the availability of funded two-year-old places or universal funded hours for the city's most disadvantaged children. The LA will ensure that providers adhere to DfE statutory guidance on additional charges and will feed back compliance concerns with the DfE. The team will continue to work with providers to try and find a fair balance that does not jeopardise families being able to access free funded places, but that allows childcare providers who have increasing costs to remain sustainable as businesses.
- 2.4 The council's future plans seek to maintain Portsmouth's childcare sufficiency and to work closely with providers to address any difficulties they may be facing and to work with further education institutions within the city to encourage applicants into the early year's workforce who are passionate and knowledgeable.
- 2.5 Overall, this assessment has shown that Portsmouth currently has an early year's workforce that are struggling to remain sufficient given all the increasing costs mentioned above. There is a risk that more settings could close soon due to the pressures explained above, and this would put increasing pressure on our sufficiency of places. The situation is constantly evolving and challenging and our team are working with local community centres and churches to try and find buildings where new or existing providers could open a setting, in case there are more closures. The Early Years team is also working closely with the leasing department to find properties with reasonable leases that may be appropriate.

2. Demand for childcare

Population of early years children

In total, there are an estimated 11,839 children under the age of five living in our local authority. These children may require early years childcare.

Numbers by age

Age	Number of children
Age 0	2,307

Age 1	2,266
Age 2	2,331
Age 3	2,391
Age 4*	2,544

* Some four-year-olds will have started reception **Data from NOMIS - as of April 2021**

Population forecasts show that the numbers of under 4's in Portsmouth are not expected to change significantly in the next 4 years based on current intelligence.

Population forecast for Portsmouth by age band

Year / Age	0	1	2	3	4	Total 0-4
2023	2,432	2,399	2,397	2,399	2,375	12,002
2024	2,445	2,400	2,379	2,368	2,371	11,963
2025	2,439	2,412	2,380	2,350	2,341	11,922
2026	2,437	2,406	2,390	2,351	2,323	11,907

Population of school age children

In total there are 18,020 children aged 5-11, and 7,317 children aged 12-14 living in our local authority. These children may require childcare before and after school, and/or during the school holidays.

Numbers by age

Age	Number of children
Age 5	2,583
Age 6	2,567
Age 7	2,596
Age 8	2,596
Age 9	2,560
Age 10	2,578
Age 11	2,540
Age 12	2,469
Age 13	2,471
Age 14	2,377

Data from NOMIS - as of April 2021

Number of children with special educational needs and disabilities

Children with special education needs and disabilities (SEND) are entitled to support with childcare. The number of 2 years olds with DLA, 3- and 4-year-olds with DAF in our local authority is:

Age	Number of children
Birth to school age SENDIF Plus	92
Birth to school age SENDIF emerging	9
2-year-olds with DLA	22
3- and 4-year-olds with DAF	14

Finalised EHCP's for Cohort 2022	32

Numbers of children with SEND

- Portsmouth currently has 108 children accessing the highest level of additional funding for complex needs (SENDIF+). In comparison, at the same point last year we had 55 children accessing SENDIF+
- There are currently 280 children in cohort 23 (school start Sept 23) known to our EY Inclusion Team. In comparison, at the same point last year there were 150 children.
- There are currently a total of 476 children with varying SEND known to EY Inclusion.
- In 2021, there were 108 requests for EHC Needs assessments for EY children.

The impact of the significant increase in numbers and the increase in complexity of needs across the city is as follows:

- More Portsmouth settings are having to make requests for EHC Needs Assessments (typically, those accessing SENDIF+ will go on to receive finalised EHCPs for school start). This means settings have seen an increase in the numbers of requests they are making, some up to 10 in one year. The amount of time it takes to complete the paperwork, liaise with external professionals, and coordinate the support required is increasing.
- Settings report having to keep children in younger age rooms, as the ratios are often higher and therefore more able to meet needs. But this means children are not able to move with peers.
- Settings report they are not filling up their overall spaces, as a child with complex SEND is equating to 2 or 3 children, due to high level of need and pressures on staffing. This means there are fewer places available overall to children for early education and settings are missing out on additional income (e.g. additional funded and fee paid hrs)
- SENDIF+ budget will be overspent by at least 53K at end of financial year, despite increase in funding last April to starting point of £834K (doubled since previous year)
- Settings are losing staff, who are reported as stressed and unable to cope with higher level of needs of children and increase in amount of work e.g. paperwork and role of lead professional.
- Managers are either: spending significantly more time completing paperwork for EHC Needs Assessments, Family Support Plans, ND tool and taking on the role of lead professionals, hosting meetings and coordinating support; or Managers are having to work in ratio in rooms, due to lack of staff and inability to recruit new staff.
- Settings are struggling to recruit new staff and old staff are leaving to work in higher paid jobs e.g. retail or go into school as term time only TAs or 1:1 support.

3. Supply of childcare

Number of early years providers and places

In total, there are 182 childcare providers in Portsmouth, offering a maximum of 5,753 early years childcare places:

Type of provision	Number of providers	Number of registered early years places
Childminders*	73	441
Nursery classes in schools	19	894
Private, voluntary and independent nurseries	90	4418

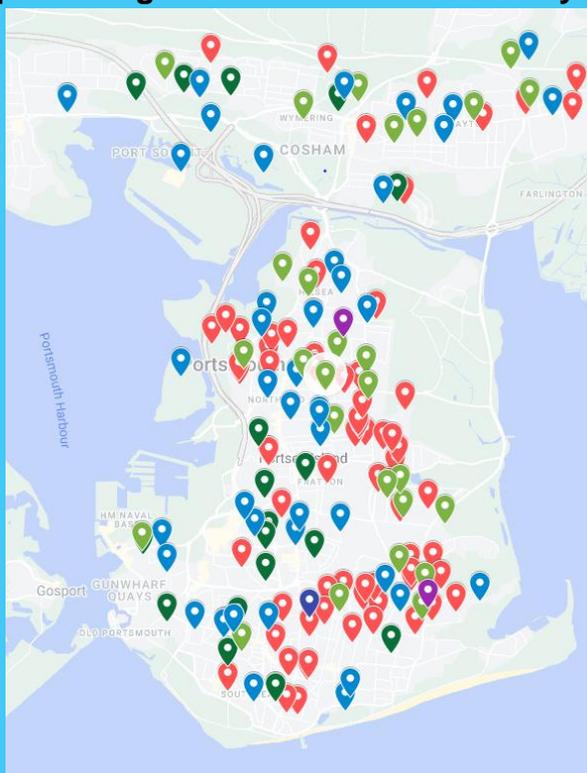
(The data in this table was correct on: 31st August 2022)

*Two childminders only take older children so do not offer any early year's places. Several childminder places may also be available for older children. Data from Ofsted childcare providers and inspections charts and tables as of 31 August 2022

For private, voluntary and independent nurseries and childminders, the number of registered places represents the 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.

Children may attend childcare full time or part time. This table records places for children who are attending full time, or for as many hours as the setting is open. In some cases, two or more children attending part time may use one full time equivalent place. For example, one child may attend in the morning and one child may attend in the afternoon.

Map showing distribution of childcare by type



Key

Red - childminders

Pale blue - PVI all year-round nurseries and pre-schools

Dark blue - school run all year-round nursery and pre-school

Light green - PVI term time only nurseries and pre-schools

Dark green - school run term time only nurseries and pre-schools

Purple - school run special schools

Early years vacancies

Type of provision	Number of providers	Total number of vacancies
Childminders	14 (not all settings responded)	28
Nursery classes in schools	16	109
Maintained nursery schools	N/A	N/A
Private, voluntary and independent nurseries	70	930

Vacancy rates are a snapshot, and often change rapidly. In some cases, providers may have a vacancy which is only available for a specific age group, or for a particular part time arrangement. [The Early Years team ask providers to report vacancies to them so the team can help promote them - not all choose to do this]. In general, vacancy rates are higher in the autumn, when children move to school.

Early years atypical hours

Childcare is most commonly delivered during the typical working day – between 8am and 6pm on weekdays. Some parents require childcare outside these times to fit with their work or other responsibilities.

The number of providers offering childcare for atypical hours in Portsmouth is:

Type of provision	Number of providers	Available before 8am weekdays	Available after 6pm weekdays	Available weekends ¹
Childminders	Based on 47 responses	37	8	3
Private, voluntary, and independent nurseries	Based on 86 responses	35	5	1

Number of school age providers and places

There are 12 PVI providers of childcare for school age children during term time, and 9 PVI providers of childcare for school age children during the holidays.

26 out of 46 schools provide childcare for school age children during term time. No schools provide childcare for school age children during the school holidays, although some host PVI providers in the school holidays.

39 childminders have declared on the council's Family Information Directory that they drop off and collect children from local infant, junior and primary schools during term time.

Type of provision	Number of providers
Breakfast club – primary school	26
After-school club – primary school	24
Childminders - Term time	63 (from FID)
Childminders - School holidays	41 (from Census)
PVI Term Time clubs	12
PVI Holiday clubs	9

Tracking supply of childcare for school age children is difficult because not all this type of provision is registered with Ofsted. It is possible that we have under-counted the provision of breakfast, afterschool clubs and holiday clubs. Parents may also use provision which is not considered 'childcare', for example sports or arts clubs, after school or in the holidays.

¹ This includes availability at any time during the weekend, not necessarily for the whole weekend

4. Funded early education

Introduction to funded early education

Some children are entitled to free childcare, funded by the government. These entitlements are for 38 weeks per year.

- All children aged 3 and 4 are entitled to 15 hours per week until they start reception class in school
- Children aged 3 and 4 where both parents are working, or from lone parent families where that parent is working, are **entitled** to 30 hours per week until they start reception class in school²
- Children aged 2 whose families receive certain benefits (including low income families in receipt of in-work benefits), or those who meet additional non-economic **criteria**, are entitled to 15 hours per week. Nationally, about 40% of 2-year-olds are entitled to this offer, but the proportion varies by area.

Parents do not have to use all the hours of their funded entitlement. They may choose to split them between providers. With the agreement of their provider, parents may also spread them across the year – for example, rather than taking 15 hours for 38 weeks a year they could take just under 12 hours for 48 weeks a year.

Proportion of 2-year-old children entitled to funded early education

- In Portsmouth, **75 %** of 2-year-olds are entitled to funded early education. This equates to around **605** children per year in **2021**. data FROM Ofsted LA view 2022 figures

Take up of funded early education

The proportion of eligible children taking up their funded place (for at least some of the available hours) in Portsmouth is:

Age	% of eligible children
Age 2	75%
Age 3 and 4	90%

Local authority interactive tool (LAIT) - GOV.UK (www.gov.uk)

Providers offering funded early education places

Providers are paid directly by government for delivering funded early education. They are not required to offer them to parents, but of course parents may choose to use a different provider if they do not. Some providers offer a restricted number of funded places.

² Available to families where each parent (or one parent in a single adult household) are earning the equivalent of working sixteen hours per week on the minimum wage

Type of provision	Number of providers	Age 2 targeted	Age 3 and 4 universal 15 hours	Age 3 and 4 – extended 30 hours
Childminders	73	86.3%	86.3%	86.3%
Nursery classes in schools	19	57.9%	100%	89.5%
Private, voluntary and independent nurseries	90	98.9%	100%	98.9%

Data from FID - as of Aug 22

Comparing take up of funded early education over time

Age	This year	2021	2020
Age 2 – targeted	75%	64%	68%
Age 3 and 4	90%	91%	94%

Comparisons to other local authorities

Age	Portsmouth	South East	Statistical neighbours	England
Age 2 – targeted	75%	69%	72.10%	72%
Age 3 and 4	90%	95%	91.20%	92%

Local authority interactive tool (LAIT) - GOV.UK (www.gov.uk)

5. Prices

Prices of early school years childcare

For early years childcare outside the funded entitlements, we report on average prices per hour, reported to us by settings.³ There may be variations to prices based on the number of hours a family uses, with reductions for longer hours, or discounts for sibling groups. There may be additional payments for additional services, e.g., lunch and other meals which are not included in these prices.

Price per hour	Private, voluntary and independent nurseries	School and maintained nursery schools which make charges to parents	Childminders
0- and 1-year olds	£6.01	£6.10	£4.52
2-year-olds	£5.50	£5.45	£4.52
3- and 4-year-olds	£5.24	£5.28	£4.52

(Data from Feb 22 census data)

(For group-based settings the costs vary significantly between settings from under £4 per hour to £8 per hour; however, a significant proportion charge between £4.50 and £7.25 per

³ Details of how we collect this data are in the methodology section below

hour with full day care hourly rate generally being higher than term time only sessional hourly rates).

Cost per hour	Percentage of settings		
	Under 2	2 YOs	3&4 YOs
Hrly rate\ Age			
< £4 ph	2.3	4.2	4.1
£4-£4.99	16.3	14.6	26.5
£5-£5.99	44.2	47.9	40.8
£6-£6.99	20.9	22.9	16.3
£7-£7.99	14.0	8.3	12.2
£8 or more	2.3	2.1	0.0

Prices of school age childcare

For school age children during term time, the Early Years team report on average prices before school per day, after school per day, and for childminding per hour. For holiday childcare, the team reports on holiday club prices per week.

Setting and price unit	Price
Breakfast club per day	£ 3.97
After-school club per day	£ 8.38
School age childminder per hour	£ 4.52
Holiday club per week	£ 132.50

6. Quality of childcare in our area

Ofsted inspection grades

All childcare providers must register with and be inspected by Ofsted, who give them an overall grade for the quality of their provision. Childminders and private and voluntary providers are on the Early Years Register, and schools and standalone maintained nursery schools are on the schools register. The grades for both registers are equivalent. Schools with nurseries have an overall inspection grade for the whole school and most also have a separate early year's grade.

Both schools and early years providers have four possible Ofsted grades: 'outstanding', 'good', 'requires improvement', and 'inadequate'.⁴ Some providers are still awaiting their first full inspection. These providers are excluded from the calculation.

Nursery classes in independent schools do not generally have an Ofsted grade. (But do have an independent school's inspectorate grade)

⁴ For more information see <https://reports.ofsted.gov.uk/about-our-inspection-reports>

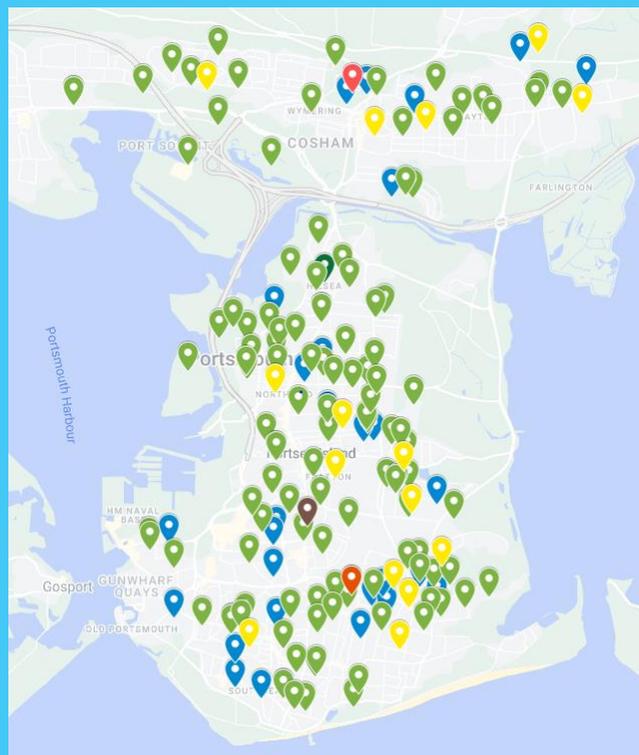
Type of provision	Total number of providers	% achieving good or outstanding
Childminders	81	99%
Nursery classes in schools	19	100%
Private and voluntary nurseries	93	95%
Total	193	96.9%

* Early years grade if available, otherwise overall school grade

Providers with met/not met grade

When providers do not have any children on site at the time of their inspection, they are given an Ofsted grade of 'met' or 'not met'. This shows whether they are meeting the requirements for Ofsted registration. On 31st August 2022, we had three providers with a 'met' grade and no providers with a 'not met' grade.

Map showing Ofsted outcomes at last grading inspection



Key

- Blue - outstanding
- Light green - good
- Dark green - met
- Red - requires improvement
- Brown - inadequate
- Yellow - awaiting first Ofsted grading inspection

7. Methodology

- Number of children: based on GLA population projections in Portsmouth City council.
- Children claiming DLA and DAF: based on data held by our local authority
- Supply of childcare: based on data provided to us by Ofsted, who regulate early years provision in schools and childcare provision. [In some cases, we have supplemented this with local intelligence where providers are not registered with Ofsted]
- Vacancy rates: [from Jan 2022 local authority census returns]
- Childcare for parents working atypical hours: [from Jan 2022 local authority census returns]
- Funded early education: data on take up of funded early education entitlements is based on the Early Years and Schools Censuses, which are taken every January and published by the Department for Education in the statistical collection *Education provision: children under five years of age*. Data on entitlement to a funded early education place for 2-year-olds is provided by the Department for Work and Pensions.
- Price of childcare: [from Jan 2022 local authority census returns]
- Quality of childcare: data on childcare quality is provided by Ofsted - published 30th November 2022.

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