Appendix 1

The Hampshire Childcare Sufficiency Assessment 2015-16

1. Introduction

This assessment provides an overview of childcare sufficiency in Hampshire. It looks at the current level of supply and demand of childcare and particularly focuses upon the Early Years Education. It provides a county overview of the Hampshire childcare market's readiness (to provide 30 hours childcare for working parents), which is being legislated for in the Childcare Bill 2015.

2. Background

The Childcare Act of 2006 Section 6, places a duty on English local authorities to secure sufficient childcare for working parents. Section 7 also places a duty on local authorities to secure early years provision for young children in its area, free of charge and in accordance with the Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2014.The local authority needs to secure early years education places offering 570 hours a year, over no fewer than 38 weeks of the year, for every three and four year old child in their area from the term after their third birthday until the child reaches compulsory school age. There is also a requirement to secure Early Years Education provision for eligible two year old children, from the term after their second birthday.

Early Years Education and childcare provision should be accessible, flexible, inclusive and provided through a range of settings to meet parental demand. Provision is required to meet statutory duties and responsibilities under the reforms in the Children and Families Act 2014 in relation to children in their care and children who may have special educational needs or disabilities (SEND).

In June 2015, The Childcare Bill was introduced and from September 2017 this will become statute. This new Bill introduces a new duty for local authorities to secure 30 hours free childcare over 38 weeks of the year available for all qualifying children aged three and four year olds of working parents. 30 hours childcare will complement the Government's introduction of the changes to Tax Free Childcare for working families.

Free Early Years Education in Hampshire is delivered through a mixed market of Ofsted registered Early Years Foundation Stage (EYFS) settings which include maintained nursery schools and nursery units of primary schools; private, voluntary and independent (PVI) day nurseries, preschools; and registered childminders. For further details on Early Years and Childcare in Hampshire visit www.hants.gov.uk/childcare

Hampshire County Council published the last Childcare Sufficiency Assessment (CSA) in 2008 and has continued to publish updated Quarterly Childcare Sufficiency reports for each of the 11 boroughs and districts in the Hampshire local authority area on the Hampshire County Council website.

3. Methodology

The Hampshire CSA has been based upon a measurement of the supply and demand for childcare using a variety of data collected by the Council and using national statistics.

4. The supply of childcare in Hampshire

4.1 Hampshire's childcare market compared with the national market

The first CSA in March 2008 identified that Hampshire had a higher ratio of childcare places to children aged 0-16 years. This trend continues and positions the market well to be flexible in its response to demand.

Whilst the Hampshire percentage of places has remained the same there has been a very small growth of 2% in the percentage of children 0-16 years in Hampshire since the first CSA in 2008. Childcare is more likely to be used by children 0-14 years and therefore comparison for this age range for Hampshire against all England is made below.

According to Ofsted's Early Years Profile (March 2015) (Table 1) the County offers 3.02% (same as 2008) of childcare places (and 3.14% of providers) in England compared to 2.42% (2.2% 2008) of the England child population aged 0-14 years[1]

Table 1

Hampshire compared to Statistical Neighbours and All England
Number of Providers and Places by Type of Provider on the Registered on OFSTED Early Years Register March 2015

Local authority area	Total number of childcare providers		Total number of childcare places		Childminder		Childcare on non-domestic premises		Childcare on domestic premises		
	Providers	*% of All England*	Places	*% of All England*	Places	*% of All England*	Places	*% of All England*	Places	*% of All England*	Home childcarers
Hampshire	**2,305**	***3.14%***	**39,301**	***3.02%***	**8,043**	***3.10%***	**31,202**	***3.01%***	**56**	***1.57%***	-
Cambridgeshire	1,104	*1.50%*	18,553	*1.43%*	4,054	*1.56%*	14,458	*1.39%*	41	*1.15%*	-
Central Bedfordshire	533	*0.73%*	6,846	*0.53%*	2,235	*0.86%*	4,596	*0.44%*	15	*0.42%*	-
Cheshire East	487	*0.66%*	11,074	*0.85%*	1,552	*0.60%*	9,512	*0.92%*	10	*0.28%*	-
Essex	1,740	*2.37%*	31,888	*2.45%*	5,806	*2.24%*	26,023	*2.51%*	60	*1.69%*	-
Hertfordshire	2,158	*2.94%*	33,290	*2.56%*	8,348	*3.21%*	24,865	*2.40%*	77	*2.17%*	-
North Somerset	340	*0.46%*	5,166	*0.40%*	1,316	*0.51%*	3,790	*0.37%*	60	*1.69%*	-
South Gloucestershire	427	*0.58%*	8,027	*0.62%*	1,285	*0.49%*	6,716	*0.65%*	26	*0.73%*	-
West Berkshire	328	*0.45%*	5,034	*0.39%*	1,208	*0.47%*	3,826	*0.37%*	0	*0.00%*	-
West Sussex	1,252	*1.70%*	20,317	*1.56%*	4,093	*1.58%*	16,173	*1.56%*	51	*1.43%*	-
Worcestershire	747	*1.02%*	14,755	*1.14%*	2,384	*0.92%*	12,278	*1.18%*	94	*2.64%*	-
All England March 2015	**73,492**		**1,299,713**		**259,699**		**1,036,457**		**3,556**		0

Table 2 shows the percentage of each type of providers as a proportion of the Hampshire market. It compares the mix of childcare on the Ofsted Early Years Register for Hampshire and its statistical neighbours with England as at March 2015.

[1] Source: Annual Mid-Year Population Estimates for the UK, Office for National Statistics © Crown Copyright 2014

There has been a change in the Hampshire childcare market since 2010. There has been a marked growth of 63% of Hampshire's childcare on domestic premises places (traditionally childminders) and this sector now provides 1.57% of places compared to the England average (0.94% in 2010). Since 2010, childcare places on non domestic premises, (traditionally preschool/nursery) has grown in Hampshire by 4% to 79.4% (74.94% 2010) of Hampshire's childcare places.

In 2010, childcare on non-domestic premises in Hampshire was 3% lower than the England average, a real terms growth of 7% in places compared to the England average.

In summary, Hampshire has a proportion of the national childcare market which is larger than its proportion of the national child population, suggesting that the supply of places in Hampshire is high.

There continues to be a change in the distribution of places and providers since the first 2008 CSA where preschools and nurseries (childcare on non-domestic premises) represented only 42% of the places in Hampshire, and now represent 79%. Hampshire's distribution of places across type of providers is now similar to that of the England average.

Table 2: The distribution of provider types in Hampshire, England and Statistical Neighbours

Local authority	Childminders places	Childcare on Non Domestic Places	Childcare on Domestic Places	Home childcarers
Hampshire	20.47%	79.39%	0.14%	0
Cambridgeshire	21.85%	77.93%	0.22%	0
Central Bedfordshire	32.65%	67.13%	0.22%	0
Cheshire East	14.02%	85.89%	0.09%	0
Essex	18.21%	81.61%	0.19%	0
Hertfordshire	20.47%	79.39%	0.14%	0
North Somerset	25.08%	74.69%	0.23%	0
South Gloucestershire	25.47%	73.37%	1.16%	0
West Berkshire	16.01%	83.67%	0.32%	0
West Sussex	24.00%	76.00%	0.00%	0
Worcestershire	20.15%	79.60%	0.25%	0
Totals				
All England March 2015	19.98%	79.75%	0.27%	0

4.2 Quality of settings meeting the needs of children in the Early Years Foundation Stage

In August 2015 Ofsted data confirmed that 87% of Hampshire EYE provision was good or outstanding which is 2% above national figures. This data reflects an upward trend and Hampshire's own data snapshot from Synergy Tribal database for Summer 2015 indicates that of Early Years Education, provision is 90% good and outstanding.

Figure 1

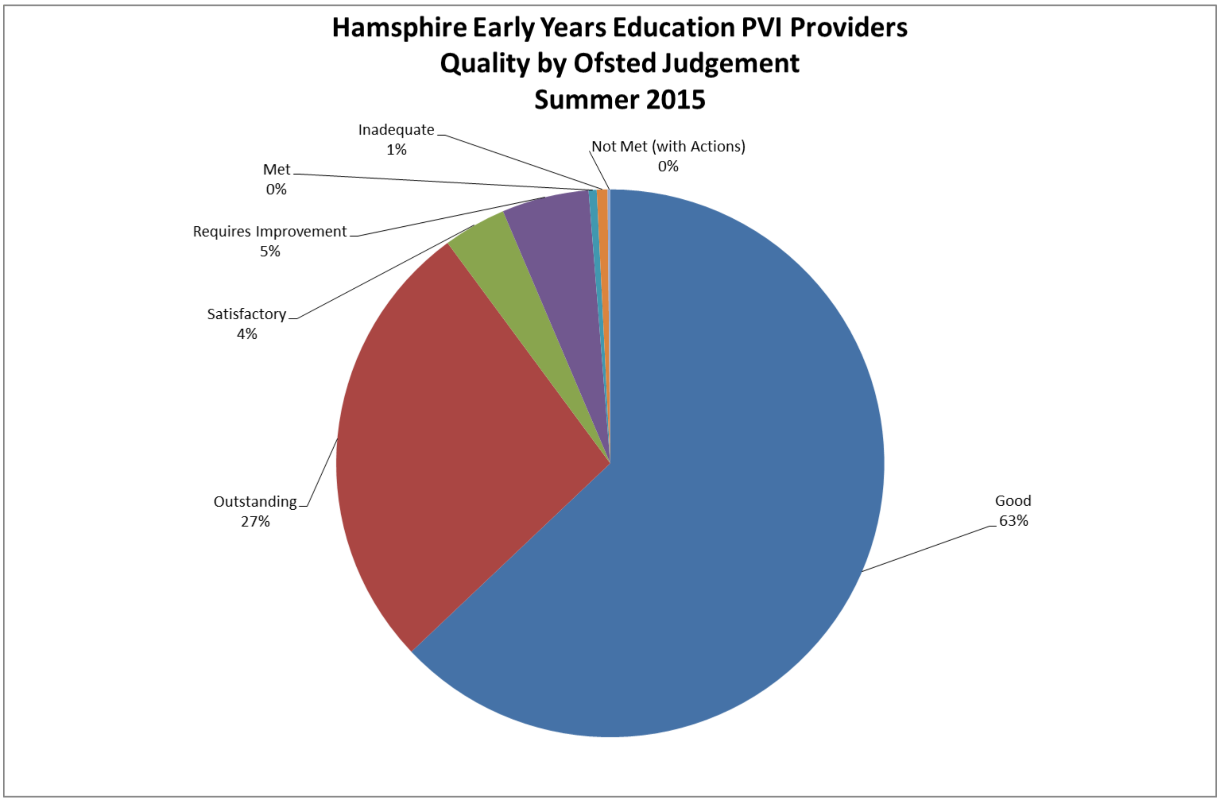
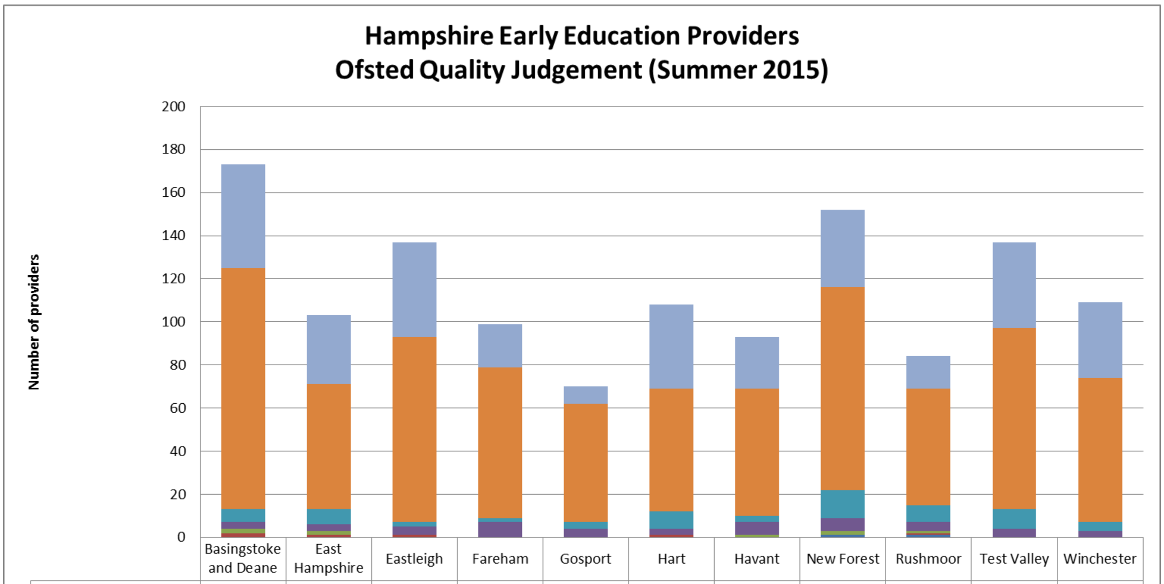


Figure 2 shows the percentage of good and outstanding provision in Hampshire by district. The table confirms that at 95%, Eastleigh has the highest percentage of good and outstanding settings, with East Hampshire having the fewest at 76%.

Figure 2



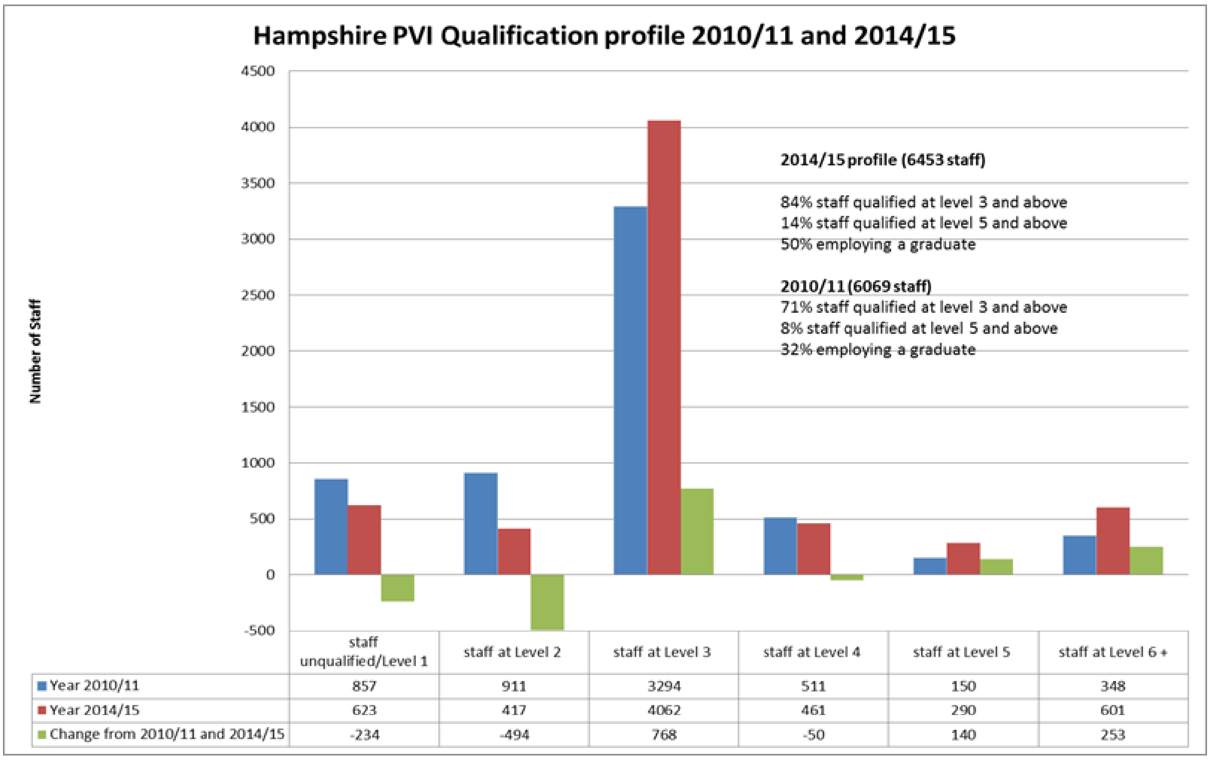
	Basingstoke and Deane	East Hampshire	Eastleigh	Fareham	Gosport	Hart	Havant	New Forest	Rushmoor	Test Valley	Winchester
Outstanding	48	32	44	20	8	39	24	36	15	40	35
Good	112	58	86	70	55	57	59	94	54	84	67
Requires Improvement	6	7	2	2	3	8	3	13	8	9	4
Satisfactory	3	3	4	7	4	3	6	6	4	4	3
Inadequate	2	2					1	2	1		
Met	2	1	1			1			1		
Not Met (with Actions)								1	1		

The qualification levels of staff have a significant influence upon the quality of provision.

Figure 3 shows the qualification levels of staff in the PVI sector. Staff numbers in the PVI sector have increased 6% since 2010/11 and at January 2015 comprises of just under 6,500 staff, with 84% of the staff being qualified at level three and above. Since 2010/11 there has been a 73% increase on the numbers of staff holding a level 6 and above[2].

Figure 3

[2] Level 3 is equivalent to AS level and A level: Level 6 is equivalent to degree level. https://www.education.gov.uk/eypqd/qualifications.shtml,



Having sufficient good quality childcare in Hampshire has an impact upon outcomes for young children. Early Years Foundation Stage (EYFS) data since 2013, when the new Early Years profile was introduced, suggests that children in Hampshire do better than the national average against the key Good Level of Development measure and in all individual areas of learning. This is an increasing trend (table 3).

Table 3

% achieving GLD					
	2013	2014	2015	Difference 2014-15	Difference 2013-15
England	52%	60%	66%	+6%	+14%
Hampshire	59%	67%	73%	+6%	+14%
Difference	*+7%*	*+7%*	+7%		

4.3 The distribution of Early Years and Childcare places in Hampshire

Table 4 outlines the number of places, providers by type of childcare facility, by borough and district. It shows that Hampshire has a childcare provision of some 2,982 providers (3,500 in 2010, 3,592 in 2008) delivering 44,581 places (47,802 in 2010, 46,322 in 2008). The market has changed and there has been a reduction of provision and places mainly in the childminder sector with a reduction of 618 childminders resulting in a loss of 2,330 places since 2010. The Out of School and Holiday provision sector has also seen a reduction. However, compared to national the overall number places still comparatively high against population.

Table 4

Hampshire Childcare Providers and Places by District
July 2015

Hampshire District	Childminder		Full Day Care (Day Nursery)		Sessional Care (Pre-School Playgroup)		Nursery Units Of Independent Schools		Out of School Care (After School Care)		Out of School Care (Breakfast Club)		Holiday Playscheme		Home Childcarer		Totals	
	Providers	Places	Providers	Places	Providers	Places	Providers	Places	Providers	Places	Providers	Places	Providers	Places	Providers	Places	Providers	Places
Basingstoke District Council	248	1097	47	2687	42	1266	4	110	19	676	5	307	14	611	49	45	**428**	**6799**
Percentage of total	*15.78%*	*15.42%*	*15.99%*	*17.75%*	*11.20%*	*12.16%*	*12.90%*	*8.28%*	*12.93%*	*17.95%*	*7.69%*	*17.66%*	*10.85%*	*12.36%*	*13.28%*	*33.09%*	*14.35%*	*15.25%*
East Hants District Council	108	486	29	1046	36	992	5	152	15	524	2	76	8	286	37	9	**240**	**3571**
Percentage of total	*6.87%*	*6.83%*	*9.86%*	*6.91%*	*9.60%*	*9.53%*	*16.13%*	*11.45%*	*10.20%*	*13.91%*	*3.08%*	*4.37%*	*6.20%*	*5.78%*	*10.03%*	*6.62%*	*8.05%*	*8.01%*
Eastleigh Borough Council	157	742	25	1264	37	1061	3	181	15	319	10	231	13	252	35	17	**295**	**4067**
Percentage of total	*9.99%*	*10.43%*	*8.50%*	*8.35%*	*9.87%*	*10.19%*	*9.68%*	*13.63%*	*10.20%*	*8.47%*	*15.38%*	*13.29%*	*10.08%*	*5.10%*	*9.49%*	*12.50%*	*9.89%*	*9.12%*
Fareham District Council	137	696	25	1505	29	816	3	117	17	415	12	320	14	498	18	2	**255**	**4369**
Percentage of total	*8.72%*	*9.78%*	*8.50%*	*9.94%*	*7.73%*	*7.84%*	*9.68%*	*8.81%*	*11.56%*	*11.02%*	*18.46%*	*18.41%*	*10.85%*	*10.07%*	*4.88%*	*1.47%*	*8.55%*	*9.80%*
Gosport Borough Council	81	402	11	808	22	605	0		5	106	5	105	7	220	6		**137**	**2246**
Percentage of total	*5.15%*	*5.65%*	*3.74%*	*5.34%*	*5.87%*	*5.81%*	*0.00%*	*0.00%*	*3.40%*	*2.81%*	*7.69%*	*6.04%*	*5.43%*	*4.45%*	*1.63%*	*0.00%*	*4.59%*	*5.04%*
Hart District Council	212	933	23	1246	28	815	4	259	9	200	4	132	9	700	41	10	**330**	**4295**
Percentage of total	*13.49%*	*13.11%*	*7.82%*	*8.23%*	*7.47%*	*7.83%*	*12.90%*	*19.50%*	*6.12%*	*5.31%*	*6.15%*	*7.59%*	*6.98%*	*14.16%*	*11.11%*	*7.35%*	*11.07%*	*9.63%*
Havant Borough Council	76	371	30	1350	22	645	0		15	211	5	58	10	218	11	6	**169**	**2859**
Percentage of total	*4.83%*	*5.21%*	*10.20%*	*8.92%*	*5.87%*	*6.20%*	*0.00%*	*0.00%*	*10.20%*	*5.60%*	*7.69%*	*3.34%*	*7.75%*	*4.41%*	*2.98%*	*4.41%*	*5.67%*	*6.41%*
New Forest District Council	129	606	26	1198	59	1463	6	223	15	363	10	263	16	356	26	2	**287**	**4474**
Percentage of total	*8.21%*	*8.52%*	*8.84%*	*7.91%*	*15.73%*	*14.05%*	*19.35%*	*16.79%*	*10.20%*	*9.64%*	*15.38%*	*15.13%*	*12.40%*	*7.20%*	*7.05%*	*1.47%*	*9.62%*	*10.04%*
Rushmoor District Council	161	604	17	839	24	837	0		11	301	1	32	9	300	16	10	**239**	**2923**
Percentage of total	*10.24%*	*8.49%*	*5.78%*	*5.54%*	*6.40%*	*8.04%*	*0.00%*	*0.00%*	*7.48%*	*7.99%*	*1.54%*	*1.84%*	*6.98%*	*6.07%*	*4.34%*	*7.35%*	*8.01%*	*6.56%*
Test Valley District Council	154	665	23	1324	38	1070	4	178	13	376	5	102	11	429	40	13	**288**	**4157**
Percentage of total	*9.80%*	*9.35%*	*7.82%*	*8.74%*	*10.13%*	*10.28%*	*12.90%*	*13.40%*	*8.84%*	*9.98%*	*7.69%*	*5.87%*	*8.53%*	*8.68%*	*10.84%*	*9.56%*	*9.66%*	*9.32%*
Winchester City Council	109	513	38	1874	38	841	2	108	13	276	6	112	18	1075	90	22	**314**	**4821**
Percentage of total	*6.93%*	*7.21%*	*12.93%*	*12.38%*	*10.13%*	*8.08%*	*6.45%*	*8.13%*	*8.84%*	*7.33%*	*9.23%*	*6.44%*	*13.95%*	*21.74%*	*24.39%*	*16.18%*	*10.53%*	*10.81%*
Totals	**1572**	**7115**	**294**	**15141**	**375**	**10411**	**31**	**1328**	**147**	**3767**	**65**	**1738**	**129**	**4945**	**369**	**136**	2982	44581
Percentage of Hampshire total	52.72%	15.96%	9.86%	33.96%	12.58%	23.35%	1.04%	2.98%	4.93%	8.45%	2.18%	3.90%	4.33%	11.09%	12.37%	0.31%		

Extracted from Synergy Tribal July 2015

Excludes Maintain Nursery schools and Nursery Units

4.4 Out of School childcare

The Government intends to introduce a parental ‘right to request’ wraparound and holiday childcare at the school where their child attends (up to Key Stage 3) from September 2016, and a right for providers to request use of school premises to provide such childcare.

The Department for Education (DfE) will be consulting regarding this element in February 2016. The DfE has stated that these ‘rights to request’ should be seen alongside other measures already taken to make it easier for schools to provide wraparound childcare or holiday provision. These include:

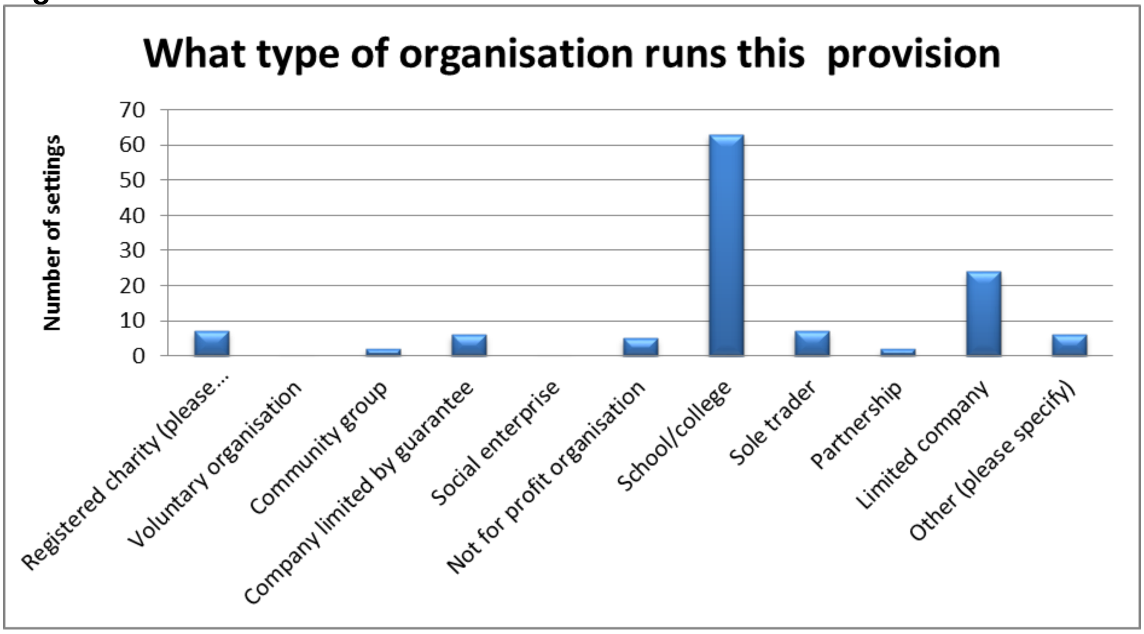
- Removing the need for schools to follow advice from local authorities and the Secretary of State for Education when establishing community facilities;
- Giving schools the power to determine the length of the school day;
- Removing unnecessary after-school learning requirements for Reception aged children who are already being taught during the school day;
- Revising before and after school childcare or holiday provision staffing levels so that providers have more discretion to determine how many staff are needed to ensure the safety and welfare of the children;
- Making it easier for schools and providers to collaborate by allowing childcare providers to work in multiple locations with only one registration with Ofsted.

4.5 Childcare provision on school sites

A review of out of school childcare provided on school sites in Hampshire in October 2014 revealed the following findings. The results below are based on the schools that replied to the survey (a total of 193 out of 600+).

- From 193 responses, 82% (159) of schools have childcare provision on site and 18% (34) do not have childcare provision on site.
- There are ten different types of organisation that may run provision on a school site, however most schools indicated they ran the facilities themselves. The types of session available on schools sites include breakfast clubs, afterschool clubs and holiday clubs.

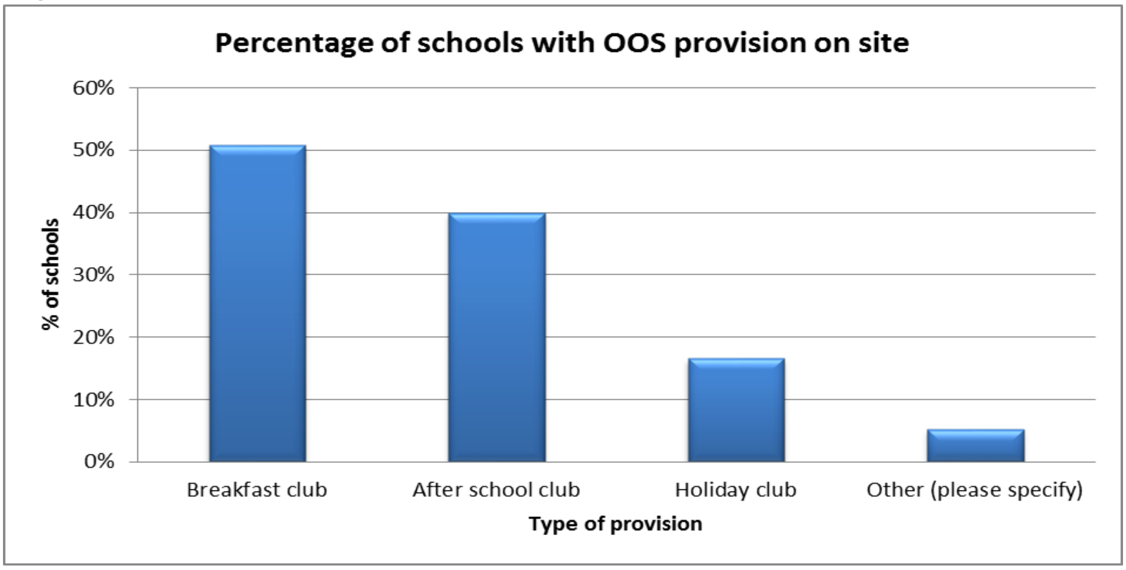
Figure 4



6%	Registered charity	4%	Not for profit organisation
0%	Voluntary organisation	52%	School/college
2%	Community group	6%	Sole trader
5%	Company limited by guarantee	2%	Partnership
0%	Social enterprise	20%	Limited company

The respondents indicated there are 217 clubs available on school sites.

Figure 5



Many schools offer more than one type of provision e.g. breakfast club and after school club. Below is a breakdown of schools offering more than one provision:

Table 5

Provision	Number of schools	Percentage
Saturday club	1	1%
Before school club	1	1%
Breakfast club	31	27%
Breakfast club and after school club	41	35%
Breakfast club, after school club and holiday club	24	21%
Breakfast club and holiday club	2	2%
After school club	10	9%
After school club and holiday club	2	2%
Holiday club	4	3%

4.6 Details of the number of places offered by the provision

Schools were asked to categorise their provision on site. This question was not broken down per type of provision so the figures show total numbers across all the types of provision e.g. breakfast club, after school club and holiday club. Below is a summary table of the numbers of places available.

Table 6

Places	Number
10-20 Places	23
21-30 places	30
31-40 places	22
41-50 places	7
51-60 places	2
61-70 places	4
71+ places	6
Unlimited	5
Total available places	**3,394**

The survey confirms that there is a variety of out of school facilities offered on school sites with the majority of provision being delivered directly by Schools. Table 4 above outlines that all out school provision known to Hampshire provides in the region of 10,000 places across breakfast, afterschool and holiday provision. This is also supplemented by some childminders that support families with childcare for school aged children. Data from the Family Information Service suggests that families do find solution to meet their needs. However, with the Government intension to introduce a parental ‘right to request’ wraparound and holiday childcare at the school where their child attends (up to Key Stage 3) from September 2016, and a right for providers to request use of school premises, further analysis of out of school childcare is planned.

In April 2016/17, it is intended to up date information through a further survey to all out of school and holiday provision and discussions with schools in order to update information held in order to provide parents with better information to support their childcare needs.

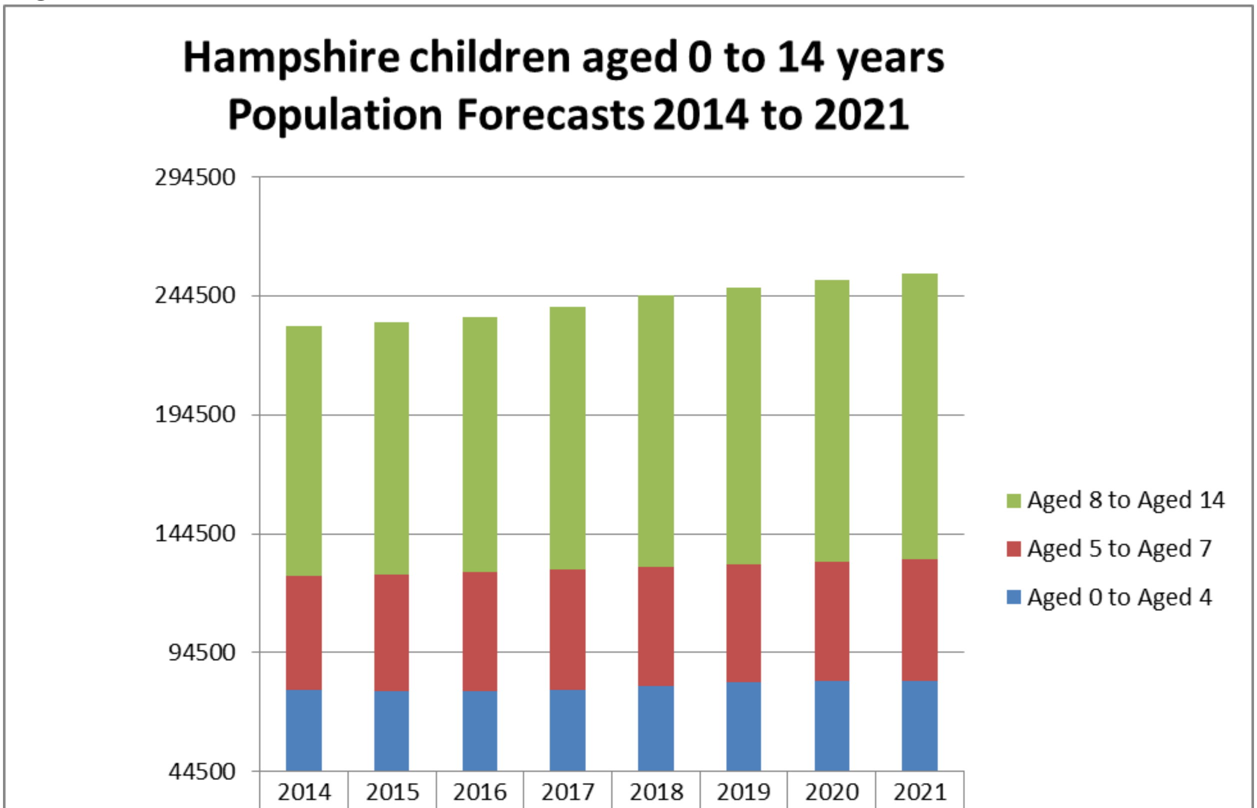
5 Childcare Demand

Childcare demand is determined by numbers of children being born in the county and the number of children likely to be living in new housing developments.

5.1 Hampshire Population Forecast

Figure 6 shows that Hampshire Small Area Population Forecast (SAPF) predicts an overall population of 0 to 14 year olds in 2016, totalling 235,654. This figure is expected to grow by 3.74% (8,822) to 244,476 by 2018 and a further growth of 3.87% (9471) from 2018 to 2021 where it is suggested 0 to 14 year olds will total 253,947. From 2015 to 2021 there is an anticipated overall projected growth of 20796 (8.9%).

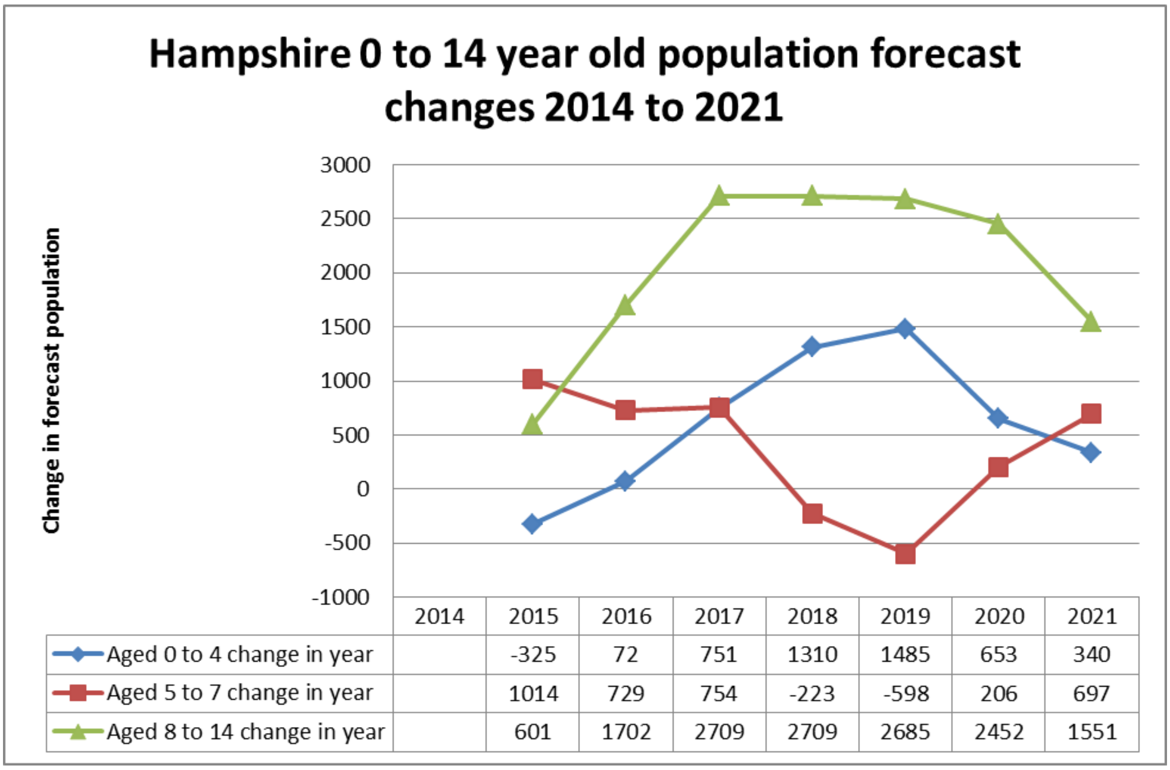
Figure 6



	2014	2015	2016	2017	2018	2019	2020	2021
Aged 8 to Aged 14	105237	105838	107540	110249	113770	116455	118907	120458
Aged 5 to Aged 7	48054	49068	49797	50551	50328	49730	49936	50633
Aged 0 to Aged 4	78570	78245	78317	79068	80378	81863	82516	82856

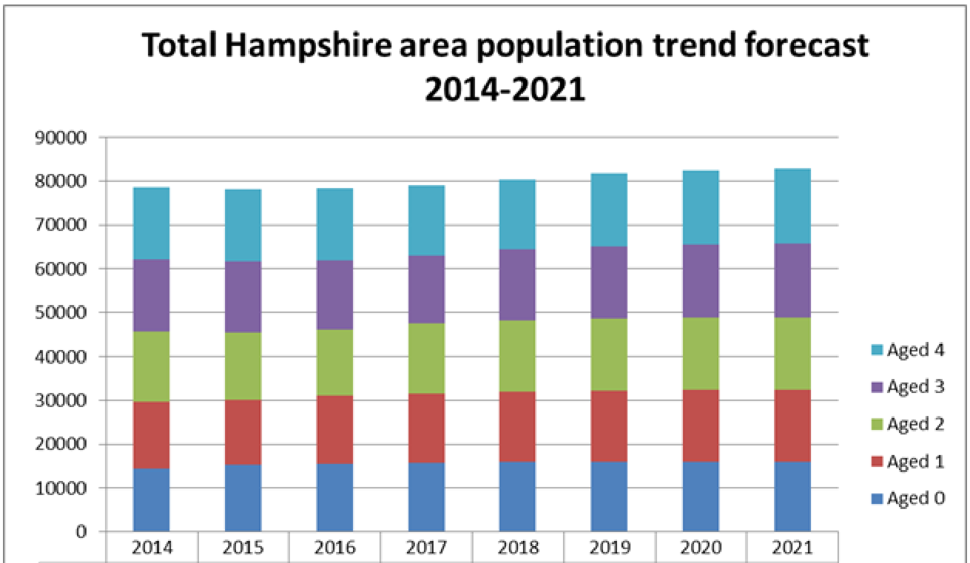
The breakdown of the change in population by each age group and compared to each year is shown in Figure 7.

Figure 7



From 2015 to 2021 there is continual growth predicted where in 2021 it is forecast there will 4,286 more children aged 0-4 years with a predicted total to be in the region of 82,856 in 2021. The 2018 growth represents 2,133 (2.3%) 0-4 year old children compared to 2015 numbers.

Figure 8



	2014	2015	2016	2017	2018	2019	2020	2021
Aged 4	16495	16547	16482	16063	15865	16681	16894	17023
Aged 3	16405	16270	15699	15519	16372	16603	16761	16862
Aged 2	16071	15368	15103	15975	16236	16410	16543	16601
Aged 1	15098	14766	15573	15842	16051	16204	16292	16325
Aged 0	14501	15294	15460	15669	15854	15965	16026	16045

Figure 8 shows that the three and four year old population increases by 685 from 2014 to 2021 although for the period 2014 up to 2018 this age group does drop by 660 (1%) children and returns to an increased population position from 2019 of 400 children on 2014 figures.

The population of five to seven age range is expected to continue to grow to its peak in 2017, where this will reach 50,551 children and from 2017 the population will fall to 49,730 in 2019, and then will have a further small level growth of 206 children in 2020 and a further 697 to 50,633 at 2021.

The population of eight to 14 year olds steadily climbs to a projected peak of a further 3,521 children in 2018 and then falls by 1,551 to 120,458 in 2021.

5.2 Housing Developments

Hampshire is an area where there is substantial housing growth and it is anticipated that approximately 53,000 new dwellings will be developed between 2014 and 2020. All district areas in Hampshire will have childcare needs arising from the development of new homes. Tables 7 and 8 provide information of the number of new houses together with a calculation of the anticipated number of children aged five and under likely from the new housing.

The calculation is based on a factor of 0.3 children per new dwelling. There are five age groups for early years and childcare (< 1 years, <2 years, <3 years, <4 years, and <5 years), therefore the average number for each individual age group is 0.3/5 = 0.06. This can be considered the “cohort size” and the factor used to establish and estimate of likely number of children.

Table 7 shows the number of anticipated children aged two, three and four years old at a district level together with an estimated number of Early Years Education places and hours required to meet anticipated demand.

Table 7

Hampshire District	Total Houses 2014 to 2018	Estimated Early Years Educaton Places and hours based on house build numbers and estimated numbers of 2/3 and 4 year olds 2014 to 2018						
		Estimate of likely of children 0-5 years	Estimate of funded 2 year olds 20% of cohort	Estimate of funded PVI 3 year olds 93% of cohort	Estimate of funded PVI 4 year olds 32% of cohort	Total estimate of childcare places for 2/3/4 year olds	Estimate of EYE hours at 570 hrs per year (15 hours per week)	Indicative estimate of hours to meet new 30 hour offer based on 80% working parents (from September 2017)
	n.	n.	n.	n.	n.	n.	hrs	hrs
Basingstoke and Deane	1746	314	13	58	20	91	51,950	83,850
East Hampshire inc SDNP	3381	609	24	113	39	176	100,598	162,369
Eastleigh	2320	418	17	78	27	121	69,029	111,416
Fareham	1511	272	11	51	17	79	44,958	72,564
Gosport	278	50	2	9	3	15	8,272	13,351
Hart	1855	334	13	62	21	97	55,194	89,085
Havant	1186	213	9	40	14	62	35,288	56,956
New Forest inc NFNP	821	148	6	27	9	43	24,428	39,428
Rushmoor	1799	324	13	60	21	94	53,527	86,395
Test Valley	2271	409	16	76	26	119	67,571	109,063
Winchester inc SDNP	732	132	5	25	8	38	21,780	35,154
Hampshire	17900	3222	129	599	206	934	532,597	859,630

Table 7 confirms that in the period 2014-2018 it is expected Hampshire will need the childcare market to accommodate just over 900 places providing over 500,000 hours of Early Years Education and an indicative estimate for working families who may be eligible for up to 30 hours per week could increase this estimate to up to 850,000 hours from September 2017.

Table 8 shows that in the period 2018 to 2020 it is anticipated that a further 1,278 places and 728,000 hours will need to be accommodated and it is anticipated this will increase in the region of 1 million hours to this include working families.

It is anticipated that there will also be some requirement for childcare for children younger than Early Years Education (those aged three and four) and therefore it can be estimated that approximately 1,000 houses would support one full day provision of 50+ places, together with an additional 30 places from shared community premises.

Further consideration is needed where developments provide a high number of social housing residences, as it is possible that there will be greater demand for affordable childcare and access for two year old funded provision, and a greater number of families being encouraged to return or extend employment especially when the new Childcare Bill is implemented from September 2017.

Therefore, the Childcare Sufficiency Plan (CSP) includes specific actions to develop childcare where there are local housing developments and these actions include projections based upon the likely number of eligible two year olds.

Table 8

Hampshire District	Estimated Early Years Education Places and hours based on house build numbers and estimated numbers of 2/3 and 4 year olds 2018 to 2020							
	Total houses 2018 to 2020 includes estimate of other supply	Estimate of likely of children 0-5 years	Estimate of funded 2 year olds 20% of cohort	Estimate of funded PVI 3 year olds 93% of cohort	Estimate of funded PVI 4 year olds 32% of cohort	Total estimate of funded EYE places for 2/3/4 year olds	Estimate of EYE hours at 570 hrs per year	Indicative estimate of hours to meet new 30 hour offer based on 80% working parents
	n.	n.	n.	n.	n.	n.	hrs	hrs
Basingstoke and Deane	2,135	384	15	71	25	111	63,525	101,640
East Hampshire inc SDNP	4,170	751	30	140	48	218	124,074	198,519
Eastleigh	2,081	375	15	70	24	109	61,918	99,069
Fareham	303	55	2	10	3	16	9,015	14,425
Gosport	415	75	3	14	5	22	12,348	19,757
Hart	505	91	4	17	6	26	15,026	24,041
Havant	1,847	332	13	62	21	96	54,956	87,929
New Forest inc NFNP	1,444	260	10	48	17	75	42,965	68,744
Rushmoor	3,485	627	25	117	40	182	103,693	165,908
Test Valley	1,647	296	12	55	19	86	49,005	78,408
Winchester inc SDNP	6,451	1161	46	216	74	337	191,943	307,109
Hampshire	24,483	4407	176	820	282	1278	728,467	1,165,547

In Hampshire, 80% of families with children aged three and four are likely to be working and therefore childcare offered will need to support a range of employment patterns. There is also 10% of families that are from lower incomes or in receipt of in work benefits. Any provision to support lower income families should have regard to the flexibility of opening and closing times of childcare to meet the employment or return to learning requirements of parents and carers.

Previous childcare sufficiency assessments (2008, 2011), indicated that parents prefer their early years and childcare within a 1-2 mile radius of their homes, and developments in the childcare market confirms that parents prefer provision that is close to, or on the site of, infant or primary schools where the school site is large enough to accommodate the provision. Therefore, any childcare development must aim to centre itself within local communities.

6 Childcare take up

6.1 Early Years Education

Early Years Education is a part of the childcare market and is defined as provision which delivers the Early Years Foundation Stage (EYFS) and attracts Early Years Education (EYE) funding. All three and four year olds and eligible two year olds are entitled to up to 570 hours per child's eligible birthday year which equates to 15 hours over minimum of 38 weeks. The 570 hours can be "stretched" over more than 38 weeks.

The DfE conducts an Early Years Census each Spring. This data confirms that Hampshire's EYE provision has grown in size (Table 9). This data indicates there has been a 57% increase in the number of providers.

In 2014/15, four new group providers claimed EYE funding with the main increase in the number of settings being due to the change in the recording of childminding. In 2014, childminders were recorded as being grouped into 11 childminder networks. In 2015, childminders were recorded as unique childcare businesses and there were 392 childminders who made an EYE claim in the Spring period.

Table 9

Local Authority		Number Of Settings			Total Number Of 3 Year Olds			Total Number Of 4 Year Olds		
Number	Name	2014	2015	+- %.	2014	2015	+- %.	2014	2015	+- %.
850	Hampshire	672	1057	57.3	16216	16546	2.0	6289	6530	3.8

The number of child claims for three and four old children shows a 5.8% increase. This represents real growth in numbers of children accessing their entitlement, as the population increase between 2014 and 2015 was less than 1% for three and four year olds.

The number of children aged two, three or four claiming in Hampshire's PVI and schools in Autumn 2015 was 35,000. For two year olds this represents 18% of SAPF and 96% of three and four year olds.

Table 10: Hampshire Early Years Education numbers of children accessing provision Autumn 2015.

Combined Attending Hampshire Schools and PVI Setting										
Childs Home Area	**2 Yr Old Claims**	**2Yr Old SAPF**	**% 2 YrOld Take Up**	**3 Yr Old Claims**	**3Yr Old SAPF**	**% 3 YrOld Take Up**	**4 Yr Old Claims**	**4Yr Old SAPF**	**% 4 YrOld Take Up**	**Total 2/3/4 year old claims**
Basingstoke and Deane	350	2232	15.7%	2339	2396	97.6%	2315	2430	95.3%	**5004**
East Hampshire	201	1240	16.2%	1232	1353	91.1%	1169	1348	86.7%	**2602**
Eastleigh	250	1517	16.5%	1567	1540	101.8%	1600	1674	95.6%	**3417**
Fareham	170	1109	15.3%	1169	1286	90.9%	1237	1264	97.9%	**2576**
Gosport	294	988	29.8%	1014	1012	100.2%	991	1032	96.0%	**2299**
Hart	111	1069	10.4%	1174	1184	99.2%	1163	1210	96.1%	**2448**
Havant	452	1273	35.5%	1258	1387	90.7%	1362	1473	92.5%	**3072**
New Forest	352	1699	20.7%	1829	1803	101.4%	1725	1860	92.7%	**3906**
Rushmoor	224	1264	17.7%	1215	1302	93.3%	1235	1300	95.0%	**2674**
Test Valley	185	1361	13.6%	1349	1379	97.8%	1418	1476	96.1%	**2952**
Winchester	163	1342	12.1%	1353	1403	96.4%	1259	1410	89.3%	**2775**
Total Schools and PVI	2752	15094	18.2%	15499	16045	96.6%	15474	16477	93.9%	**33725**
Total from Out of county address	95	0		699			75			
Total Children attending Hampshire provision	**2847**	**15094**		**16198**			**15549**			**34594**

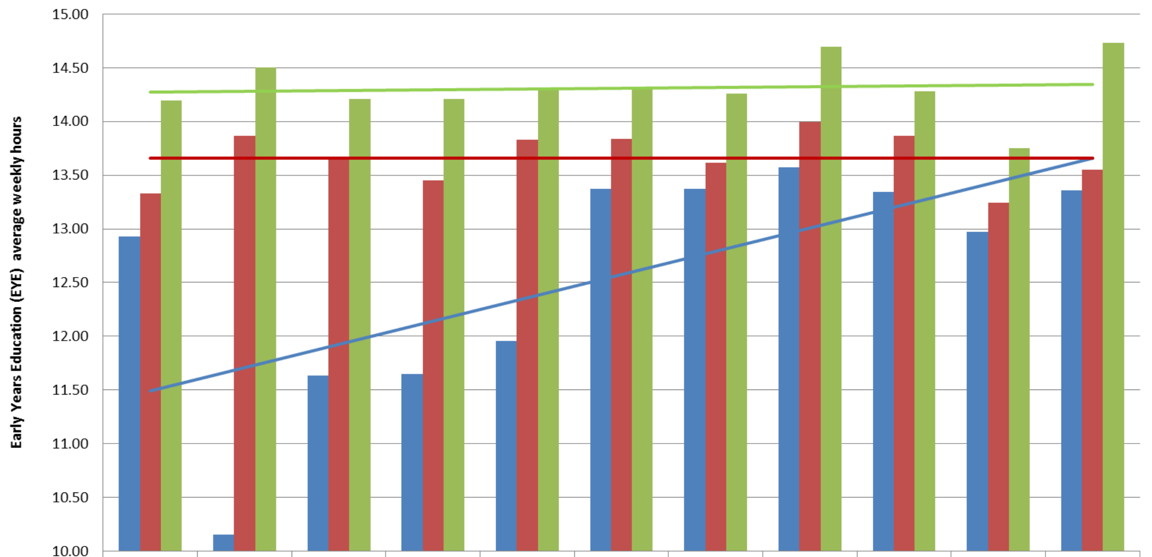
In 2015/16 data on the ethnicity of children claiming EYE funding has been collected and in Autumn 2015 data has been collected. Data collected at EYE claims indicates there were some 23% of responses that were unknown, or not wished to be recorded, data has shown that children from a wide range of Black, Minority, Ethnic (BME) groups do access EYE (Table 11). Further assessment is planned to ensure the take up is representative of communities.

Table 11

Children attending Hampshire PVI aged 2/3/4 year old by Ethnic Description Autumn 2015			
Ethnic Description	***Percent of Total 2/3/4 year olds attending Hampshire PVI and Child has Hampshire Address***	***Total 2/3/4 year olds attending Hampshire Provision from Out of County % of OOC Total***	***Total 2/3/4 year olds attending Hampshire PVI settings Ethnic Description as % of combined OOC and Hampshire Addresses***
<unknown>	*20.75*	*19.22*	*20.68*
Not Obtained	*1.00*	*0.78*	*0.99*
Did not wish to be recorded	*1.49*	*2.56*	*1.54*
Any Other Asian Background	*0.62*	*0.00*	*0.59*
Any Other Ethnic Group	*0.48*	*0.11*	*0.46*
Any other mixed background	*0.95*	*0.89*	*0.95*
Asian or Asian British, Bangladeshi	*0.35*	*0.33*	*0.35*
Black - African	*0.62*	*0.33*	*0.61*
Black Caribbean	*0.10*	*0.00*	*0.10*
Black or Black British, African	*0.14*	*0.00*	*0.13*
Black, Black British, Other Black B/g	*0.21*	*0.00*	*0.20*
Chinese	*0.28*	*0.11*	*0.27*
Gypsy / Roma	*0.11*	*0.33*	*0.12*
Indian	*0.88*	*1.22*	*0.90*
Pakistani	*0.18*	*0.11*	*0.17*
Traveller of Irish Heritage	*0.07*	*0.00*	*0.06*
White - British	*71.08*	*69.22*	*71.00*
White - Irish	*0.16*	*0.67*	*0.18*
White and Asian	*0.87*	*1.11*	*0.88*
White and Black African	*0.42*	*0.22*	*0.41*
White and Black Caribbean	*0.39*	*0.44*	*0.39*
White, any other White background	*2.58*	*2.33*	*2.57*

There has also been continued growth in the number of hours that children attend for their EYE (Figure 9) with the average weekly EYE hours as at Autumn 2015 being 13.88 hours per week across two, three and four year olds (Figure 9). This indicates that the market has been able to expand and accommodate the increased number of two year olds with limited affect on three and four year olds.

Figure 9
Hampshire Early Years Education average weekly hours accessed from Summer 2012 to Autumn 2015



	Summer 2012	Autumn 2012	Spring 2013	Summer 2013	Autumn 2013	Spring 2014	Summer 2014	Autumn 2014	Spring 2015	Summer 2015	Autumn 2015
2 year old	12.93	10.15	11.63	11.65	11.95	13.37	13.37	13.57	13.34	12.97	13.35
3 year old	13.33	13.86	13.66	13.45	13.83	13.84	13.61	13.99	13.86	13.24	13.55
4 year old	14.19	14.50	14.21	14.21	14.30	14.30	14.26	14.69	14.28	13.75	14.73

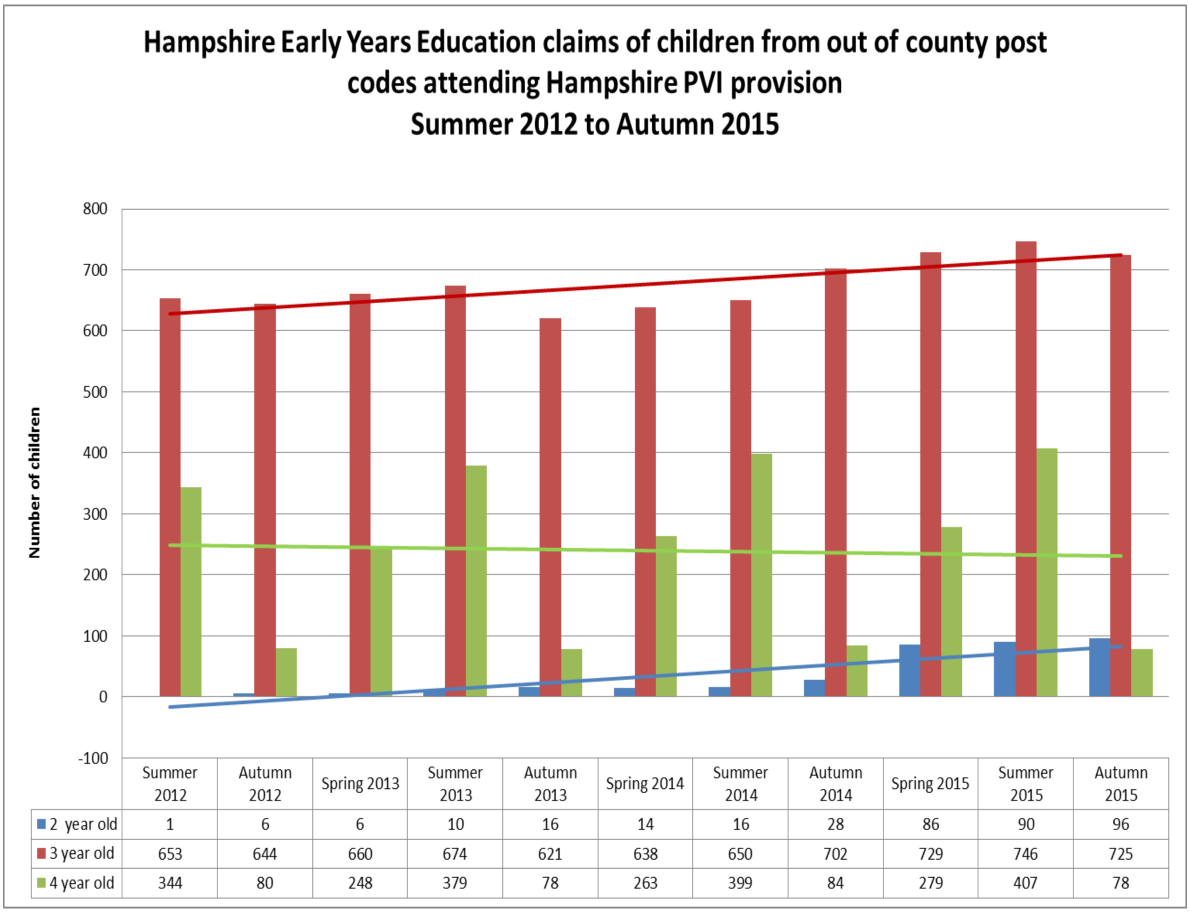
The two, three and four year old EYE funding is not limited to the residence of the child and eligible children can take up their place at any provision in any local authority.

Hampshire's data indicates that there is a continued growth in the numbers of children accessing Hampshire providers from neighbouring authorities (Figure 10). Children come from: Bournemouth; Bracknell Forest; Dorset; Poole; Portsmouth; Southampton; Surrey; West Berkshire; West Sussex; Wiltshire; Wokingham; Windsor and Maidenhead. However, there is no dataset that provides an understanding of how many children leave the county to take up their places in neighbouring authorities and whether Hampshire is a net importer or exporter of childcare places.

The DfE Local Authority Information Tool (LAIT) confirms that at Spring census 2015, 96% of Hampshire's three and four year old population accessed some EYE. This number includes children from Hampshire addresses accessing anywhere in England. Hampshire's own census data return suggests 92.3% of the three and four year old population claim funding in Hampshire. Therefore, it is assumed that 3.7% of children with a Hampshire postcode are likely to be taking up provision outside of Hampshire.

Comparing Hampshire's own confirmed postcode data, Figure 10, indicates for the same period 1,000 (2.8%) children who accessed provision in Hampshire had a home postcode outside of Hampshire. Hampshire would seem therefore to effectively "import" children from surrounding authorities.

Figure 10

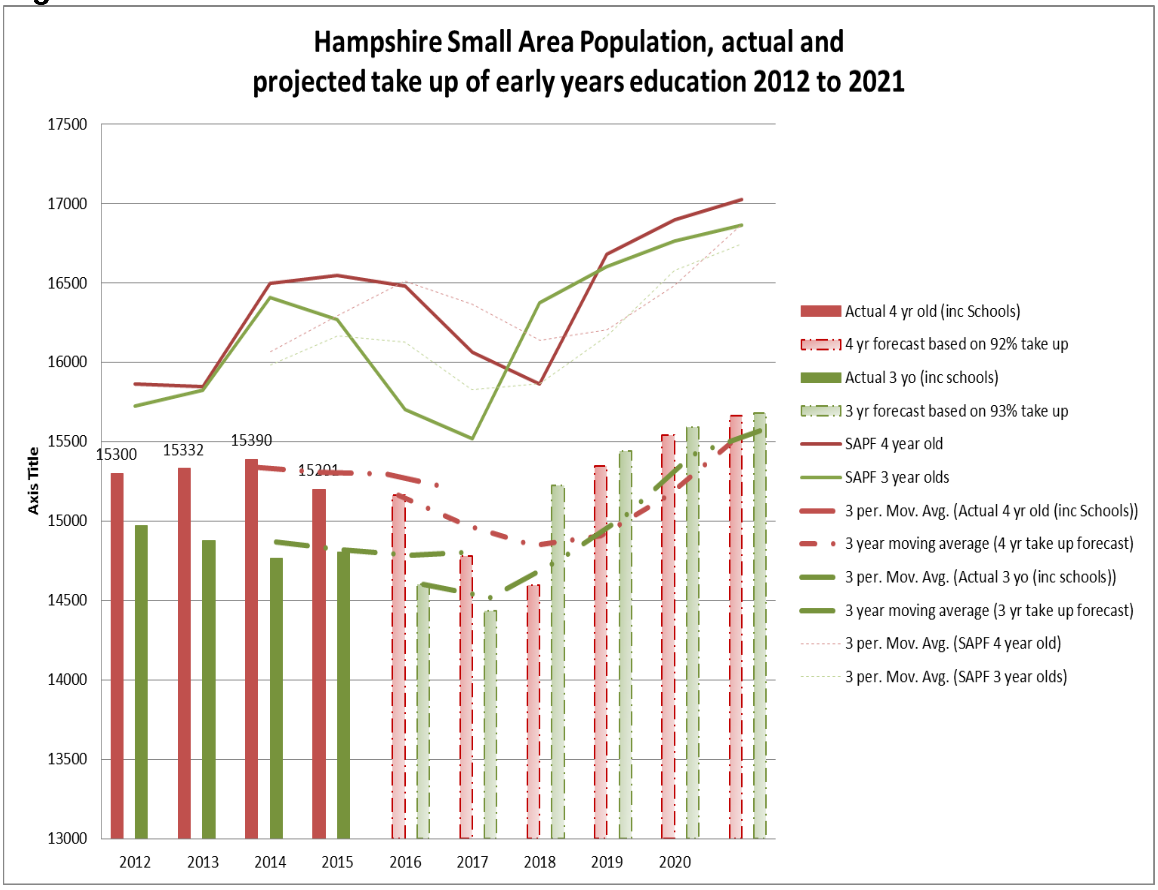


	Summer 2012	Autumn 2012	Spring 2013	Summer 2013	Autumn 2013	Spring 2014	Summer 2014	Autumn 2014	Spring 2015	Summer 2015	Autumn 2015
2 year old	1	6	6	10	16	14	16	28	86	90	96
3 year old	653	644	660	674	621	638	650	702	729	746	725
4 year old	344	80	248	379	78	263	399	84	279	407	78

The population of three and four year olds is expected to have a small reduction in the next two years to 2018, where it will return to current levels and increase further each year to 2021.

Figure 11 indicates that with current claim levels the market is well placed to meet the expected number of children and can accommodate a small growth in take up for the free 15 hours provision. From 2018 the picture will return to take up numbers similar to 2014 and with the onset of the Government’s intention to implement a 30 hours free childcare offer from September 2017, capacity will need to be developed in some areas.

Figure 11



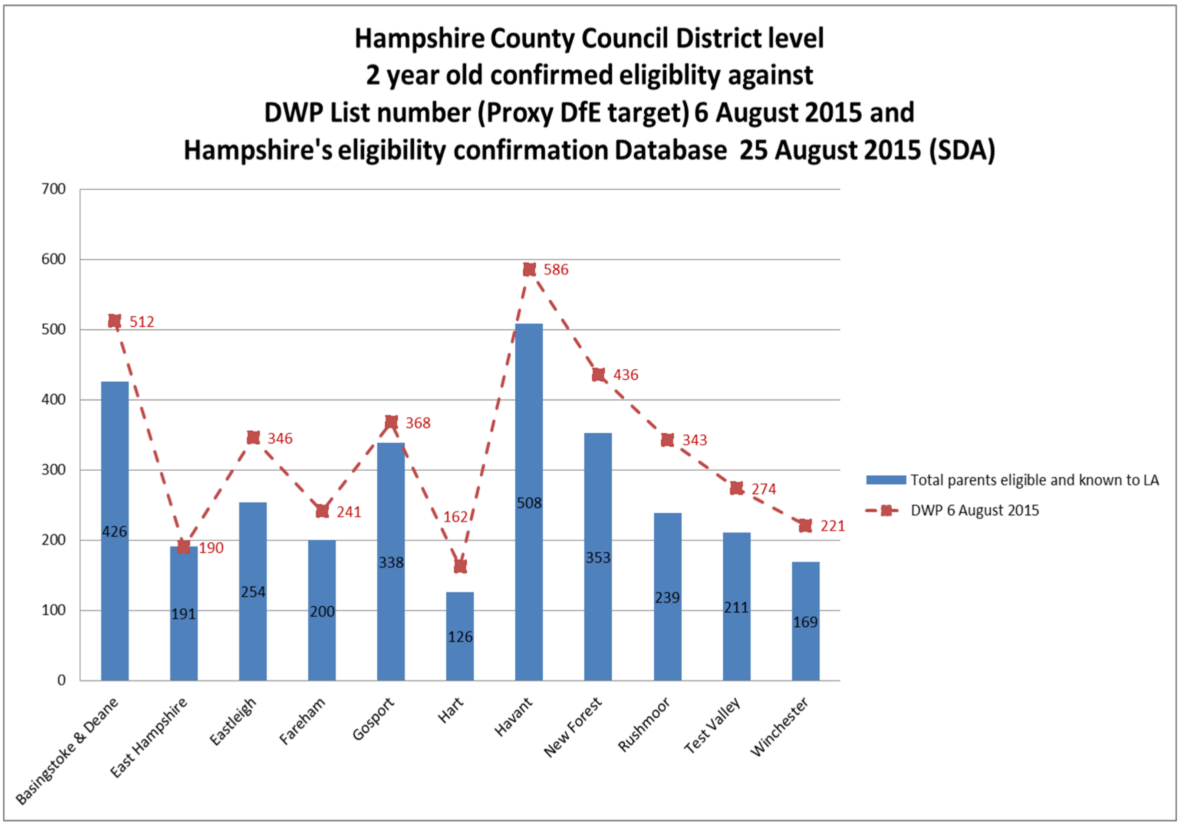
6.2 Early Years Education for two year olds: the development of the Two Year Old Offer in Hampshire

The two year old offer has been evolving in Hampshire since 2009. Initially the scheme was piloted with 268 children in two districts, but is now available across the county and is intended to be available for 4,200 children.

The offer is for two year olds whose families have an income of less than £16,190 or for a Child in Care or under special guardianship and children with special educational needs.

The Government policy has required the market to expand to meet demand. The market has responded well and Hampshire’s data confirmed that for the Autumn 2015 period, 92% of the target number of families checked and had their eligibility confirmed (Figure 12).

Figure 12



Autumn 2015 saw a continued improvement in take up and the number of children claimed totalled 2,871 which is 80% of the 3,466 Department for Work and Pensions (DWP) proxy target for the Autumn 2015 period (Figure 13).. The DfE national average for take up at end Autumn was 72%.

The average hours per week taken by two year olds is on average above 13 hours per week, with 18 % (525) taking up 8.42 average additional hours with their provider. There is 8% (331) of funded two year olds taking their free hours through a stretched offer over more than 38 weeks.

Figure 13

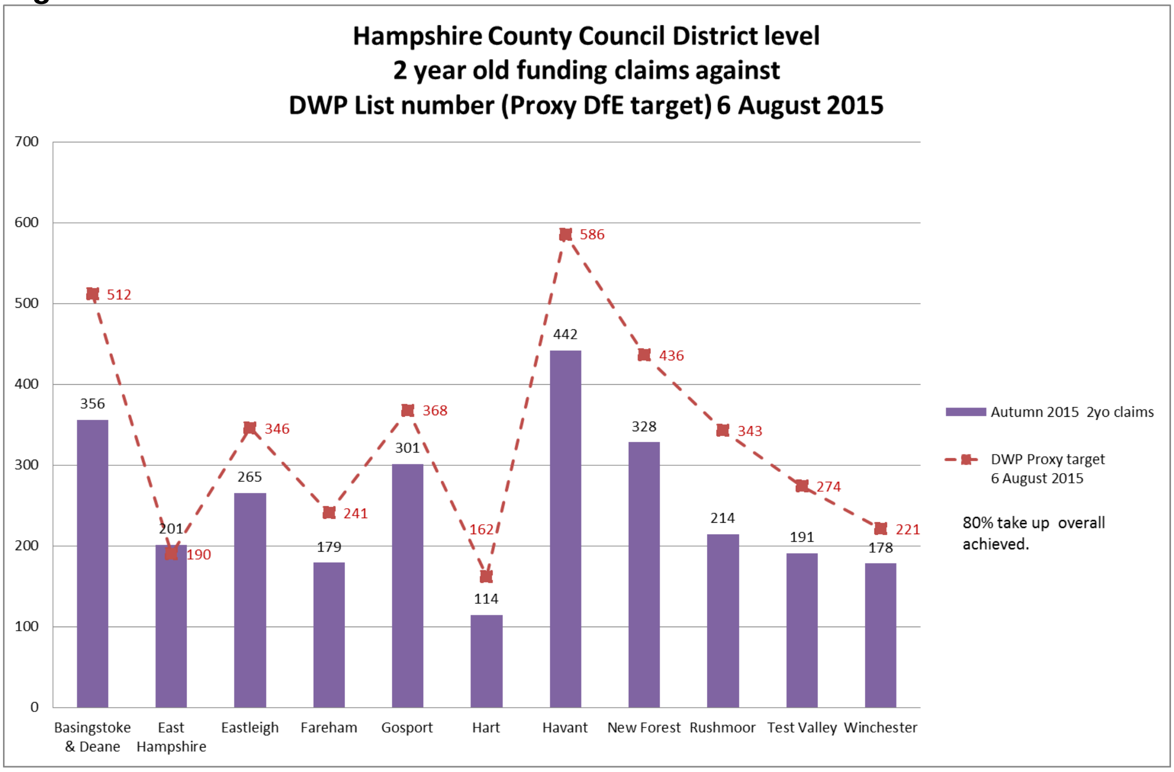


Figure 14 shows parents are using a range of childcare providers to access their free place for their two year old child. In Autumn 2015, 4% of funded two year olds used childminders; 47% day nursery; 48% preschool and less than 1% in maintained nursery school.

Providers delivering the two year old funding offer are required to hold a judgement from Ofsted of Good or Outstanding, although where sufficiency pressures exist the Council can support funded places in settings of less than Good. There are currently 78% of funded two year olds in settings with Good or Outstanding Ofsted judgements and a further 8.5% in new provision awaiting first grading inspection (Figure 15). Those settings with judgements less than good receive support offers and monitoring from Services for Young Children.

Figure 14

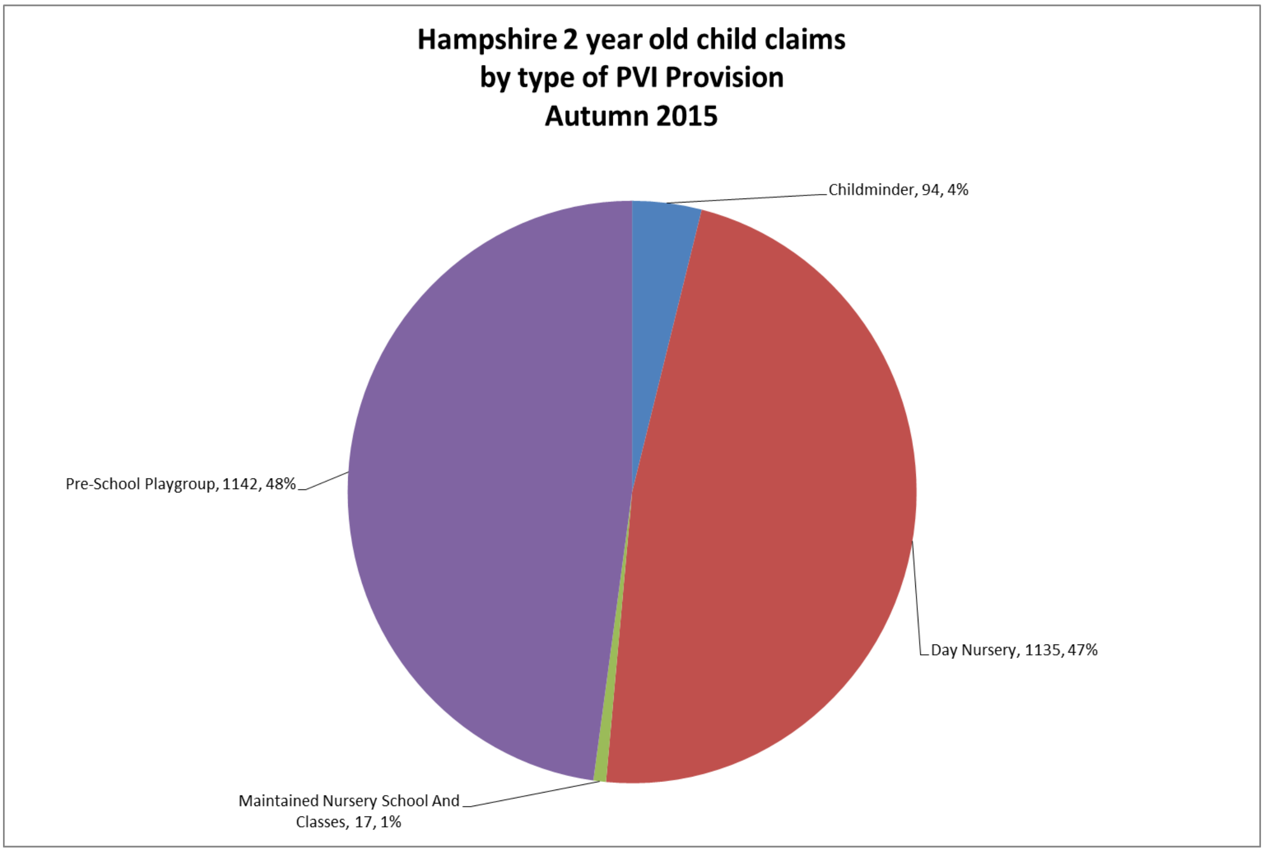
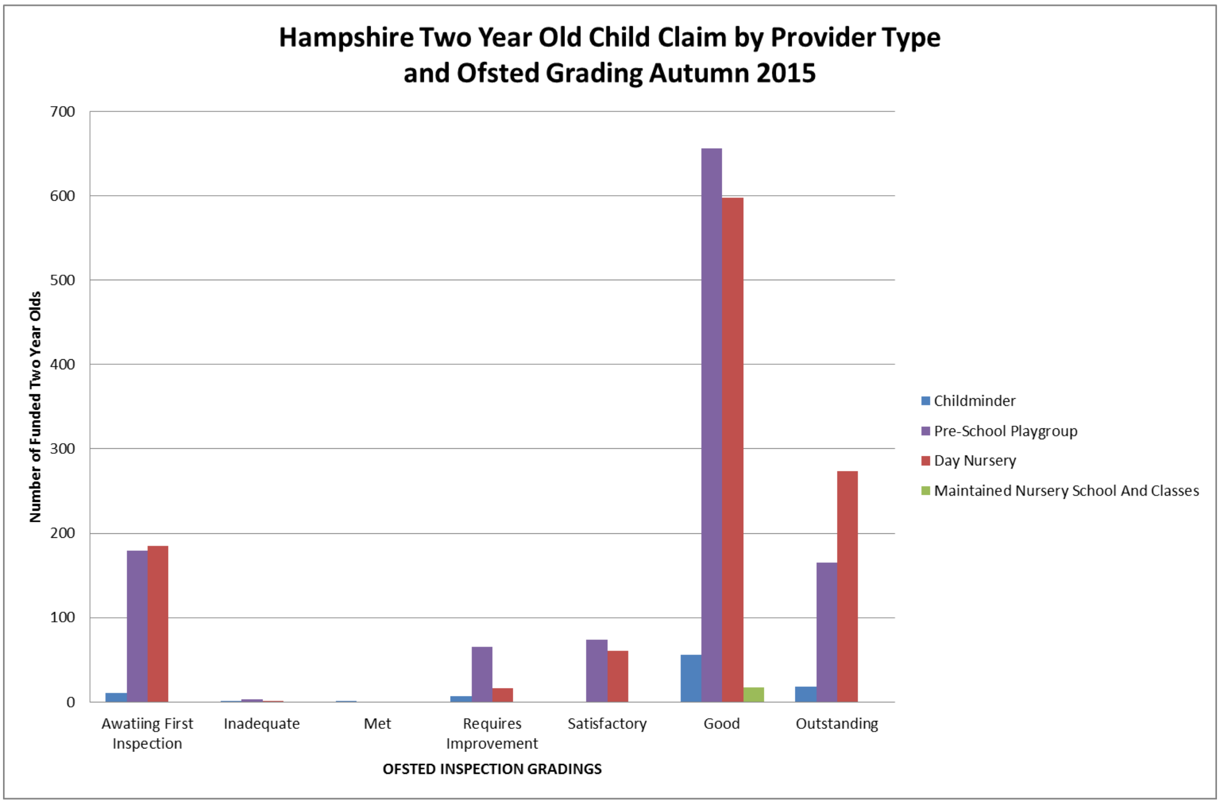


Figure 15



A childcare provider taking funded two year olds, who has a judgement of less than good, will have a support plan and the Council will have confirmed their ability to deliver high quality provision to this age group through the Council's two year old self evaluation and assessment process.

6.3 Place development for two year olds

To support the development of places, the DfE provided £1.652 m capital funding and Hampshire Schools Forum and the DfE agreed that £700,000 of revenue trajectory funding could be converted to capital to support further strategic needs.

This funding supported 67 childminders and 44 capital projects to expand a further 1,000 childcare places for eligible funded two year olds. For the Autumn 2015 funding period, 90% of all group settings and 94% of EYE childminders in Hampshire offered places for funded twos.

Table 11

Providers confirmed as offering Early Years Education 2 year old offer		
	January 2013	September 2015
Group settings	284	585
Childminders	322	676
Total	606	1261

There are some further gaps where demand for two year old places continues to be a tension.

6.4 Special Educational Needs

The table below (Table 12) lists the number of children who receive additional funding or attend specialist provision in Hampshire's Early Years Hubs and are eligible for EYE. The data confirms that when comparing Summer 2014 with Summer 2015 (provisional data) that there has been an 8% increase in the numbers of children receiving SEN funding and a 4% growth in the number all EYE claims.

The proportion of SEN numbers to termly headcount numbers is 1.36% of the total EYE claims, which is a similar proportion to Summer 2014 where it was 1.31%. The number of total EYE claims made, increased by 3.92% for all two, three and four year olds with only a 0.92% population increase in the same period based on SAPF data. This suggests that this is an actual increased take up within the two, three and four year old cohorts. There is a rise in the number of two year olds receiving SEN funding, where SEN two year olds receiving EYE funding was 1.57% for the Summer 14 claim and in Summer 2015 it is 1.99%. This represents a 0.42% growth for two year olds SEN.

There is a very small growth for three and four year old SEN of 0.04% from 1.22% in Summer 2014 and 1.26% in Summer 2015.

Table 12

Summer 2014		PVI	Hub	Total SEN	EYE Claims	% of claims	SAPF	% of SAPF and DWP
Funded 2 year children		20	2	22			15816	0.14%
Funded 2 year offer children		23	2	25	1588	1.57%		
Funded 3/4 year children		347	13	360	29481	1.22%	32242	1.12%
	Total	**390**	**17**	**407**	**31069**	1.31%	**48058**	0.85%
Autumn 2014				0				
Funded 2 year children		33	0	33			15816	0.21%
Funded 2 year offer children		40	2	42	2522	1.67%		
Funded 3/4 year children		237	16	253	30202	0.84%	32522	0.78%
	Total	**310**	**18**	**328**	**32724**	1.00%	**48338**	0.68%
Spring 2015				0				
Funded 2 year children		20	0	20			15094	0.13%
Funded 2 year offer children		38	0	38	2630	1.44%		
Funded 3/4 year children		292	16	308	30017	1.03%	32522	0.95%
	Total	**350**	**16**	**366**	**32647**	1.12%	**47616**	0.77%
Summer 2015				0				
Funded 2 year children		14	0	14			15094	0.09%
Funded 2 year offer children		49	1	50	2517	1.99%		
Funded 3/4 year children		357	17	374	29770	1.26%	32522	1.15%
	Total	**420**	**18**	**438**	**32287**	1.36%	**47616**	0.92%
		PVI Differ	**Hub Di**	**Total SEN**	**EYE Cl**	% differenc	**SAPF d**	% Differenc
Difference Summer 2014 to 2015 (prov)		**30**	**1**	**31**	**1218**	**3.92%**	**-442**	**-0.92%**

7 New Government Policy – 30 Hours Childcare

In June 2015, the DfE announced that the Government was to bring forward plans to double the free childcare entitlement for working families. Currently, the maximum entitlement is 15 hours per week.

In December 2015, the DfE updated the Childcare Bill for Policy Statement which set out further information on the eligibility criteria for children and families who would qualify for the additional free childcare hours. This eligibility criteria means that around 390,000 three and four year olds in England will be eligible for 30 hours of free childcare.

The additional 15 hours entitlement will be available to families where both parents are working (or the sole parent is working in a lone parent family), and each parent earns, on average, a weekly minimum equivalent to 16 hours at national minimum wage (NMW) or national living wage (NLW), and less than £100,000 per year.

Working will include employed and self-employed persons. Parents do not necessarily need to actually work 16 hours a week, but rather their earnings must reflect at least 16 hours of work at NMW or NLW, which is £107 a week at the current NMW rate. This includes those parents on zero contract hours who meet the criteria.

In November 2015 the DfE sought early implementers for the 30 hours childcare. Hampshire, having previously piloted Early Years Education policy changes, made an application to the DfE. A total of 102 group providers and 5 childminders in Hampshire expressed interest to be involved in the new arrangements within the County.

In February 2015 the DfE announced that Hampshire would be an Early Innovator. Early Innovators were selected through a competitive process to complement the work of the Early Implementers and are not required to fund children from 2016. Each Early Innovator area is required to act as a ‘champion’ within their regional cluster for one or more of the following priority themes (sufficiency, flexibility, parental engagement, work incentives and SEND). Hampshire has be asked to look at parental engagement, SEND and flexibility.

The Implementers and Innovators will work collaboratively as six regional clusters to explore how best to deliver the 30 hour entitlement . The DfE expects key deliverables for all participating local authorities. These include:
.

a) Market Intelligence gathering which will involve interviews with parents about demand for childcare using questions provided by the DfE with focus around the priority themes as well as providing DfE with information regarding sufficiency challenges in Hampshire.

b) Sharing the learning and working together with other early implementor authorities and participating in regional and national learning events and providing case studies where appropriate.

- Hampshire has now submitted an Innovator project plan with a funding request of £70,000 to support the research and Dfe approval is expected in March 2016. The Hampshire plan focuses on the following:

- Understanding the requirements of parents with children of SEND to access the increased hours and exploring the best methods of engagement/communication with parents moving forward

- Understanding how the SEND maintained provision operates and how they can support 30 hours delivery for working parents of children attending.

- Understanding how the Disability Living Allowance and other funding can be used to support SEND children

- Understanding the change requirement for maintained specialist provision to enable a 30 hour entitlement and provide an options analysis to incorporate wider SEND provision within PVI

- Understanding which flexible childcare approaches will be best for business planning and expansion. The approaches will be tested with group of providers and parents.

- A review of Childminder capacity to deliver childcare to children with SEN.

- Understanding what the requirement of parents is for increased and non- standard hours.

- An exploration of the links with JCP to use childcare to enhance employment opportunities.

The 30 hours childcare and tax free childcare are two policy initiatives that will work together to provide families with different characteristics with appropriate free and/or financial support through HMRC to pay for childcare. The aim of these policies is to allow entry to, or continued employment for families who have children aged three and four.

7.1 Hampshire Estimate of the number of children likely to be eligible for the 30 hour entitlement

It is clear from the Government's policy that a wide range of working families are likely to access this further free entitlement. To estimate the likely number of families for Hampshire, a model has been created using the National Statistics data for Families with Dependent Children and Family Status with number of parents aged 16 or over and working. This is based on data collected at the national 2011 census.

Using data on the family type and the number of dependents aged 0 to 4 years, it is estimated there are in the region of 317,916 children in Hampshire in a family household. There are only 15% children 0 to 4 years of age where they are the sole child. There are 43% who have one other sibling and 42% who have two further siblings.

Table 13

QS118EW - Families with dependent children			
ONS Crown Copyright Reserved [from Nomis on 2 June 2015]			
HAMPSHIRE data based at 2011 census			
Family Type	**Total Hampshire Households with dependant children**	**Estimate of children 0-4 Years**	**% of Family Type**
All families in households	393,079		
No dependent children in family	233,938		
One dependent child in family aged 0 to 4	**46,660**	**46,660**	**15%**
One dependent child in family aged 5 to 11	15,337		
One dependent child in family aged 12 to 18	30,374		
Two dependent children in family; youngest aged 0 to 4	**68,071**	**136,142**	**43%**
Two dependent children in family; youngest aged 5 to 11	26,093		
Two dependent children in family; youngest aged 12 to 18	15,174		
Three or more dependent children in family; youngest aged 0 to 4	**45,038**	**135,114**	**42%**
Three or more dependent children in family; youngest aged 5 to 11	9,853		
Three or more dependent children in family; youngest aged 12 to 18	1,917		
Total dependent children	**381,370**	**317,916**	

The numbers of family types that are economically active based on this data is shown in Table 14 where there is in the region of 82% of parents working.

Table 14

Economic activity	**All Parents including unemployed and others.**	**% of total of all Parents working**	**Couple family Both Parents Working**	**Couple family One parent working**	**Lone Parent working**
Economically active: In employment: Total	233,290	82.62%	179874	29315	24101
Economically active: In employment: Employee (including full-time students)	196,102	69.45%	150976	23980	21146
Economically active: In employment: Self-employed (including full-time students)	37,188	13.17%	28898	5335	2955

Using the assumption that each family will have only one three year old or four year old it is estimated that the number of children aged three and four who are in working families is in the region of 25,000 children (for Hampshire). There are 5,500 families where only 1 person works who currently would not be eligible until the second parent takes up employment. However, the new offer could see this group of parents taking up the option to both work then then they would become eligible.

It should be noted that DfE have indicated that further guidance will be provided during 2016/17,however until this is provided together with any DfE estimate of families likely to be eligible Hampshire's initial assessment suggests that provisionally there could be in the region of 15,000 three and four year olds (4,000 aged four and 10,500 aged three) who could have working families meeting the eligibility criteira.

Table 15
Estimate of the numbers of 3 and 4 year olds from working parents

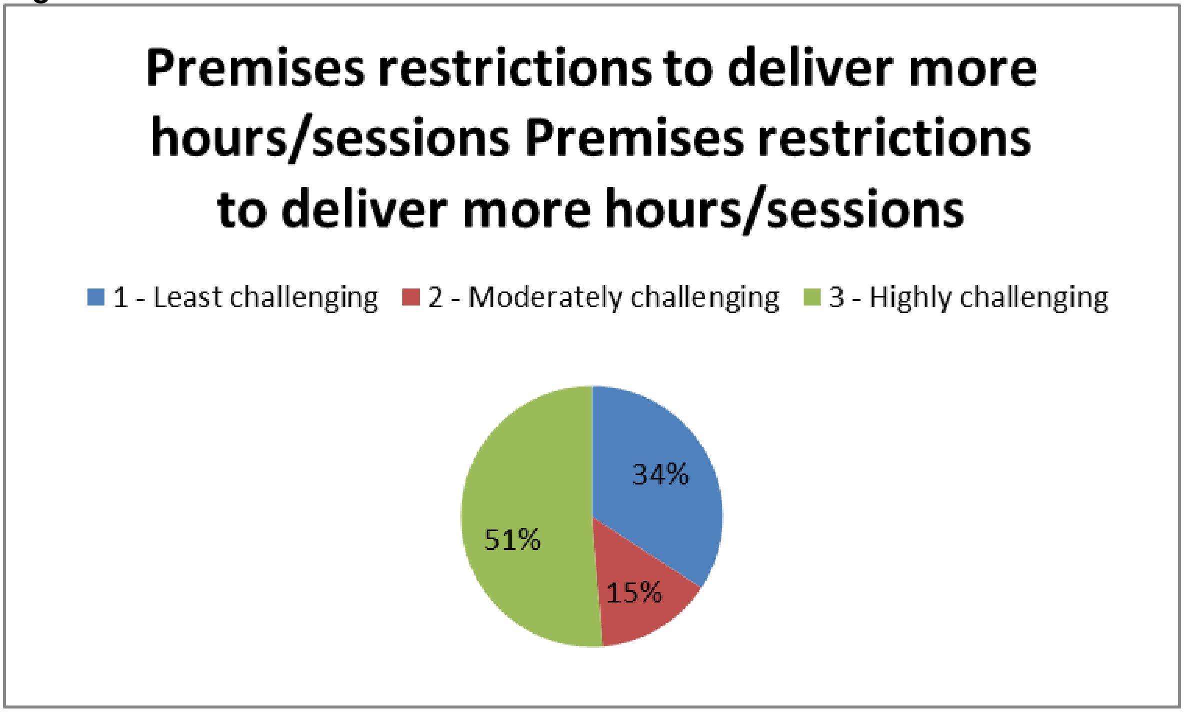
4 year olds based		
Family couples both working		8549.53
Family couples one working (not part of offer but could be growth)		*2784.54*
Family Lone parent working		1145.54
Total working families with 4 year olds		**12479.61**
PVI attenders 33% usually taken for PVI place planning as 66% will be in school	0.33	4118.27
3 year olds (less the 4 year olds)		
Family couples both working		8413.83
Family couples one working (not part of offer but could be growth)		*2740.34*
Family Lone parent working		1127.35
		0.00
Total working families with 3 year olds		**12281.52**
Estimated: Total number of working families with 3 and 4 year olds for PVI		**16399.79**
% of total		
Estimated: total number of working families with 3 and 4 year olds		**24761.13**

The Government is undertaking a review of the costs of providing childcare in England and has published a call for evidence as part of that review which closed on 10 August 2015. At the same time the Government has asked local authorities for information regarding how the Dedicated Schools Grant (DSG) is used to support EYE and both data collection exercises will inform the Government's review of the early years funding mechanism for implementation in September 2017.

The main driver behind the Childcare Bill is an intention to make childcare more affordable for working parents. Hampshire's EYE claims data suggests that an average of four additional hours per week are taken on top of the free EYE hours. Therefore it is known that many families are already accessing additional childcare and based on this it is likely that the market will need to provide up to an additional 10 hours per week to meet the new 30 hours childcare for children who would be eligible.

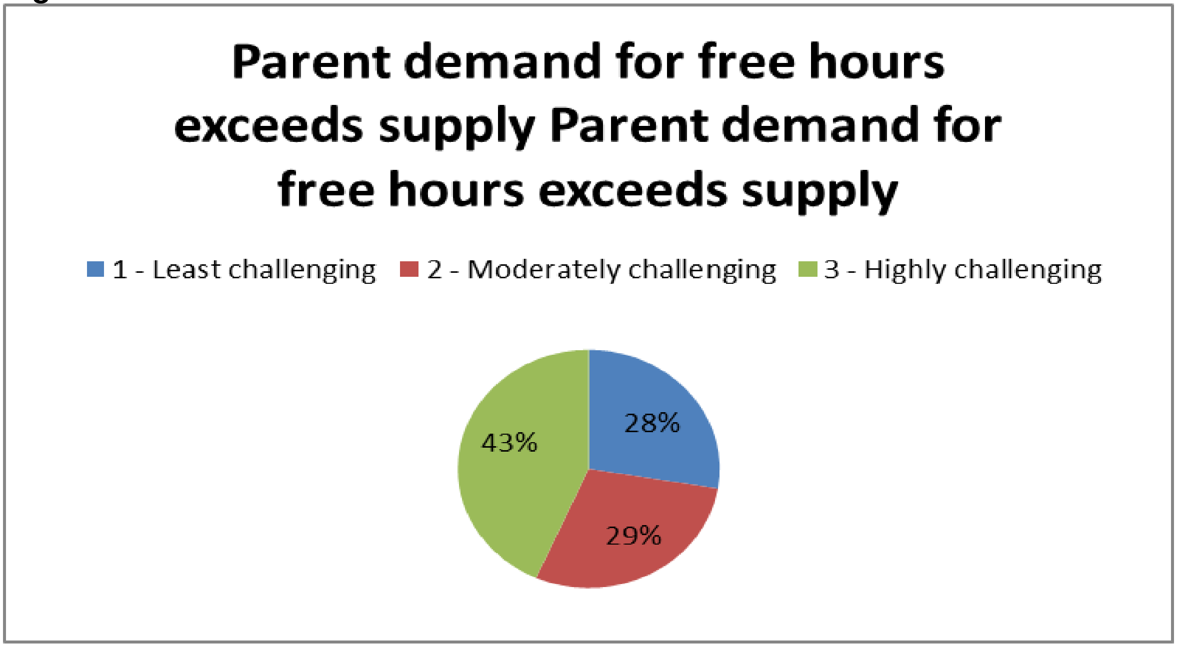
Hampshire has undertaken a provider survey to understand concerns and issues in meeting the new 30 hour requirement. The survey suggests that providers main concern (which echoes national opinion) is that providers require an EYE funding rate that supports financial viability. Other areas of concern are having adequate staffing and premises.

Figure 16



Premises is a major concern in delivering expansion of the scheme with a relatively even split from respondents on the ability of the workforce to cover this. Respondents also consider demand and competition from the market as prime areas that will present high challenge to them as businesses going forward.

Figure 17



Providers have indicated that they have concerns that the demand for additional hours will exceed what they are able to provide (Figure 17). Some providers of traditional term-time only or mornings or afternoon hours consider demand for this type of provision may be threatened

It is likely that the impact of the 30 hours offer will be challenging to some parts of the market. Based on 2011 national census information it is estimated in the region of 80% of three and four year olds attend from working families. Currently we know the market sustains an average of four additional hours per week on top of the 15 free hours. The Government's criteria will support up to 30 hours per week and this will be governed by the working hours of the families and therefore it is anticipated that not all families will be entitled to 30 hours. However, with the onset of universal credit to support families in gaining work it is likely this position will change.

8 Funding

Early Years and Childcare providers secure income through parental fees and EYE grant from the local authority. Depending on the type of organisation and childcare offer will determine the balance of the parental fees to EYE funding. The estimated turnover for Hampshire childcare sector is in the region of £100m.

The Family and Childcare Trust collects price information from local authorities to compile their annual childcare costs survey. Hampshire's data for 2015 informed:

Table 16

	25 hours care per week	***25 hours care per week***	***50 hours care per week***	***50 hours care per week***
Nursery	Maintained	PVI	Maintained	PVI
A place in a day nursery for *children under 2 years*	£102.00	£87.00	£205.00	£175.00
A place in a day nursery for *children aged 2+*	£102.00	£87.00	£205.00	£175.00

The most expensive cost for 25 hours of childcare for an under two was **£144.00** and the cheapest **£34.00.**

Table 17

Childminder	**25 hours**	**50 hours**

A child under 2	£99.00	£198.00
A child aged 2+	£99.00	£198.00

The average weekly cost for a place in an after-school club for 15 hours per week is £66.00; and the typical weekly cost for a childminder who picks up children after school and provides childcare until about 6pm is £59.00. The 2015/16 Childcare Costs report is due for publication in Spring 2016.

The Childcare Costs survey 2015 indicated the cost of sending a child under two to nursery part-time (25 hours) was £115.45 per week in Britain, or £6,003 per year, which represented a 5.1% rise since 2014. The cost of part-time care from a childminder has also rise by 4.3% and is in the region of £104.06 per week or £5,411 per year.

Hampshire childcare fees are indicated at much less than the national picture and particularly the South East region. However, the data contains only some providers with updated fee information, therefore to ensure more accurate data picture Hampshire will survey childcare providers to update their fee information during April 2016.

The EYE funding allocation for funded two, three and four year olds in2015/16 is £54 million and 93% of the funding that is received by the local authority and placed within the early years block, is passed directly onto EYE providers.

The DfE announced in the November spending review to implement in 2017/18 a new national funding formula for EYE. Consultation regarding this is anticipated during Spring 2016.

Hampshire's Schools Forum have decided to defer any changes to the local early years single funding formula pending further guidance from the DfE on the National Formula.

The childcare sector has expressed concerns that the changes to various regulations will impact on their financial viability. This is echoed in national debate. The principal concerns are:

- Increase in the living/minimum wage when fully implemented at £9 per hour.
- Workplace pension legislation adding to employment costs.
- Hourly rate for free EYE in relation to the existing and new 30 hours offer.

9 Conclusion

Hampshire has a mature, high quality and responsive childcare market. There is a good mix of provision including childminders. The market has adapted well to support the increase of funded two year olds with 80% of anticipated numbers now accessing provision. The market has sustained its capacity for three and four year olds with 96% of all three and four year olds accessing provision. The take up hours have continued to be above 13 hours per week for two, three and four year olds. There is in the region of 10,000 out of school places provision with the majority of this being delivered from schools. The onset in September 2016 of the Government's introduction of the right of parents to request wraparound and holiday care could see schools needing to consider further development of out of school childcare or work collaboratively with the childcare market such as through childminders to meet local need.

There continues to be some areas of the county where pressures for EYE places exist for children to access their full free funded hours with action being taken with childcare providers to consider expansion. New housing developments will also lead to a further requirement for places over the next 10 years.

The Government's new policy to offer working parents with children aged three and four up to 30 hours of free childcare, will mean that providers will need to consider and review their business models to comply with this new legislation.

The onset of the living wage from 2016 and the full roll out of auto-enrolment for pensions will also add some financial pressure to childcare providers, alongside current business tensions of investing in high quality provision through qualified staff and maintenance of competitive wage differentials.

There will be employment opportunities with the continued expansion of the childcare market. Therefore, it can be concluded that the childcare market in Hampshire is thriving and that it is in a strong position to adapt and respond to policy changes and changes in demand. These changes will be of benefit to Hampshire residents both in terms of enhancing outcomes for children and providing employment opportunities.