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City of London

Childcare Sufficiency Assessment Service



Summer 2026 update

Contents

	Pages
Key Findings	3
Introduction	5
Childcare Sufficiency Update Monitoring Research Methodology	7
Outcomes – summer 2026 feedback from City of London Early Years Childcare Providers/settings	8

Key Findings – Summer 2026

- 1 The Childcare Act places a duty on local authorities in England to secure, as far as is reasonably practicable, sufficient childcare to meet the **requirements of residents parents in their area who** require childcare, and this includes securing provision of funded early education entitlement places, for eligible young children under compulsory school age. The City of London, like all local authorities, is required by law to *report annually to its elected council members on how it is meeting its duty to secure sufficient childcare, and make this report available and accessible to parents, carers and families.*

Reflecting the feedback attained from City of London providers *about their occupancy* levels, in summer 2026 there is sufficiency of early years childcare places within the locality, including for City residents, who account for approximately 30% of the places currently occupied.

It is recommended, for the autumn 2026 Sufficiency Update, that the City of London further cement their confidence - that there is sufficiency of provision - through a Parental Demand Survey, which will reach out to City-resident families¹.

- 2 The City of London continues to account for a childcare occupancy which is concentrated during a three-day period. However, at summer 2026, this period had returned to: Tuesday (the peak day) → Thursday, compared to Monday → Wednesday, which was the peak observed during the winter 2025-2026 sufficiency research.
- 3 As in late 2025, a trend whereby there is a notable demand for places for babies and 0-12 month year olds is evidently continuing. This factor continues to be observed via waiting lists, whereby this age group continues to be - to a notable extent - responsible for waiting list compositions. **This is a trend which needs to be monitored by the City of London, from a sufficiency perspective.**
- 4 All representatives of the City of London early years childcare sector confirmed that the September 2025 30 hours/working parents-themed extension, was now part of “business as usual” and therefore no longer having such a big impact on their sufficiency of provision..

¹ There is also a **possibility** that *Hatching Dragons Nursery* might relocate over the forthcoming 18 months.

5 Feedback suggested that recruitment was a theme which could “*become a problem at any time*” – however in the first part of 2026 it had generally been navigated relatively ‘stress-free’. For the summer 2026 sufficiency research, there was a notable reduction in emphasis from early years childcare providers that this was a subject which had concerned them ‘in the past 6 months’.

6 When representatives of responding early years childcare providers/settings were invited to state how confident (in their opinion) their setting was as a whole in **supporting children with SEND** via an average rank on a scale of 0-10 given (with 1 being: completely unconfident and 10 being: completely confident): The most frequent rank provided was a relatively high 9/10 – compared to a metric range which is more typically observed for London-based Childcare Sufficiency Assessments undertaken by Place Group of circa 7.5 – 8/10.

It should be noted that one particular early years childcare provider/setting, that is located in the City of London, classified themselves with a rating of 5/10, in summer 2026.

7 in summer 2026, the City of London reported how: *planning activity in the City reached a record high in 2025, with the highest number of planning applications received in a decade and more than 500,000 square metres of office floorspace granted permission, equivalent to more than seven ‘Gherkin’-sized buildings* – a theme which *might* have future implications, in terms of a number of commuting working parents who require City of London-situated childcare - and the fact that some City-resident parents prefer to access a setting close to where they live.

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 'Square Mile' community.

To this effect, in summer 2024, the City of London commissioned an extended three-year sufficiency service whereby up to mid-2027, the ongoing sufficiency and sustainability of childcare provision in the locality would be monitored and subject to evolving (twice yearly) strategic recommendations.

The Sufficiency Service *continues* to:

- Assess the existing childcare provision in the City of London, monitoring supply and demand and gaps (as they arise) in its childcare market - including both early years childcare supply and a theme which the DfE have requested enhanced reporting on in 2027: the supply of school-age childcare
- Monitor prevailing vacancies/occupancy being experienced by the City of London's early years childcare providers
- Review and continue to summarise evolving demographic data, including (as it becomes new and available) child population projections by age group
- Undertake periodic surveys and thematic consultation exercises with local parents and carers
- (At relevant intervals) assess the ongoing awareness of the City of London Accessibility scheme
- (At relevant 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 relevant intervals) monitor the ongoing reach, accessibility and use of the City of London Coltale programme by local families.

The role of that sufficiency service therefore informed this report at the period: Spring/Summer 2026.

At this time, there are a number of contextual themes which affect the childcare sector through England and the London region.

For example, a theme that continues to concern childcare providers in some parts of the London region – however, not the City of London at this time, is recruitment and retention. With regard to this pivotal subject, in February 2026, The National Foundation for Education Research released a report which summarised the key trends in recruitment, retention, pay, working conditions and wellbeing within the early years workforce. Key Findings, which have relevance to inner-London *included* - and require the City of London to monitor were;

- **Early years staff numbers may have plateaued** after years of strong growth and appear to be considerably below the Government's estimated requirement for

delivering the expanded childcare entitlement

- A higher qualified workforce is likely to deliver better quality early years education and care, **but qualification levels remain low**
- **Early years pay is low compared to otherwise similar workers**, especially for those early years staff who are more highly qualified
- **Early years workers with higher qualification levels report more limited opportunities for career progression** compared to similar workers.

Coram Hemsall's² has in 2026 recently outlined - as an outcome of their own research - a viewpoint that the early years childcare sector is a '*sector in transition*'.

Their research concluded that:

- Recruitment and retention of staff remain critically important, with workforce growth needed to underpin expansion and delivery.
- Parents are increasingly seeking flexible hours for their childcare...
- ...The extension of funded hours for working families, alongside targeted support for disadvantaged families, is driving different patterns of demand
- Supply is not evenly distributed with some instances of urban areas experiencing oversupply.

With regard to the theme of flexible provision, their research also concluded *that as family structures and working patterns diversify, demand for flexible hours and hybrid models of care will grow. And with families being able to claim upfront childcare costs for the first time via Universal Credit, then demand may gather pace.* The City of London is a unique urban area and - as of summer 2026 - a number of ongoing new housing developments should continue to be monitored in terms of how they may create an element of increased demand for childcare places. These ongoing developments include:

- The construction of 66 new social homes adjacent to Prior Weston Primary School, located on the immediate northern border with the City of London – known as the Black Raven Court development
- The Sky Residences at One Bishopsgate Plaza - located off Houndsditch, this is the first tower development in the Square Mile to offer branded (hotel sited) residences.

Finally, in summer 2026 the City of London reported how³ *planning activity in the City reached a record high in 2025, with the highest number of planning applications received in a decade and more than 500,000 square metres of office floorspace granted permission, equivalent to more than seven 'Gherkin'-sized buildings* – a theme which may have implications in terms of the number of commuting working parents, requiring childcare.

² <https://www.coram.org.uk/>

³ <https://news.cityoflondon.gov.uk/city-of-london-corporation-responds-to-government-direction-on-local-plan/>

Summer 2026 Research Methodology

The following Childcare Sufficiency update report has been researched and produced via: analysis of the outcomes of structured interviews that took place in May and June 2026 with the early years childcare providers/settings situated in the City of London.

Feedback from City of London Early Years Childcare Providers in summer 2026

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 the City's early years childcare providers/settings during the period May and June 2026.

1.1 Evident occupancy in summer 2026

- 1.1.1 For context, Table 1 below outlines the number of children that are reported to attend in summer 2026 the seven main early years childcare providers situated in the City of London, on a typical weekday.

Table 1 - Early years *childcare* settings located in the City of London and the numbers of children stated to attend on a typical weekday, in summer 2026⁴

Early Years Childcare Provider	Number of children who attend on a typical weekday – stated in May/June 2026
The Aldgate School childcare element	14 [was 12 in November 2025]
The Aldgate School Nursery	26 sessional part-time morning and afternoon places
Hatching Dragons Nursery	45 [was 27 in November 2025]
Smithfield House Nursery	30 [was also 30 November 2025]
Newpark Childcare Centre	24 [was 20 in November 2025]
Barbican Playgroup	12 [was 7 in November 2025]
City Child Bright Horizons	53 [was 30 in November 2025]

⁴ It can be noted that Charterhouse Square School hosts a nursery, however there is no provision of free entitlement places. It should be noted that these numbers vary from week to week.

1.1.2 The general feedback about the theme of occupancy was (as was the case in late 2025), that demand for places for under 2 year olds increased as an outcome of the introduction in September 2025 of the extended funded entitlement for working families with 9 months – 3 year olds. For example, specific feedback for relevant settings included:

“Occupancy has gone up in the baby room. The waiting list has grown and we are having more enquiries about possible places”.

“We have a much higher intake of under 2's now, in 2026”.

“Currently we are having a lot of babies join us. Our occupancy is ‘medium level’ at the moment though and we are looking to lose some children during August to transfer to school”.

“We have ‘big interest for 2027’ and it looks like we could be full up as we approach 2028”.

As is standard for the childcare sufficiency updates process, representatives were requested to answer: what their busiest two weekdays were in summer 2026?

Table 1 - Frequency with which particular weekdays were ‘busy’

Busiest	Tuesday
Second Busiest	Wednesday
Then...	Thursday
Then...	Friday
Least-Busiest	Monday

1.1.3 Again, as is standard, representatives of all early years childcare providers/settings were invited to state: the **percentage of families attending their setting who were resident in the City of London** – in comparison to the percentage of families attending their setting who were resident outside of the City of London.

- The average percentage of City of London residents was: 30%
- The average percentage of non-City of London residents was: 70%

This represented a relatively lower percentage (by 14%) of City of London-resident children than had been collectively recorded during late 2025.

As is typical, only one (sessional) setting stated that *all* of their families/children were resident in the City of London: Barbican Playgroup.

- 1.1.4 Finally, four of the six main early years childcare setting had a waiting list – with the average number of children on such a list – in summer 2026 – being 8.

It can be noted that three settings stated (words to the effect) *“the majority of these children on the waiting lists are/will be babies”*.

- 1.1.5 For Childcare Sufficiency reports produced during the period 2023 – 2025, the theme of recruitment and retention featured as a repeated challenge.
For the summer 2026 sufficiency research, there was a notable reduction in emphasis from early years childcare providers that this was a subject which had concerned them ‘in the past 6 months’. Feedback suggested that recruitment was a theme which could *“become a problem at any time”* – however in the first part of 2026 it had generally been navigated relatively ‘stress-free’.

1.2 Childcare places which are fee-based

- 1.2.1 Table 2 below outlines the hourly fees per age group outlined by the relevant responding early years childcare providers in summer 2026.

	Aged 0 - 12 months	Aged 1 year	Aged 2 years	Aged 3 years	Aged 4 years
Smithfield House Children's Nursery	£11.04	£11.04	£11.04	£11.04	£11.04
Newpark Childcare Centre	£13.80	£13.80	£13.80	£11.70	£11.70
The Aldgate School	£9.50	£9.50	£9.20	£9.20	£9.20
Barbican Playgroup	n/a	n/a	£15.00	£15.00	£15.00
Bright Horizons City Child Nursery	£12.70	£12.70	£10.40	£10.40	£10.40
Hatching Dragons City of London	£11.70	£11.70	£11.70	£10.35	£10.35

1.3 Any ongoing effect of the September 2025 extension to the funded entitlements

Early years childcare providers were invited to state what they envisaged the impact of the September 2025 extension to the funded childcare entitlement could continue to be on their setting over the next 12 months.

Two quotes which were fed back tended to be representative of the views of the other four settings – i.e. the City of London sector was experiencing ‘business as usual’:

“To date, we have not experienced a significant change in demand or take-up, as a result of the extended entitlement for working parents of children aged 1 year to 3 years [after an initial spike/increase in September 2025]”.

“Enquiry levels have remained broadly consistent with previous years, and we have not seen a notable increase in the number of families accessing funded hours”.

1.4 Childcare support and children/pupils with SEND

When representatives of responding early years childcare providers/settings were invited to state how confident (in their opinion) their setting was as a whole in supporting children with SEND via an average rank on a scale of 0-10 given (with 1 being: completely unconfident and 10 being: completely confident)...

The most frequent rank provided was a relatively high⁵: 9/10.

The average rank was 8.67, however this average was reduced due to one setting stating 5/10.

⁵ Relatively high in comparison with Childcare Sufficiency Assessments undertaken by Place Group during the period 2024-2026.