

Childcare Sufficiency Assessments: Guidance for Local Authorities

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Every Child Matters

Change For Children



STATUTORY
GUIDANCE

Contents



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Introduction



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The Childcare Act 2006 ('the 2006 Act') expands and clarifies in legislation the vital role local authorities should play as strategic leaders in facilitating the childcare market, first laid out in the Children Act 2004. The 2006 Act reinforces the framework within which they already work – in partnership with the private, voluntary and independent (PVI) sector – to shape children's services. It focuses in particular on sufficient, sustainable and flexible childcare that is responsive to parents' needs.

Section 6 of the 2006 Act gives local authorities a new duty of securing, so far as is reasonably practicable, that the provision of childcare is sufficient to meet the requirements of parents in their area in order to enable them to work or undertake education or training leading to work. Section 7 gives them a related duty to secure free early years provision for pre-school children of a prescribed age.

Section 11 of the 2006 Act places a duty on local authorities to have undertaken a childcare sufficiency assessment, in accordance with regulations and having regard to this guidance document, within one year of the duty coming into force. This assessment is a necessary first step towards securing sufficient provision, enabling local authorities to identify gaps and establish plans to meet the needs of parents so that they can fulfil their Section 6 childcare sufficiency duty.

The Section 11 duty replaces the duty to assess the sufficiency of childcare on an annual basis under Section 118A of the School Standards and Framework Act 1998 (amended by the Education Act 2002). The 2004 – 2006 Sure Start Guidance advised local authorities to review regularly levels and distribution of provision and to analyse parental demand. The guidance for the General Sure Start Grant 2006 – 2008 also advises local authorities to identify unmet demand for childcare. The 2006 Childcare Act repeals the 1998 duty and supporting regulations and guidance. This statutory guidance under Section 11(6) of the 2006 Act applies to English local authorities and supersedes all previous statutory guidance concerning childcare needs assessment.

Commencement

The local authority duty to assess the sufficiency of childcare comes into effect in April 2007. This will enable local authorities to complete their sufficiency assessments before the duty to ensure that sufficient childcare is in place comes into force in April 2008. Local authorities which have taken steps to analyse demand or map supply before April 2007 will have to judge whether the work they have already done is still up to date and satisfies the requirements in the regulations and this guidance.

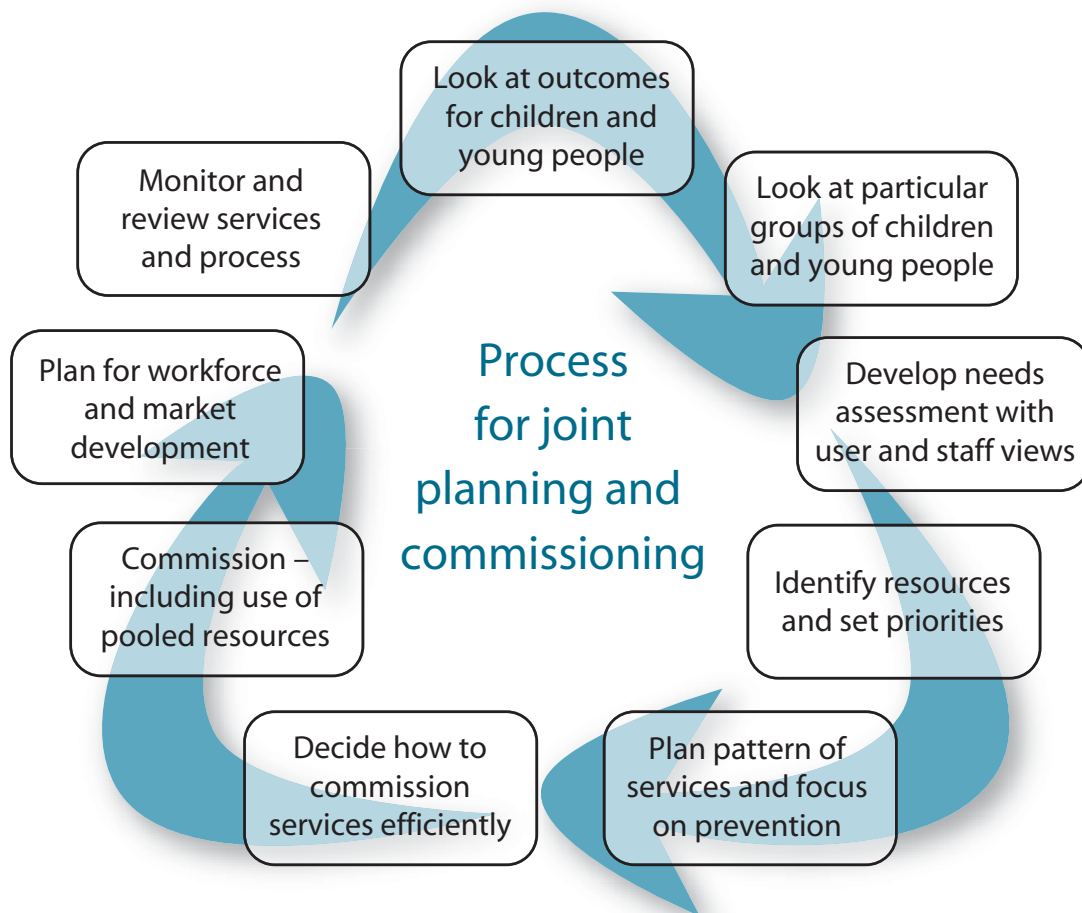
Context

The strategic role which the 2006 Act places on local authorities is a core component of the framework for children and young people established by the Children Act 2004 (“the 2004 Act”). The 2004 Act required local authorities, under the leadership of the Director of Children’s Services and Lead Member for Children’s Services, to make arrangements to promote co-operation between authorities, their partners and appropriate bodies to improve children’s well-being.

The 2004 Act also introduced the requirement for a Children and Young People’s Plan (CYPP), which is the single, strategic and overarching plan for children and young people in a children’s trust area. It plays an important part in bringing partners together, through the children’s trust, to plan the integrated services needed to achieve improvement in the outcomes for children and young people. All local authorities (except those which have received a “four star” rating in their latest Comprehensive Performance Assessment) are required to produce a CYPP and to review it at least annually. The CYPP is an integral part of the *Every Child Matters: Change for Children* programme and the *Joint Planning and Commissioning Framework for Children, Young People and Maternity Services* (referred to in this document as the *Joint Commissioning Framework*).

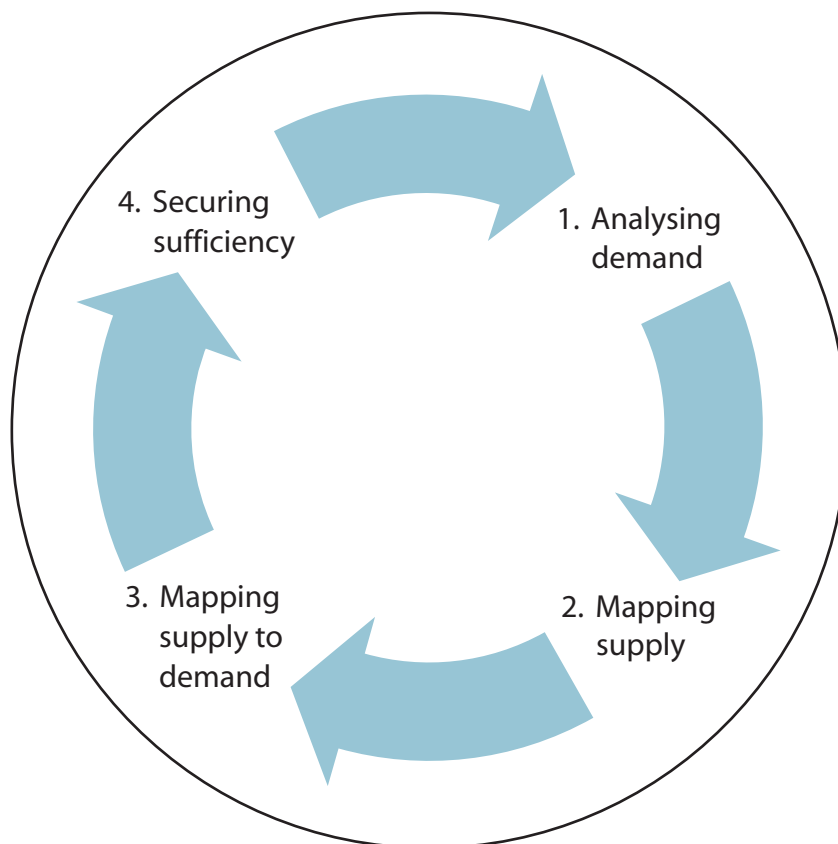
The childcare sufficiency assessment and supporting consultation should take place and be published within the context of the CYPP (where there is one) and the underpinning planning framework. (Local authorities are required to undertake a sufficiency assessment even if they do not have to produce a CYPP.) The CYPP, including the sufficiency assessment, should be reviewed and updated regularly. This guidance should be read in the context of the *Joint Commissioning Framework* and *Guidance on the Children and Young People’s Plan*, which all local authorities should already be using in relation to the provision of children’s services. The model for this framework is set out in *figure 1*.

Figure 1 – Joint Commissioning Framework



Local authorities' role as strategic leaders within the childcare market can be viewed as a four stage model, shown in *figure 2* below. The first three stages (analysing demand, mapping supply, and mapping supply to demand) make up the assessment duty and are covered by this guidance. The fourth stage (securing sufficiency) will be covered in separate guidance, *Securing Sufficient Childcare*, planned to be published in Summer 2007.

Figure 2 Local authority market development role



The analysis of demand and supply, and the mapping of supply to demand in *figure 2* sit within the context of the framework set out at *figure 1* – in particular, within the functions headed “Look at particular groups of children and young people” and “Develop needs assessment with user and staff views”.

Chapter 1: Overview



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What is a childcare sufficiency assessment?

- 1.1 The assessment is a measurement of the nature and extent of the need for, and supply of, childcare within each local area. It will help local authorities to identify where there are gaps in the market and – in consultation with parents, communities and employers – plan how to support the market to address them. The assessment duty is concerned with the supply of, and demand for, formal childcare which may be registered, unregistered, or approved and which meets the needs of ‘working parents’, as explained in paragraph 1.3 below. It also applies to the early years provision which local authorities must secure, free of charge, for eligible children aged 3 to 4.
- 1.2 The childcare sufficiency assessment process will require the local authority to be proactive in seeking the views of parents, employers, providers and the wider community. Local authorities should undertake a detailed investigation of their local childcare markets, in terms of both demand and supply, now and in the foreseeable future, to establish where there are gaps in provision. The sufficiency assessment will be a comprehensive and robust analysis of local childcare markets which will enable the local authority confidently to plan the action needed to meet the duty to secure sufficient childcare.
- 1.3 Sufficient childcare is defined in Section 6 of the 2006 Act as “sufficient to meet the requirements of parents in [the local authority’s] area who require childcare in order to enable them –
 - a) To take up, or remain in, work, or
 - b) To undertake education or training which could reasonably be expected to assist them to obtain work.

In determining whether provision of childcare is sufficient a local authority

- a) Must have regard to the needs of parents in their area for -
 - i) the provision of childcare in respect of which the childcare element of the working tax credit is payable, and
 - ii) the provision of childcare which is suitable for disabled children
- b) May have regard to any childcare which they expect to be available outside their area."

Further guidance on the meaning of, and delivery of, sufficiency will be made available in Summer 2007, following consultation.

Figure 3: Childcare provision for which the childcare element of the Working Tax Credit is payable (as at December 2006) and future changes

Eligible parents can claim for the costs of childcare arrangements if the childcare is provided by a person or organisation that is:

- a registered childminder, nursery or playscheme, or
- an out of hours club on school premises run by the school or local authority, or
- approved by an accredited quality assurance scheme. (For example, an out of hours scheme),
- an approved foster carer (the care must be for a child who is not the foster carer's foster child),
- a childcare provider who is approved by OFSTED to care for a child or children in the parents' own home,
- a child carer approved under the Childcare Approval Scheme.
- a domiciliary worker or nurse from a registered agency who cares for the child or children in the parents' own home.

Figure 3 continued

Future Changes to Registration Procedures and Tax Credits Eligibility

The Government is changing the arrangements for the registration of childcare providers. Ofsted will operate two registers: the Early Years Register (EYR) and the Ofsted Childcare Register (OCR). The timetable for the implementation of these changes is outlined below:

From April 2007

- The voluntary part of the OCR will begin – for care for children over 7 and that not covered by the existing registration process

From October 2007

- Providers approved by accredited quality assurance schemes will no longer be eligible for tax credits
- Carers will no longer be able to apply to be approved on the Childcare Approval Scheme

From September 2008

- The EYR will begin – for care for children aged under 5
- The compulsory part of the OCR will begin – for care for children aged 5 to 7
- All carers currently registered by Ofsted will be transferred onto the EYR and/or OCR.

Transitional arrangements for existing approval schemes are being put in place. Local authorities should consult the HMRC website for latest information on eligibility for the childcare element of Working Tax Credits. (See <http://www.hmrc.gov.uk/>)

1.4 Effective consultation will be a core element of the sufficiency assessment and will give those with an interest in childcare an opportunity to highlight relevant issues or concerns. Regulations under section 11 of the 2006 Act (“the Regulations”) require local authorities to consult:

- a. the Local Safeguarding Children’s Board; and
- b. other partners of the local authority including relevant partners as defined by section 10 of the Children Act 2004 (like the Learning and Skills Council, a Strategic Health Authority or Primary Care Trust), and Jobcentre Plus.

- 1.5 In addition, the regulations list a number of groups, members of which local authorities must consult, although it is for authorities to decide how many members of those groups they will consult and the method of doing so:
 - a. children;
 - b. parents;
 - c. childcare providers;
 - d. representatives of children, parents and childcare providers;
 - e. local employers and their representatives;
 - f. neighbouring top tier local authorities;
 - g. schools, further education colleges and higher education institutions; and
 - h. other organisations with an interest in the provision of childcare.
- 1.6 Local authorities may also wish to consult individuals and organisations not listed above where appropriate. They may, for example, wish to consider seeking views from faith, disability, and black and minority ethnic groups.
- 1.7 Childcare markets tend to be highly localised. The assessment will need to cover the whole local authority area, but should also take account of the pattern of demand and supply below local authority level. It should identify specific gaps for particular groups and in particular types of childcare in smaller geographical areas, to ensure that there is sufficient childcare across the local authority. These smaller geographical areas should be those that local authorities consider to be best suited for the purpose – for example, wards, super output areas or primary school catchment areas, or other areas as designated by local authorities to help with the delivery of local services – and are referred to in this guidance as “sub-local authority areas”.
- 1.8 Although this guidance is particularly concerned with quantity (numbers of places, length of sessions, times of the day), in complying with the sufficiency duty local authorities must also take account of the suitability and sustainability of places – which will include consideration of the quality (in terms of judgements made by Ofsted, in addition to other knowledge which local authorities may have), accessibility and affordability of childcare. Some relevant issues are considered in Chapter 2 and Chapter 3 of this Guidance.

Assessment Steps

1.9 Local authorities will need to follow a series of steps when preparing their assessments:

- a. **Assessing the demand for childcare in each sub-local authority area** (see Chapter 2), taking account of at least the following, by age range¹ and type²:
 - i) the number of childcare places required for children up to and including the age of 14³ (or 17, for disabled children);
 - ii) the number of childcare places required in respect of which the childcare element of the Working Tax Credit may be claimed;
 - iii) the number of free entitlement places required for 3 and 4 year olds;
 - iv) the times at which childcare is required, including demand for flexible childcare that caters for irregular patterns of usage across the day, the week and the year; and
 - v) the requirements for specialist childcare for disabled children and those with special educational needs.
- b. **Assessing the supply of childcare (including extended schools provision) in each sub-local authority area** (see Chapter 3), taking account of at least the following, by age range and type:
 - i) the number of childcare places available for children up to and including the age of 14 (or 17, for disabled children);
 - ii) the number of places available for which parents would be able to use the childcare element of the Working Tax Credit;
 - iii) the number of free entitlement places available for 3 and 4 year olds;
 - iv) the times at which childcare is available, the maximum length of time that childcare providers will care for children in a day, and their flexibility in catering for irregular patterns of usage across the day, the week and the year;

¹ The age ranges, here and throughout this guidance, are age 2 and under; ages 3 and 4; ages 5, 6 and 7; ages 8, 9 and 10; ages 11, 12, 13 and 14; and, for disabled children only, 14, 15, 16 and 17.

² The types of childcare, here and throughout this guidance, are early or later years childminding; childcare provided before or after school hours during the school term; childcare provided during school hours during the school term; and childcare provided outside the school term. Some childcare provision – in particular, full day care – does not fall within a single type. Local authorities may, if they wish, identify such places separately.

³ Throughout this guidance, references to the age of 14 mean up until the 1st September next following the date on which a child attains the age of 14; or, for disabled children, on or after the 1st September next following the date on which a child attains the age of 14.

- v) the number and nature of places available for children who need special care due to a disability or special educational need;
 - vi) the number of vacant places;
 - vii) the range of session lengths offered by childcare providers; and
 - viii) the range of charges for childcare and parents' ability to pay the charges.
- c. **Analysing the gap between demand and supply in each sub-local authority area** (see Chapter 4), taking account of at least the following:
- i) the types of care available;
 - ii) the age of children for whom care is available;
 - iii) the affordability of childcare;
 - iv) the times at which childcare is available, including the need for flexible childcare that caters for irregular patterns of usage across the day, the week and the year;
 - v) the specific needs of disabled children; and
 - vi) the location of childcare.
- d. **Drafting an assessment document** (see Chapter 5), which sets out for the whole of the local authority area the information in (a), (b) and (c) above, then making it available for comments.
- e. **Publishing the assessment document** (see Chapter 6):
- i) on the local authority website; and
 - ii) in hard copy in local public libraries, childcare settings, schools and other public places, as considered appropriate by the local authority.

1.10 Publication of the assessment need not take the form of a standalone document.

Where appropriate it could form a section or annex of the CYPP. Authorities are required to complete their first assessment in 2007-08. They should formally bring this information into the CYPP framework at annual review where this does not coincide with the preparation and publication of a new plan.

1.11 The local authority will need to review the assessment as new data become available and – as a minimum – at least every year. This should normally form part of the annual review of the CYPP and be within the context of the Joint Commissioning Framework. The full assessment process will need to be repeated at least every three years.

1.12 The following chapters cover the different steps of an assessment in more detail. They reflect lessons that have been learned from the Childcare Implementation Project (see box below). It is intended that further examples of good practice will appear on the *Every Child Matters* website over the coming months.

Figure 4 – The Childcare Implementation Project

The Department for Education and Skills, the Local Government Association and the Improvement and Development Agency have been working with 12 local authorities across the country on the implementation and delivery of the new duties contained in the Childcare Act 2006. The aims of the projects are to:

- Test different approaches to implementing the childcare agenda in a systematic way.
- Identify and push best practice around the system.
- Use practice on the ground to inform policy development, guidance and codes of practice.

Chapter 2:

Assessing Demand for Childcare




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- 2.1 The first step in preparing an assessment will be for local authorities to assess and estimate local demand for childcare. The outcomes will need to include at least the following for each sub-local authority area, by age range and type:
- the number of childcare places required for children up to and including the age of 14 (or 17, for disabled children);
 - the number of childcare places required in respect of which the childcare element of the Working Tax Credit may be claimed;
 - the number of free entitlement places required for 3 and 4 year olds;
 - the times at which childcare is required, including needs for flexible childcare that caters for irregular patterns of usage across the day, the week and the year; and
 - the requirements for specialist childcare for disabled children and those with special educational needs.
- 2.2 When assessing demand, local authorities should concentrate on *formal* childcare, both registered and approved provision and – as far as they are able – on formal unregistered provision. They will need to develop some understanding of parents' use of informal childcare as part of the context for assessing the sufficiency of formal childcare; but the main focus of the assessment should be on the formal sector, because that is where local authorities are most able to influence the childcare market.

Understanding the Area

- 2.3 Local authorities need a clear understanding of **the demographics of their local population**, in particular factors that will drive demand for childcare. These might include the under fives population, numbers of lone parents, ethnicity of the local population, and birth rates. The assessment should include the number of disabled children, ethnic minority children, looked after and foster children, and children from

socially excluded groups, so that an accurate picture can be formed of demand by those groups. (It is a specific requirement of the 2006 Act that local authorities should have regard to the childcare requirements of local parents of disabled children aged up to and including 17 years.)

- 2.4 The local authority will need to understand the **local labour market** and patterns of training and adult learning locally. Working patterns, including shift work and other work outside the core 8-6 working day, and commuting time will affect when childcare is needed. Changes in employment patterns – the opening, closure, expansion or shrinkage of sources of employment – may impact on parental work patterns and their demands for childcare, so should be factored into the assessment.
- 2.5 The local authority should also take into account planned and proposed **property development** within the area which may affect population composition and density.

Assessing Parental Demand

- 2.6 There are a number of possible methods a local authority could utilise to assess the needs and wishes of parents and carers for childcare which will enable them either to remain in, or enter, work. Some examples of good practice in this area are available on the Every Child Matters website (see Chapter 7), and others will be added over the coming months.
- 2.7 Local authorities should gather the views of parents or other carers who are not currently in work as well as those who are employed or self-employed, in training or engaged in voluntary work. These should include lower income families and those with disabled children. Local authorities may also wish to take account of demand for childcare from parents living outside the area but who use provision within it. To establish such demand, local authorities might find it helpful to consult neighbouring authorities, or local employers.
- 2.8 It will be important to consider the types of childcare parents use and want (for example, full day care, out of school childcare, childcare with childminders), including demand for the free early years places which local authorities will be required to secure under section 7 of the 2006 Act. Local authorities will need to take account of the fact that demand will be affected by the extent to which parents consider childcare to be 'reliable' (i.e. certain to be available every day, and for expected hours) and of suitable quality and affordability, because they are likely to be key factors in decisions about returning to work.
- 2.9 A good starting point would be the local authority's own Children's Information Service, which will have considerable knowledge of the demand for childcare in the

area and could be asked to gather such information systematically. Jobcentre Plus locally will also have useful knowledge about the needs of those looking for work in their area. But properly structured sample surveys, at sub-local authority area level (so that the varying nature of demand in different areas can be understood) are likely to provide the most representative picture. They could be conducted by telephone, by self-completion questionnaire, or in person and supplemented by focus groups and/or face-to-face interviews. The latter methods are best for picking up the needs of particular groups, like parents of children with disabilities; parents not using childcare; and parents from minority ethnic groups. House to house work at sub-local authority area level can also be helpful in building up in depth profiles of particular areas.

2.10 The DfES will make available a grid to help local authorities who wish to survey parents in their area calculate sample sizes. The grid will provide information on how many interviews a local authority would need to complete for certain population sizes, to generate estimates with relative degrees of accuracy. (See Chapter 7 below.)

2.11 To allow the results of these surveys and interviews to be matched to local demographics, local authorities will also need to collect basic data on the characteristics of respondents, including:

- the employment/training status of parent(s) or other carer(s);
- household income levels;
- whether they are claiming the Child Tax Credit or the childcare element of the Working Tax Credit;
- the ethnic background of families;
- whether they, or their children, are disabled;
- the age and number of children.

Working with Employers

2.12 Local authorities will need to take account of the views of employers, through surveys or group discussions, to obtain a better understanding of employment patterns which will affect demand for childcare. In addition, local authorities might find it helpful to engage in a dialogue with employers about how employer-provided childcare, encouragement of the take-up of tax credits, more flexible working patterns, and assistance for employees with the costs of childcare through allowances or vouchers could help with recruitment, retention and motivation.

2.13 To complement their work with employers, local authorities need to engage with Jobcentre Plus locally about the childcare needs of people for whom they are seeking a place in the job market, and the extent to which access to appropriate childcare is a barrier to entering training and work.

Figure 5: Childcare Needs Assessment in Rochdale – Engaging employers to assess the childcare needs of working parents

Rochdale are using their links with employers to support their planning of provision. The authority establishes links with employers through outreach and mail shots – their best advertisement is employers who are already benefiting from the scheme. Staff then assess employee demand for provision through questionnaires.

More effective market development:

- This has given Rochdale clearer information about parental demand, enabling them to set up schemes which better meet need, including a pilot to provide weekend childcare in two nurseries and a pilot to provide funding for childminders to offer extended hours that match with parental shift patterns.
- The information underpins Rochdale’s childcare market strategy: enabling them to match up existing providers with employers and highlighting gaps in the market so that they can provide start-up funding for providers who might fill them.
- The work does not only meet individual childcare needs, but also promotes the extended role that employers have in the development and implementation of family-friendly policies – an employer representative is currently chairing the Children, Schools and Families partnership.

How employers benefit:

- Good publicity and recognition as a “family-friendly” employer leading to improvements in staff morale
- Improvements in staff recruitment and retention
- Reduction in staff absence

Price and Demand

- 2.14 Local authorities need to be aware of how price will affect parental demand for childcare, to inform their planning and the nature of provision. There is a specific requirement in the 2006 Act (section 6(2)(a)) that the local authority, when ensuring sufficiency of supply, takes into account the availability of childcare in respect of which the child care element of the Working Tax Credit is payable. It would also be useful for the local authority to consider the extent to which local parents could take advantage of childcare assistance available to teenage parents (such as the Care 2 Learn programme) and students in further and higher education.
- 2.15 The assessment should first seek to establish demand at the ‘current market price’. ‘Current market price’ means the price which parents would meet if they looked for childcare in the market today, and will vary by setting, age of child and other factors. Parents should be asked about their childcare needs given the conditions they face in the market as it is.
- 2.16 However, because “sufficiency of provision” applies to the future as well as to the current position, local authorities should also try to gain an understanding of how parents would be likely to react to changing prices, both increases and the availability of less costly provision. Local authorities might ask their private and voluntary sector partners how they expect prices to change in the next year, and why.
- 2.17 To fulfil the sufficiency duty in Section 6 of the 2006 Act, local authorities will be expected to ensure (so far as is reasonably practicable) that sufficient childcare is available to meet the needs of working parents, now and in the future. As part of this, local authorities will need to identify groups of parents who are finding it most difficult to access appropriate childcare at the current market price and who may face the greatest difficulties in future, and to consider what additional assistance can be given to them. This should include maximising take-up of the free entitlement, understanding where more affordable childcare is available, and offering subsidies where that is appropriate. Local authorities also have an important role in publicising the financial support available through the childcare element of the Working Tax Credit and, where appropriate, providing advice and guidance to eligible families on how to access it.

Chapter 3: Mapping Supply



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- 3.1 The second step in preparing an assessment will be for local authorities to map the supply of childcare, so that they can identify any gaps. The outcomes will need to include at least the following for each sub-local authority area, by age range and type:
- a. the number of childcare places available for children up to and including the age of 14 years (or 17, for disabled children);
 - b. the number of places available for which parents would be able to use the childcare element of the Working Tax Credit;
 - c. the number of free entitlement places available for 3 and 4 year olds;
 - d. the times at which childcare is available, the maximum length of time that childcare providers will care for children in a day, and their flexibility in catering for irregular patterns of usage across the day, the week and the year;
 - e. the number and nature of places available for children who require specialised care because of disabilities or who have particular special educational needs;
 - f. the number of vacant places; and
 - g. the range of charges for childcare and parents' ability to pay the charges.
- 3.2 The local authority will need to measure accurately the supply of all types of formal childcare, including (as far as possible) unregistered provision. It will need to assess the current level of provision of each type of care, in terms of hours of opening, the number of places offered by each provider, the age group it caters for, and the cost per hour, day and week.

- 3.3 In addition to the quantifiable information listed above, local authorities should take into account other factors which are relevant to deciding whether childcare is suitable and sustainable. Ofsted inspection reports, evidence of comprehensive business plans, and membership of a childminders' network are examples of likely suitability. Local authorities should also consider how easy it is for parents to combine use of different providers to meet their needs. The mapping of supply should include consultation with providers on their capacity and plans, which will help the local authority with future planning.
- 3.4 The local authority will need to keep in mind the fact that it must secure sufficient free early years provision for local children to fulfil its duty under Section 7 of the 2006 Act. That duty, which replaces the previous one to secure nursery education, requires local authorities to ensure that certain early years provision is available free of charge for each young child in the area who has reached a prescribed age but is under compulsory school age.
- 3.5 Within the assessment of childcare supply, local authorities should take account of the extension of free early years provision to 15 hours per week by 2010 and increased flexibility in its use. Children's centres will form an increasingly important part of a local authority's suite of children's services and in areas of disadvantage may be a significant provider of childcare. Local authorities should ensure that existing children's centres and plans for the development of new ones are considered when assessing the supply of childcare. Similarly, extended schools will have an important role in providing out of school childcare for older children.
- 3.6 The local authority will need to identify providers of childcare, both registered (or approved) and unregistered, from a number of sources to be able to generate a complete picture of supply in its area. Children's Information Service data will be important, as will data from the Early Years Census and from Ofsted registrations, supplemented by other local knowledge.

Figure 6: Geographical Information Systems

Gloucestershire County Council uses Geographical Information Systems to extract different sets of information and visually display them on a digitised map. This provides great flexibility, allowing map prints which exactly meet the needs of users to be produced very quickly.

Gloucestershire Early Years & Childcare Service requires the mapping of all early years and childcare provision and other relevant services, including schools, boundaries (super output areas, wards and districts), population figures of children, health provision, Jobcentre Plus sites and libraries, and many other forms of provision. This will show existing (and possibly proposed) provision when planning for children's centres, extended schools and granting funding to new early years provision. Gloucestershire use this tool to avoid duplication of services and to identify gaps.

- 3.7 The use of informal childcare will impact on the supply of, and demand for, childcare. Local authorities will, of course, only be able to estimate its extent and influence on their childcare markets. This can be done through the local authority's survey of parents' use and demand for childcare as well as national level surveys such as *Childcare and Early Years Provision: A Study of Parent's Use, Views and Experiences* (DfES 2006).

Chapter 4: Mapping Supply to Demand



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- 4.1 The third step in completing an assessment, after assessing demand and mapping supply, is for local authorities to map supply to demand. The outcomes will need to include at least the following for each sub-local authority area:
- the location of childcare;
 - the affordability of childcare;
 - the requirements for specialised care for disabled children and for those with special educational needs;
 - the times at which childcare is available including needs for flexible childcare that caters for irregular patterns of usage across the day, the week and the year;
 - the age of children for whom care is available; and
 - the types of care available.
- 4.2 There is a range of software available to local authorities to support this stage of the process, as well as good practice in a number of leading local authorities. Examples of best practice will be added to the Every Child Matters website (see Chapter 7).
- 4.3 To assess where gaps exist, the local authority will need to compare two sets of data. The first set is data on how much, of what types, at what times, and in which localities, parents demand childcare, and whether there are any specific requirements these parents or children have. The second is how much childcare is available, at what price, in each locality, at each time, and whether that provision is able to meet any specific needs the parents or children may have.
- 4.4 Gaps in the market can be considered as falling into the following categories:
- Geographical Gaps:** where a geographical area has a general shortage of supply;

- **Income Gaps:** where there is a shortage of affordable childcare for the income groups populating an area;
- **Specific Need Gaps:** where there is a shortage of suitable places for disabled children, or children with other specific needs or requirements, including those from particular faiths or community groups;
- **Time Gaps:** where there is a shortage of childcare at a time that parents would wish to use childcare;
- **Age Gaps:** where there is a shortage of childcare suitable to the needs and requirements of a certain age group (for example, school-aged children up to 18 years, if they are disabled). This may be difficult to detect if it is masked by overprovision of childcare suitable for other age groups; and,
- **Type Gaps:** where there is a shortage in the type of childcare for which parents may be expressing a preference.

4.5 Every gap will have a geographical element, which will need to be considered as part of the analysis. A local childcare market is generally considered to be a small area, which for very young children could be defined in terms of 'pram-pushing distance'; but it may also be subject to limitation by physical constraints. For example, obstructions like motorways and railway lines can impose physical barriers between childcare markets; and there can also be non-physical barriers, such as a reticence to use provision in a different community, village or estate.

4.6 The local authority will need to have an understanding of how local provision effectively overlaps at community boundaries. Although it would be undesirable to encourage excess supply, some flexibility in capacity in such areas may be helpful.

4.7 Parents' choice of convenient childcare will sometimes mean that they take up places in a different local authority from their own. Accordingly, local authorities should, when conducting their assessment, take account of the needs of those who use childcare outside their area as well as those who travel to their area to use childcare. It will usually be helpful to consult local providers, employers and neighbouring local authorities to try to assess the numbers involved.

Tools to assist with Mapping Supply to Demand

- 4.8 A number of tools which are capable of carrying out the type of analysis required to map supply to demand are already available and in use by some local authorities. They allow the local authority to estimate demand in small geographical areas and match this against supply data. They can also be used in conjunction with the Index of Multiple Deprivation at super output area level to map childcare sufficiency in the most deprived areas. Examples are MOSAIC and MAIDeN, although some authorities have developed their own tools based on Geographical Information Systems (for example, Rochdale's "Stats & Maps" tool).
- 4.9 To help local authorities who wish to develop their own tools, the DfES intends to make available a series of tables derived from the Department's national survey of parents, which show how, nationally, different ages of children in households with different levels of family income have varying probabilities of using formal childcare. See Chapter 7.

Chapter 5: Drafting and Consulting on the Assessment



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5.1 When the local authority has completed the three stages of assessing demand, mapping supply, and mapping supply to demand and has completed its assessment in respect of each sub local authority area level, it needs to prepare an assessment document for later publication in accordance with regulations. The assessment document will be a summary of the information and data that has been collected through the sufficiency assessment process.

Format of the Assessment Document

5.2 The assessment document should set out all of the outcomes listed at the beginning of Chapters 2, 3 and 4 above at local authority level, based on an analysis of those items at sub-local authority area level, together with a summary of the key gaps in childcare provision. (The underlying sub-local authority area level analysis will, however, need to be available on request for anyone who wishes to see it.)

5.3 The assessment document should focus on identifying the largest and most serious gaps, the scale of which should generally be measured in terms of the number of families affected. It should be presented in an accessible and user friendly way that enables readers to see issues affecting how they access or provide childcare.

Seeking Comments on the Assessment Document

5.4 The local authority will have involved a range of interested groups and organisations in making the assessment in respect of each sub local authority area; in particular, during the stages of assessing demand, mapping supply and mapping supply to demand. Having prepared the assessment document, the local authority should now publish it in draft, so that parents, providers, employers and the wider community have an opportunity to comment on the assessment and highlight relevant issues or concerns.

5.5 Local authorities should be proactive in ensuring that people have an opportunity to comment, including providers and those who live in disadvantaged areas, minority ethnic groups, refugees and asylum seekers, all of whom may face particular issues in accessing childcare. The assessment document should be made available in local community languages where appropriate.

Consulting with Children

5.6 It is important that local children have an opportunity to express their views on what they see as strengths, weaknesses and gaps in childcare. They are the main users and beneficiaries of childcare services, so it is vital that their needs and concerns are understood.

5.7 There are a number of approaches to gathering views from children and local authorities should choose the most appropriate method depending on such factors as the age, gender, ethnicity and disabled status of children within their area. The 2003 DfES research report, *Exploring the Field of Listening to and Consulting with Young Children* and the Coram Family *Listening to Young Children* resources are a useful source of information to help local authorities carry out the consultation.

Dissemination and Amendment of the Draft Assessment

5.8 The draft assessment document should be placed on the local authority's website. The local authority should also consider making it available through childcare settings, schools, Children's Information Services, public libraries, GP surgeries, and Jobcentre Plus offices, as well as local authorities' usual information channels. The draft assessment does not need to be a standalone document but can form a section or annex to any draft CYPP that is also made available for comments. The local authority should amend the draft assessment as it considers appropriate in light of comments received.

Chapter 6: Publishing, Reviewing and Repeating the Assessment



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- 6.1 The Regulations require local authorities to publish the assessment document on their website, and to place copies in public libraries, childcare settings, schools and other public places as they consider appropriate. The document must include information on the criteria listed in the first paragraphs of Chapters 2, 3 and 4 in relation to the overall local authority area.
- 6.2 Following consultation on the childcare sufficiency assessment a local authority should consider how it will address the gaps identified and this should become an integral part of the process of review and publication of the CYPP.

Reviewing the assessment

- 6.3 Section 11 of the 2006 Act requires local authorities to prepare an assessment at intervals not exceeding three years but also to keep it under review until it is superseded by a later one. Local authorities should consider updating the assessment whenever new data become available, but should do so to the extent possible at least annually.
- 6.4 New data which should be reflected in an updated assessment include:
- Live birth statistics and other demographic data;
 - Updated census data, or data from Ofsted on childcare provision;
 - Property development within the area which may affect population composition and density; and
 - Employment patterns across the area, taking account of the opening, closure, expansion or contraction of local businesses which may impact on parental work patterns and their demands for childcare.

6.5 There is no requirement for a local authority to repeat surveys of parents or other surveys, or other forms of consultation, at intervals of less than three years.

Performance Management

6.6 In the short term, existing arrangements for inspecting local authority children's services (the Annual Performance Assessment and Joint Area Reviews) will apply to the childcare sufficiency assessment duty. However, *Strong and Prosperous Communities: The Local Government White Paper, 2006* sets out a new performance framework for local authorities. In line with the contents of the White Paper, the Department for Education and Skills will be looking to develop a range of ways of monitoring local authority performance which are flexible and not burdensome.

Chapter 7: Further Information and Resources



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Policy Background

Childcare Act 2006 – www.opsi.gov.uk/acts/acts2006/ukpga_20060021_en.pdf

Every Child Matters – www.everychildmatters.gov.uk

Joint planning and commissioning framework for children, young people and maternity services: www.everychildmatters.gov.uk/strategy/planningandcommissioning

The Local Government White Paper –
www.communities.gov.uk/index.asp?id=1503999

Needs Assessments –
www.everychildmatters.gov.uk/strategy/planningandcommissioning/needsassessment

Children and Young People's Plan –
<http://www.everychildmatters.co.uk/strategy/planningandcommissioning/cypp>

Childcare Implementation Project

The Childcare Implementation Project is a collaborative project involving the DfES and a selection 12 local authorities to identify good practice and test innovative approaches. Over the coming months a series of useful resources including advice on undertaking surveys and mapping supply to demand will appear on this site.

www.everychildmatters.gov.uk/earlyyears/

For examples of good practice in assessing supply and demand go to –
www.everychildmatters.gov.uk/earlyyears/implementation/market

Resources and Sources of Data

Together From the Start – Practical guidance for professionals working with disabled children (birth to third birthday) and their families

www.surestart.gov.uk/publications/index.cfm?document=872

2001 Census Data – www.statistics.gov.uk/census

Population projections are available from Government Actuaries Department – www.gad.gov.uk/Population/index.asp

Office for National Statistics provides neighbourhood statistics through <http://neighbourhood.statistics.gov.uk/dissemination/>

Information on Childcare Providers – www.ofsted.gov.uk.

Geography and Geographical Mapping Systems

For information on Super Output Areas go to the Office for National Statistics website – www.statistics.gov.uk/geography

Geographical Information Systems (GIS) make possible the capture, storage, retrieval, analysis and display of spatial information allowing users to locate and identify features, trends and patterns. There are many brands of GIS available which local authorities may wish to consider using when carrying out their assessment.

You can download this publication at www.everychildmatters.gov.uk

You can also download this publication or order copies online at:

www.teachernet.gov.uk/publications

Search using the ref: 00039-2007DOM-EN

Copies of this publication can also be obtained from:

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