



**City of London**

**Childcare Sufficiency Service:**

**Spring Term 2024 report**

**May 2024**

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## Key Findings – Spring 2024

- 1 In spring 2024, *the majority* of the early years childcare providers/settings located in the City of London outlined that their occupancy was buoyant and continued to have a positive trajectory - in particular there was an observed revival of demand for full day places.
- 2 The majority of early years childcare providers/settings described how they were *still* experiencing issues with recruitment and retention (even though there was evidence provided of thought given to attracting new employees through innovative employment packages) – with an ongoing issue being that certain applicants lacked experience.
- 3 The City of London needs to (continue to) monitor an opening date for the proposed nursery provision at City of London Primary Academy Islington (COLPAI), as certain early years childcare providers/settings (located in the northern locality of the City of London) have concerns about how this (new) provision may impact their occupancy, once it does become accessible to local parents and families.
- 4 The majority of representatives of local early years childcare settings/providers stated that they were aware of the series of online webinars and online training schemes offered by the City of London - and this was a portfolio of training that they were keen to access.

Feedback also focused on training themes that the City of London’s early years childcare providers/settings would like to “*definitely*” access: refreshed safeguarding training was most recurrently highlighted, followed in frequency by: training/course that focused on behaviour management.

- 5 From the perspective of the *type of formal childcare provision* that is accessible in the City of London, it can be considered encouraging (from the perspective of occupancy) that a day nursery was a type of support that responding parents/carers most frequently stated that they were *actively planning to access*, during the forthcoming period summer 2024 – summer 2026.
- 6 Parents and carers repeatedly stated that they would welcome the City of London enhancing the geographical coverage of its Children’s Centre services offer. A number of responding parents and carers outlined a priority whereby such services could be further accessible:
  - In the Golden Lane area of the City of London
  - Via the City of London library service(s)

- 7 A number of responding parents and carers requested that the City of London should continue to ensure that out of school childcare be accessible, for their older (school-aged) children - which it currently is, via The Aldgate School Playcentre.

However, a degree of feedback on this theme (of intended future usage) tended to focus on the London Borough of Islington-based COLPAI Academy, which was accessed by pupils of certain City of London parents/families, due to its location on the northern border of those two geographical areas.

## Introduction

The City of London Education and Early Years' Service (EEYS) continues to strive to ensure that every child living or educated in the City of London has the opportunity to achieve their maximum potential and thrive in their unique community.

To this effect, in autumn 2021, the City of London commissioned a three-year service whereby up to mid-2024, the ongoing sufficiency and sustainability of childcare provision in the locality would be monitored and subject to evolving strategic recommendations.

The service would, as relevant, on that ongoing basis:

- Assess the existing childcare provision in the City of London, monitoring supply and demand and gaps (as they evolved) in the childcare market - as well as monitoring any ongoing legacy impact of the COVID-19 pandemic (which in 2023-2024 was beginning to dissipate)
- Review and continue to summarise evolving demographic data including child population projections by age group
- Undertake periodic surveys and consultation exercises with local parents and carers
- Monitor prevailing vacancies/occupancy being experienced by the City of London's childcare providers
- (At intervals) Assess the ongoing awareness of the City of London Accessibility scheme
- (At intervals) Monitor the impact of the City of London Family Information Service regarding access to and sharing of relevant early years and childcare-themed information
- (At intervals) Monitor the ongoing reach, accessibility and use of the City of London Coltale programme by local families.

The delivery of that service therefore informed this report, at the period: spring 2024.

Important context in spring 2024 aligned to the fact that the implementation of the extension to the funded childcare initiatives had commenced – i.e.:

### **1/From April 2024, working parents of two-year-olds would be (and now are) able to access 15 hours of free childcare**

Essentially, if a parent is working they could be eligible to (additional, now, to parents from specific disadvantaged circumstances) 15 hours of funded childcare a week from 1st April 2024. A couple both need to be working. Such a parent/family could receive a funded 15 hours childcare places if both the following apply: (a) a child is 2 years old or will turn 2 years old before 1st April 2024; (b) the parent/family earn at least £8,670 a year and less than £100,000 a year adjusted net income, as an income after some tax reliefs and deductions.

Then, subsequently:

### **2/From September 2024, 15 hours childcare support will be extended to eligible working parents with a child from 9-months-old – 3 years.**

### **3/From September 2025, support will reach 30 hours for eligible working parents with a child from 9-months-old up to school age.**

Currently, parents who work more than 16 hours a week and earn less than £100,000 are entitled to 30 hours free childcare a week for children aged three to four.

The government intends to expand the scheme so that, from September 2025, working parents of all children over the age of nine months will also be entitled to free 30 hours of childcare.

Indeed, further contemporary context was outlined in the October 2023 House of Commons Education Committee report *Support for childcare and the early years: Government response to the Committee's Fifth Report*<sup>1</sup> whereby it was described how:

- DfE recognises the importance of setting funding rates for local authorities for the early years entitlements that reflect the cost of early years childcare delivery and also encourage sustainability of provision and the overall financial health of the childcare sector - especially aligned to the expanded entitlements from April 2024
- DfE also recognises the current sustainability pressures that have been faced by childcare providers and that they are paying a specific grant to local authorities from September 2023, to allow them to increase funding rates paid to childcare providers
- It had concluded that *the government must do much more to ensure the support available for Tax Free Childcare is better understood and easier to access... recommending HM Treasury conduct a fundamental review of Tax Free Childcare with a view to making it simpler and easier to use and ensure it is delivering effectively for eligible families*
- **The recruitment and retention of qualified staff is a key issue for the early years (funded) childcare sector** – and to increase interest in early years, DfE are *working to remove barriers to entering the sector and plan to introduce a new accelerated apprenticeship and degree apprenticeship routes so everyone from junior staff to senior leaders can easily move into or indeed enhance their career in the sector.*

## **Spring 2024 Childcare Sufficiency Research Methodology**

This specific Childcare Sufficiency update report has been researched and produced via:

1. Analysis of the outcomes of structured interviews - that took place in April and May 2024 - with the early years childcare providers/settings situated in the City of London.
2. Analysis of the outcomes of a structured online survey with parents and carers of 0-4 year olds that are resident in the City of London - and which had a focus on the extended entitlements described above.

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<sup>1</sup> <https://committees.parliament.uk/publications/41642/documents/206387/default/>

# 1 Outcomes - Spring 2024 Feedback from City of London Early Years Childcare Providers

The narrative below summarises feedback, aligned to specific themes, received (as an outcome of structured interviews undertaken through virtual/web e-interviews or visits) from representatives of seven of the City’s early years **childcare** providers during the period spring 2024.

## 1.1 Occupancy in spring 2024

1.1.1 For context, Table 1 below outlines the ongoing capacity, in spring 2024, of the six main early years childcare providers situated in the City of London – i.e. each setting’s registered number of places for 0-4 year olds <sup>2</sup>.

Table 1 - Registered capacity - in spring 2024 - for early years *childcare* settings located in the City of London

Provider	Number of Registered Places in spring 2024
The Aldgate School Nursery	14 [for 0-3 years]
Hatching Dragons Nursery	60
Smithfield House Nursery	100
City Newpark Childcare	26
Barbican Playgroup	20
City Child Bright Horizons	54
<b>Total</b>	<b>274</b>

1.1.2 The general feedback about the theme of occupancy was that (as in autumn 2023) it was continuing to rise - at a steady trajectory. Indeed, all but one setting reported a buoyant situation with specific feedback *including*:

*“Our occupancy is currently at a healthy 90%”.*

*“Occupancy is on the rise and we expect it to rise further when the extended funding begins to ‘kick in’ throughout 2024. We already have a good number of enquiries for September 2024”.*

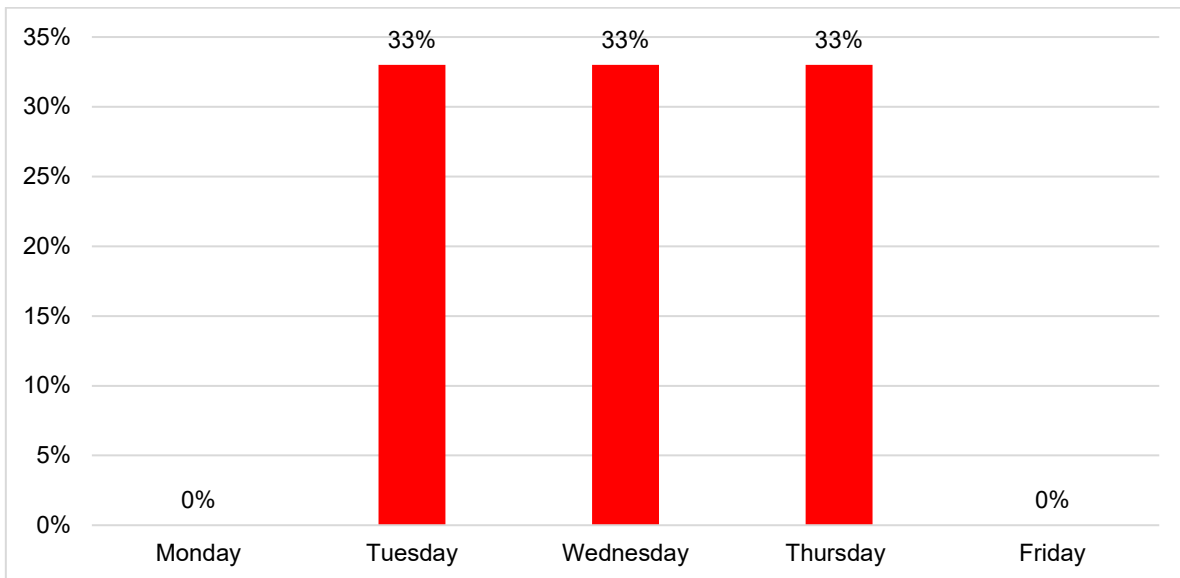
*“We are now - full”.*

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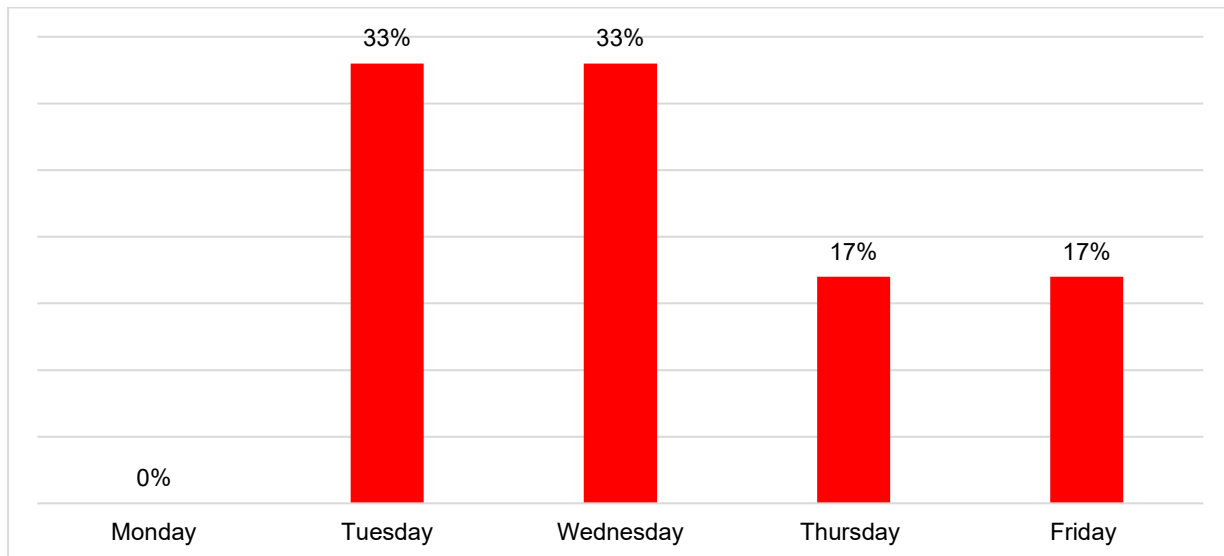
<sup>2</sup> The Children’s Centre Goldman Sachs has a capacity of 68 places, only for employees of that organisation.

Image 1 below indicates the frequency with which responding early years childcare providers stated that a particular weekday was their busiest day.

Image(s) 1 - Frequency with which a particular weekday was a setting's busiest – spring 2024



This compares as follows with the autumn 2023 situation:



It should be noted that although a Friday was now not recorded as a specific 'busiest' day – three respondents stated that, in their experience, occupancy on a Friday was (words to the effect) *“gradually getting as busy, as a Thursday”*.



1.1.3 80% of responding early years childcare providers/settings stated that they had a waiting list in early spring 2024. 20% stated that they did not. The numbers of children on a waiting list ranged from:

1 child → 34 children.

Certain representatives provided a similar type of feedback when they observed that enquiries in spring 2024 were tending to *“focus on all day timings, rather than mornings or afternoons”*.

Also, as in 2022 and 2023, certain representatives stated that - from their anecdotal observations - families with young children were continuing, to an extent, to move out of central London.

## 1.2 Fees

1.2.1 Table 2 below outlines the **average hourly** fees per age group outlined by the relevant (**seven – including the Children’s Centre Goldman Sachs**) responding early years childcare providers

Aged 0 –12 months	Aged 1 year	Aged 2 years	Aged 3 years	Aged 4 years
<b>Spring 20234</b>				
Av. Hourly rate: £11.93	Av. Hourly rate: £11.93	Av. Hourly rate: £11.18	Av. Hourly rate: £11.47	Av. Hourly rate: £11.47
<b>...In comparison with Autumn 2023 metrics</b>				
Av. Hourly rate: £11.30	Av. Hourly rate: £11.30	Av. Hourly rate: £11.10	Av. Hourly rate: £10.41	Av. Hourly rate: £10.41

Table 2 therefore indicates that the average fee level had increased as 2023 had progressed into 2024.

The fee levels for 0-12 months – 2 years ranged from – £11.03 the lowest: - £13.01 the highest: The levels for fee paying 3 – 4 year olds ranged from – £8.85 the lowest: - £11.00 the highest:

1.2.2 Early years childcare settings/providers were invited to state whether they believed that the new hourly funding rates applied by the City of London would support them financially.

- 20% of early years childcare settings/providers stated: yes, the new hourly funding rates will support us financially
- 40% of early years childcare settings/providers stated: no, the new hourly funding rates will not support us financially
- 40% of early years childcare settings/providers stated: I don’t know

### 1.3 Recruitment and Retention

- 1.3.1 75% of the early years childcare providers stated that they were *still* experiencing issues with recruitment and retention – with an ongoing key concern being that certain applicants were failing to turn up at/for interviews.

Each representative was invited to state how they were attempting to innovate and/or attempt to ensure that a career at their setting could be appealing – and feedback included:

- Considered competitive salary packages
- Access to free training courses
- Extra paid holidays for birthdays
- A ‘Christmas Shopping’ day of paid holiday
- Support with enhancing English language skills

- 1.3.2 50% of representatives stated that they periodically implemented a structured method of maintaining access to training and courses. Analysis of feedback indicated a trend of staff sometimes being reluctant to upskill and them feeling that a Level 2 or a Level 3 qualification was (in the words of one representative) “*all that they needed*”. Essentially, there was a belief that although there was evidence of potential applicants having requisite qualifications – actual sustained experience was not as evident.

None of the representatives believed that there were any barriers to their staff/team members accessing any City of London originating training courses – however, one recurrent theme was that the timing of training courses could be problematic, aligned to the need to maintain ratios. Such feedback proposed that evening times was the “*best*” time for such City of London originating training courses to be facilitated – with one representative stating “*4.00pm would work well for us*”.

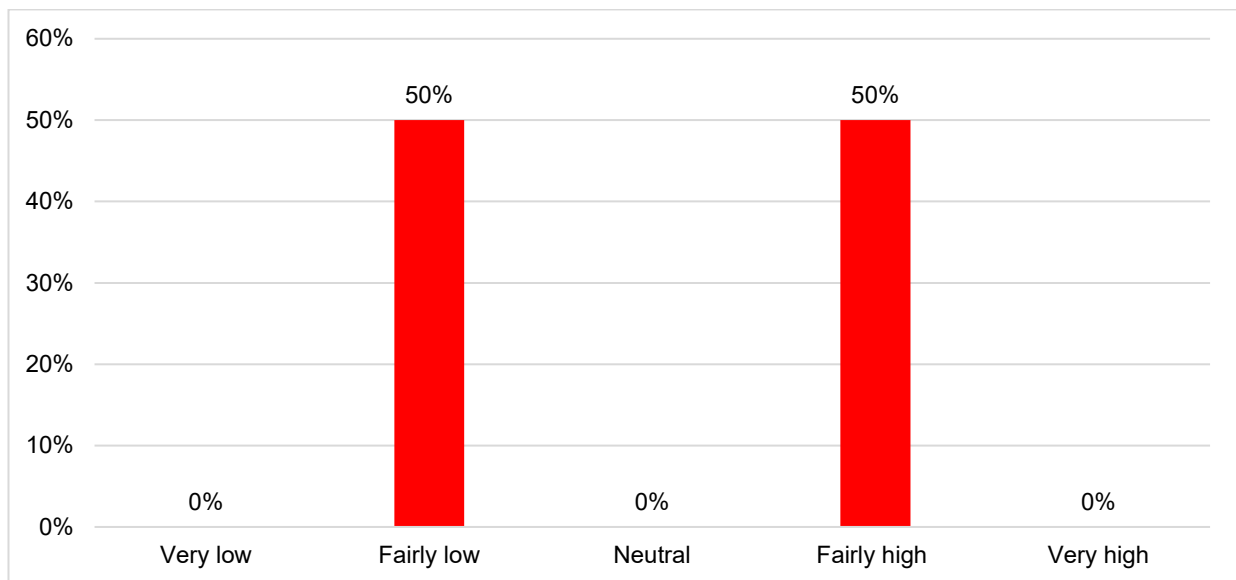
- 1.3.3 80% of the representatives stated that they were aware of the series of online webinars and online training schemes offered by the City of London – and with one exception, this was a portfolio of training that they were keen to access.

Feedback also focused on training themes that the City of London’s early years childcare providers/settings would like to “*definitely*” access. Refreshed safeguarding training was most recurrently highlighted, followed in frequency by training/course that focused on behaviour management.

## 1.4 New Extended Entitlements

- 1.4.1 All early years childcare providers were requested to indicate the type of demand that they were experiencing from parents/carers of 2 year olds in spring 2024, including aligned to the extended funded offer (see page 5).

Image 2 - Classification of demand-type being experienced in spring 2024 - for extended funded entitlement for 2 year old places



- 1.4.2 It was noted that for three settings approximately 80% of enquiries for such 2 year olds funded places were being received from parents/families that were resident outside of the City of London.
- 1.4.3 All of the representatives outlined that they were managing to negotiate the requirements of the extended funded entitlements – including from a delivery and administrative perspective. There was consistent feedback that representatives were assured that they could contact the City of London should they need any support or advice on the extended funded entitlements, plus that the networking system which the City of London initiated enabled them to consult, if required, with other local early years childcare providers.

## 2 Outcomes – spring 2024 consultation with parents and carers

The narrative below summarises the outcomes of an online survey which was promoted by the City of London to resident parents and carers in Spring 2024. Parents and carers responded to the survey and they provided (analysable) feedback on contemporary themes - including their intentions aligned to the government’s spring 2024 announcements – once again that:

- From **April 2024**, working parents of two-year-olds were able to access 15 hours of free childcare
- From **September 2024**, 15 hours of free childcare will be extended to all children from the age of nine months
- From **September 2025**, working parents of children under the age of five will be entitled to 30 hours free childcare per week.

Essentially, their feedback provides an insight into **demand-themed** factors, that supports the LAs strategic planning.

### 2.1 Respondents and their child’s age(s)

2.1.1 Table 3 indicates the frequency with which responding parents/carers had a child(ren) of a specific age cohort.

Table 3 - Percentage of children from specific age cohorts that were being raised by responding parents/carers

Age Cohort of children	Percentage of responding parents with at least one child in age cohort
Expectant parent	4.5%
0-8 months	24%
9 – 12 months	2%
1 year	28%
2 years	26%
3 years	11%
4 years	22%

Table 3 indicates that parents/carers with children aged 1-2 years participated in the survey, with the highest frequency.

2.1.2 4.5% of the respondents stated that they had a child or children with (diagnosed) Special Education Needs and/or Disabilities (SEND) – this was most frequently a child with Speech, Language and Communication Needs. These carers, if they were accessing a type of formal childcare, were most frequently accessing a PVI sector day nursery.

2.5% of respondents alternatively stated that they had a child who was in the process of currently being assessed for SEND.

## 2.2 Usage of formal childcare

2.2.1 56% of all responding parents/carers were evidently accessing at least one type of formal childcare in spring 2024 – and 44% were not doing so.

The most frequent type of formal childcare that was being accessed was a day nursery - stated by 77% of relevant [formal childcare 'using' parents, followed in frequency a sessional pre-school/playgroup, which was stated by 32% of relevant parents.

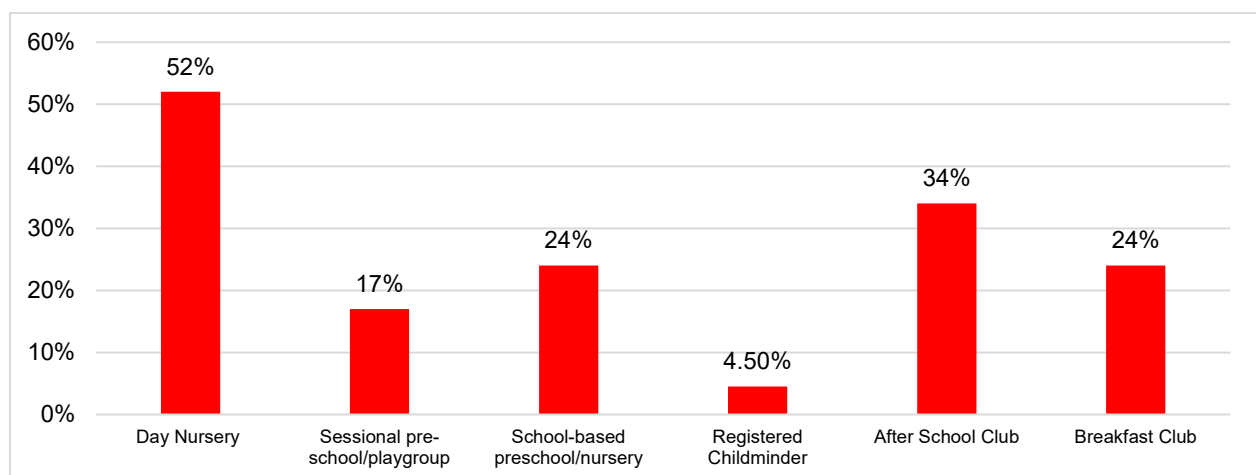
All responding parents and carers were invited to state their annual family income bracket (before tax).

Table 4 - Incidence of gross household income per year (before deductions/tax)

Annual household income	Percentage of relevant responding parents/carers	Most frequently stated type of childcare accessed
Up to £16,190	0	Day Nursery
£16,190 - £29,999	2%	n/a
£30,000 - £54,999	8.5%	Day Nursery
£55,000 - £99,999	20%	Day Nursery
£100,000 or above	39%	Day Nursery
I don't know	2%	Day Nursery
I would rather not say	28.5%	Day Nursery
Did not say	0	Informal Childcare

Image 3 indicates the frequency with which all responding parents/carers stated that they were minded to access a particular type of formal childcare during the period summer 2024 – summer 2026.

Image 3 - Frequency with which all responding City of London resident parents would evidently like to access a specific type of formal childcare over the next two years



2.2.2 For the spring 2024 Parental Demand survey, respondents who stated that they would like to access a type of formal childcare over the forthcoming two years were invited to name any setting that they would ideally like to access. In order of frequency – the following four settings were recurrently denoted:

1. The Aldgate School nursery (stated by 25% of all parents)
2. Charterhouse Square school
3. COLPAI Nursery (located on the north City of London border in the London Borough of Islington) which is set to open in insert date with insert/38 places
4. Newpark Childcare Centre

2.2.3 Encouragingly there was no recurrent incidence of any barriers to accessing childcare being experienced by responding parents and carers. The sole repeated 'barrier' was the size of fees, and this was (only) stated by 10% of parents and carers. However, compared to previous annual Parental Demand consultations the theme of barriers, and size of fees as such a barrier, had a lower evident incidence, in spring 2024. However, there was still feedback on the issue – which included:

*"Mine and my partners very demanding careers have been compromised because of a need to budget for childcare... and the quality of [group] childcare available has not been high enough to warrant such a cost - when we can for the same cost hire a private nanny".*

*"I'm just above the earnings threshold and the cost of childcare is having a significant impact on my savings - with the cost of living crisis, my salary just barely covers this [childcare costs] plus living expenses".*

*"We have only been able to remain City of London residents - and stay in employment - due to the generosity and support of our families who helped with contributions to our childcare".*

2.2.4 Parents and carers who were accessing at least one type of formal childcare were invited to state how many hours per week they were doing so.

It was noted that:

- Parents of under two-year olds and two year olds were most frequently accessing formal childcare 'typical' at 16-20 hours per week
- Parents of three and four-year olds were most frequently also accessing childcare at over 30 hours per week, including via the 30 hours childcare offer

Additionally, 26% of all responding parents stated that they would like to increase their hours of formal childcare - at an average of 25 hours/week.

## 2.3 New 2024 and 2025 Extended Entitlements

2.3.1 In terms of current (pre-April 2024) uptake of the three types of funded childcare (only):

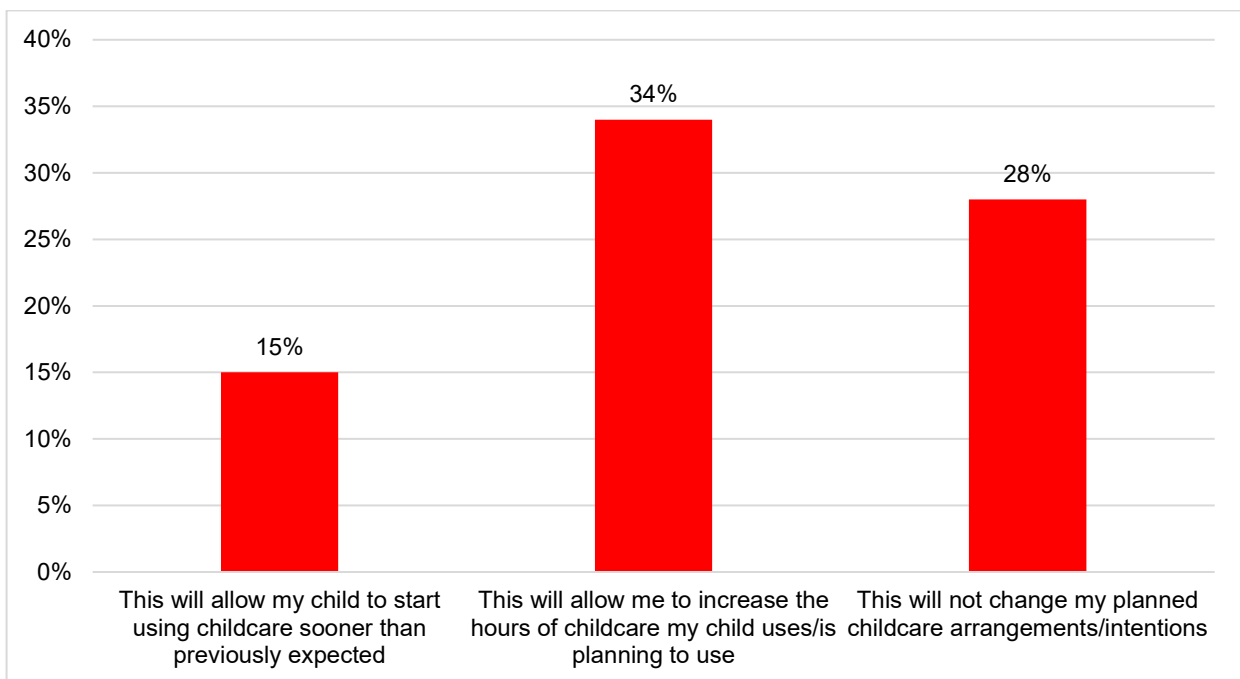
6.5% of all responding parents/carers stated that (in March 2024) they were currently accessing the free entitlement for 2 year olds.

11% of all responding parents/carers stated that (in spring 2024) they were currently accessing the 15 hours universal free entitlement for 3-4 year olds.

6.5% of all responding parents/carers stated that (in spring 2024) they were currently accessing the 30 hours childcare offer for 3-4 year olds.

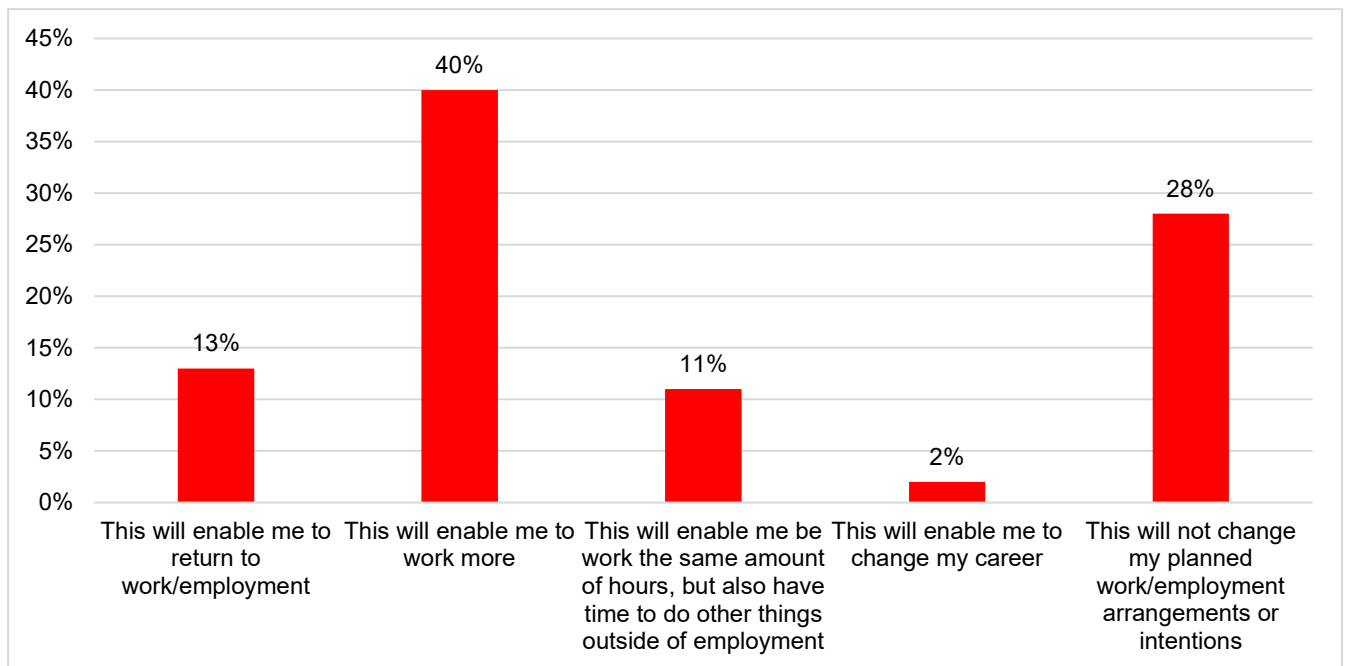
2.3.2 Parents were invited to state how the extensions to the funded childcare entitlements could affect them - from a *childcare-themed* perspective.

Image 4 - How parents envisaged that the extended funded childcare entitlements could affect them from a childcare-themed perspective



Additionally, parents were invited to state how the extensions to the funded childcare entitlements could affect them - from a *employment-themed* perspective.

Image 5 - How parents envisaged that the extended funded childcare entitlements could affect them from an employment-themed perspective



## 2.4 Parents and carers views on what should be priorities for the local authority

Parents and carers were invited to feedback what they believed should be early years and childcare-themed priorities for the City of London.

A recurrent proposal was that the City of London should (continue to) consider how it can enhance the geographical coverage of its Children’s Centre services offer. A number of responding parents and carers who were resident in the northern locality of the City of London outlined a priority whereby such services could be further accessible:

- In the Golden Lane area of the City of London
- Via the City of London library service(s)

A second repeated proposal from a number of responding parents and carers was that the local authority continue to ensure that out of school childcare be accessible, for their older (school-aged) children - which it currently is via The Aldgate School Playcentre. Specific feedback on this theme tended to focus on the London Borough of Islington-based COLPAI Academy, which was accessed by certain City of London parents/families due to its location on the northern border of those two geographical areas – i.e.:

*“I think there is a need for an increase in the provision of after school care... including at COLPAI, until 6pm for all families who are willing to pay for it. There is a huge demand for this from City parents too... and many waste a lot of working time putting in ‘arrangement’s for their children”*

*“I would like to send my child to COLPAI, as I will not be able to afford a fee paying school. However I am concerned about the shortage in wraparound care such as breakfast and after school clubs”.*