

<b>DECISION-MAKER:</b>	CHILDREN AND FAMILIES SCRUTINY PANEL
<b>SUBJECT:</b>	EARLY YEARS AND CHILDCARE
<b>DATE OF DECISION:</b>	8 AUGUST 2024
<b>REPORT OF:</b>	EXECUTIVE DIRECTOR, CHILDREN AND LEARNING SERVICE

<b><u>CONTACT DETAILS</u></b>			
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#### **STATEMENT OF CONFIDENTIALITY**

Not applicable

#### **BRIEF SUMMARY**

The provision of high-quality early years and childcare services has proven to have positive long-term benefits including improving education and health outcomes, reducing crime and increasing productivity.

Southampton City Council's Childcare Service has been developed in response to the statutory duties placed upon all local authorities under the Childcare Act 2006 and Childcare Act 2016. It sets out to deliver the Government's vision to provide parents/carers with more choice about how to balance work and family life by ensuring the sufficient supply of good quality, flexible, affordable childcare choices in response to parental demand.

#### **RECOMMENDATIONS:**

	(i)	That the Panel consider and scrutinise the information provided related to Early Years and Childcare in Southampton.
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#### **REASONS FOR REPORT RECOMMENDATIONS**

1.	In recognition of the long-term benefits associated with high quality early years and childcare provision, it is appropriate that the Panel understand and challenge the Council's approach to Early Years and Childcare services.
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#### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2.	Not applicable.
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#### **DETAIL (Including consultation carried out)**

	<b>Background</b>
3.	Southampton City Council currently has a statutory duty to secure sufficient high quality early education places for eligible 2-, 3- and 4-year-olds and sufficient childcare places for working parents.

4.	<p>Following the announcement in the March 2023 budget, early education and childcare for working parents is being extended to support more families. Eligible working parents of children aged from 9 months will be able to get up to 30 hours a week (if taken term time) of Free Early Education and Childcare from September 2025. This entitlement will be rolled out in phases starting from April 2024.</p> <ul style="list-style-type: none"> <li>• <b>From April 2024</b> - working parents of 2-years can get up to 15 hours a week of free education and childcare.</li> <li>• <b>From September 2024</b> - working parents of 9 months – 3 years old can get up to 15 hours a week free education and childcare.</li> <li>• <b>From September 2025</b> - working parents of 9 months – 3 years old can get up to 30 hours a week free education and childcare.</li> </ul>
5.	<p>To support the delivery of the statutory duties, the Council is required to undertake an annual childcare assessment which takes into account housing and business developments, birth data, population forecasts, and vacancy information from providers, and enables us to ensure that as far as possible new places are being created in areas where there is an identified need.</p>
6.	<p>One of the disadvantages of undertaking an annual assessment is that the data collated, soon becomes out of date in response to the ever-changing childcare landscape. To address this, Southampton now undertakes a termly sufficiency assessment with all Ofsted registered providers. We are fortunate to have a 100% return rate from all 290 providers, and this ensures that the information we receive is more accurate and provides better opportunities for the Council to respond, where the support is needed most.</p>
	<p><b>Priorities</b></p>
7.	<p>The sufficiency surveys also include feedback from the sector on the challenges facing them at the time. We also collect detailed information of vacancy levels, waiting lists, staff qualification levels, numbers of staff leaving the sector, reasons why, how many new staff have been recruited and at what level. Our database contains comprehensive data about every registered childcare provider within the city and this helps the service identify early trends, forecasts and respond to the challenges before they develop into major issues.</p>
8.	<p>For 2024/25 the following areas have been identified as key priorities for action.</p> <ul style="list-style-type: none"> <li>• The successful roll out of the early years extended childcare entitlements</li> <li>• The successful roll out of the school’s wraparound childcare offer</li> <li>• Ensuring Southampton has sufficient childcare places available in response to changes in parental demand</li> <li>• Building resilience within the sector to support greater sustainability</li> <li>• Responding to the critical shortages of staffing within the childcare sector</li> <li>• Supporting families and childcare providers in response to the increasing levels of children with SEND</li> <li>• Continue to improve safeguarding practices and training</li> <li>• Improving quality of all registered provision across the City</li> </ul>

	<ul style="list-style-type: none"> <li>• Increasing the take up of the disadvantaged 2-year-old offer</li> <li>• Coordinating and delivering the Healthy Early Years Award Programme (Childhood Obesity Strategy)</li> <li>• Coordinating and delivering the Early Years Mental Health and Well Being Award (Part of the Healthy Early Years Award Programme).</li> </ul>
	<b>Structure and Governance</b>
9.	<p>The Early Years and Childcare Service currently employs over sixty staff, most are part-time and work term time only. Between the seven individual teams/services, the service is responsible for an annual budget of more than £20m, comprising of ringfenced capital and revenue funding from the Early Years block of the Dedicated Schools Grant and High Needs Block alongside income generated from sales.</p> <ul style="list-style-type: none"> <li>• The Childcare Development Team (4FTE)</li> <li>• The Early Years Advisory Teachers &amp; Area SENDCos (5FTE)</li> <li>• The Family Information Service (1FTE)</li> <li>• The Nursery Funding Team (3FTE)</li> <li>• The Speech and Language Services (5FTE)</li> <li>• Startpoint Sholing Childcare Nursery (13 FTE)</li> <li>• Startpoint Northam Childcare Nursery (8FTE)</li> </ul>
10.	<p>Oversight of the service is initially through the Early Years Management Team. They meet monthly to monitor performance, assess impact and identify ongoing efficiencies. They in turn report directly to the Early Years, Prevention and Intervention Partnership who in turn report to the Children and Young Peoples Strategic Partnership Board.</p>
	<b>Places</b>
11.	<p>Following the government’s announcement in 2023 regarding the biggest ever expansion of childcare across England, Southampton’s Early Years Service began developing plans in collaboration with the sector. This collaboration and joint working have been instrumental in ensuring that Southampton City Council has successfully discharged its statutory duties in meeting its agreed targets with the DfE for the expansion of early years childcare places for March 2024 and for September 2024. Furthermore, it has plans already in place with the sector to develop the places needed for September 2025, these will be available to families ahead of this target date. With regards to general childcare sufficiency, the continued termly childcare sufficiency surveys demonstrate that need is being met with vacancies being reported throughout the city.</p>
	<b>Performance</b>
12.	<p>As of 31<sup>st</sup> July 2024, 99% of Southampton’s early years providers in Southampton, has been inspected and rated as ‘Good or Outstanding’ by Ofsted. This is above the national average of 97%. Furthermore, Southampton has a higher percentage of early years settings who were judged by Ofsted as Outstanding at their most recent inspection (16%) when compared to the national average (14%) and that of the average for the Southeast region (15%).</p>

13.	In recent years Southampton's published Early Years Foundation Stage Profile results have gone from 61.8% of children achieving a good level of development in 2021/22 to 66.9% in 2022/23. This placed Southampton ahead of all of its statistical neighbours. Forecasts for 2023/24 show that we expect to maintain this level at 66.6%.
	<b>SEND specialist provision</b>
14.	Dingley's Promise specialist Early Years provision opened in April and has been accepting children referred through the Early Years Panel. 41 children have been referred since opening, there are currently 37 on roll. As at September, 65% of children accessing the provision will have transitioned or will transition to a mainstream provider – this is an excellent outcome and evidences the ability of the setting to provide specialist support in a way that reduces escalation.
	<b>Workforce</b>
15.	<p>A significant amount of the services resources has been focused on responding to the critical issues around recruitment and retention. The following activities provides a flavour of work that has been achieved which through our termly monitoring is evidencing that it is already having an impact on recruitment and decreasing the levels of staff exiting the sector. Although it is this area that is now having the biggest impact on future development and sustainability. Since last year we have been:</p> <ul style="list-style-type: none"> <li>• Working with Itchen, City, Eastleigh and Totton colleges around supporting students to find placements, careers information, local job market, and for college lecturers and staff to exchange relevant information to support the sector.</li> <li>• Working with all providers to gather data on movement within the sector and analyse reasons for staff leaving and support with their recruitment and retention issues</li> <li>• Working with JCP (Job Centre Plus) to deliver information sessions for clients interested in early years and childcare (EY&amp;C) jobs, positively resulting in new appointments into the sector.</li> <li>• Raising awareness and knowledge of apprenticeships to providers and potential staff through social media campaign during National Apprenticeships Week 2024.</li> <li>• Developing Newly Qualified Practitioner and apprentice program to support people in 1<sup>st</sup> year of practice</li> <li>• Providing an information stall at several recruitment events- 2023 - April JCP jobs fair, July JCP event, November City college event, 2024 - May Get Inspired for year 9- 10 students, June Employment Hub job fair</li> <li>• Developing new childminder recruitment campaign with comms team (September launch)</li> <li>• Provider's job vacancies collection and promotion</li> <li>• Website- review/rewrite recruitment and retention pages</li> <li>• Working with Education colleagues, schools, post 16 and college students to support working in EY&amp;C</li> <li>• Childminders: a year ago we had only two new childminders register. Due to our Recruitment and &amp; Retention activities we have recruited</li> </ul>

	ten new childminders in the last year, and we currently have another seven prospective childminders going through the Ofsted registration process.
16.	Over the last 12 months the data shows a total of 342 staff vacancies arose within the sector and a total of 230 were successfully recruited to. Working in collaboration with the sector and other agencies we have reduced the vacancy rate from 40% in Autumn 2023 to 22% in Summer 2024.
	<b>Sustainability</b>
17.	Nationally, we are seeing an increase in the number of providers who are closing. This was evidenced in Southampton which has recently witnessed the closure of 17 established childcare settings over the last 18 months. The positive news is that the Early Years Service has been successful in replacing all except one of the closed nurseries, which is expected to open later next year, with many more developments scheduled for opening in Autumn 2024, April 2025 and September 2025.
18.	Southampton's Early Years Nursery funding rate is amongst one of the highest within neighbouring local authority areas, calculated on the level of deprivation within the city. This does put Southampton providers in a better financial position than our neighbours and does contribute to their overall sustainability.
19.	However, for childcare providers, trying to sustain the provision using the early years government funding alone can present significant challenges. Consequently, more providers are now being forced to introduce a consumable charge to parents and carefully review their business plans and financial planning. The government have responded by increasing the levels of nursery funding and this has helped.
20.	In Southampton the termly sufficiency data enables the Council to accurately ensure that providers have high occupancy levels whilst still ensuring parental availability. Also, as childcare vacancy levels decrease, we can quickly respond with new/expanded childcare places in response to increasing demands. We also offer business sustainability advice and support providers accessing external funding opportunities. We also promote to parents and providers the options that exists around supporting childcare costs such Universal Credit, Tax Credits, Tax Free Childcare schemes and studying grants etc. We have set up shared networks and collaborative working with the sector who will signpost parents to neighbouring provision if they become over-subscribed.
21.	The Panel are requested to discuss the issues identified relating to Early Years provision with the Cabinet Member for Children and Learning and the invited officers.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
22.	Paragraph 9 identifies the budget for the service.
<b><u>Property/Other</u></b>	
23.	N/A
<b>LEGAL IMPLICATIONS</b>	

<b><u>Statutory power to undertake proposals in the report:</u></b>	
24.	Statutory duties are outlined in the Childcare Act 2006 and Childcare Act 2016.
<b><u>Other Legal Implications:</u></b>	
25.	N/A
<b>RISK MANAGEMENT IMPLICATIONS</b>	
26.	Oversight of performance and risk is provided by the Early Years, Prevention and Intervention Partnership who in turn report to the Children and Young Peoples Strategic Partnership Board.
27.	External monitoring is undertaken regularly throughout the year and includes our DfE Early Years Regional Lead, The Early Years Senior HMI within Ofsted and their local inspection team, DWP - Childcare Works and a host of DfE appointed monitoring agents such as Education Development Trust, Coram Family Trust, Hemsalls, and DfE research teams.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
28.	Southampton's overarching Children and Young People's Strategy is underpinned by eight strategic plans. One of these is <a href="#">The Southampton Early Years Strategy 2022-2027</a>

<b>KEY DECISION?</b>	<b>No</b>
<b>WARDS/COMMUNITIES AFFECTED</b>	All
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	None

**Documents In Members' Rooms**

1.	None
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**Equality Impact Assessment**

<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out?</b>	<b>No</b>
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**Data Protection Impact Assessment**

<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out?</b>	<b>No</b>
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**Other Background Documents**

**Other Background documents available for inspection at:**

<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential</b>
1.	<a href="#">The Southampton Early Years Strategy 2022-2027</a>