

Childcare sufficiency assessment update 2015

Early years and childcare service



SURREY

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1 Introduction and background

The 2006 Childcare Act places a duty on Local Authorities (LAs) to make sure there are enough childcare places of high quality for parents that need them to allow them to work or to train. Childcare is defined as any form of care for a child, that is paid for or is funded, including education and any other supervised activity (section 18 of the 2006 Childcare Act). This includes care registered with Office for Standards in Education (Ofsted) or care offered on a school site.

There also needs to be enough services for parents of eligible children to take up their offer of free early education, even for parents who are not working or training. From 1 September 2013, the number of children eligible to take up free early education increased to include the 20% most disadvantaged two year olds, as well as all three and four year olds. In September 2014, this increased further to include the 40% most disadvantaged two year olds. This means that Surrey County Council needs to ensure that approximately 31,000 children can access a free early education place of 570 hours a year.

This childcare sufficiency update allows us to identify gaps in childcare provision in the county. This will be used to help us manage the childcare market and make sure that:

- There are enough childcare and early education places
- Childcare places are of high quality
- A range of childcare services are offered to meet parents' needs
- Childcare and early education places are accessible
- Enough information is available to parents and carers to allow them to make informed decisions about childcare and early years services

The report brings together data from various sources to effectively analyse the supply and demand for childcare services, and to identify gaps in provision.

- Supply of childcare places in Surrey
 - Details about childcare and early education services, such as the number of childcare places they provide and opening hours
 - Population and demographic information, such as population of children, ethnicity and deprivation
 - Data from Ofsted inspection outcomes for childcare and early education settings
- Demand for childcare services
 - Take-up rates of early education and childcare services
 - Projected number of early education places needed for the next five years

- Mapping supply to demand and identifying gaps

Information collected from childcare settings is analysed at ward level. There are 206 wards in Surrey, but we look at clusters of wards that define neighbourhoods. We know that most parents take up early education near where they live, but that some parents access services away from where they live too.

1.1 Previous research and development of the childcare and early education sector in Surrey

Nationally, nearly one in five parents (17%) of children aged under 15 years were unable to work as much as they would like because of a lack of available and affordable childcare (35% and 31%, respectively)¹. This report also highlights that the cost of childcare is higher for parents of children aged under three.

¹ Department for Education (2013) *Parents views and experiences of childcare* London

In our 2014 Childcare Sufficiency Assessment (CSA), we found that just over a quarter of parents (29%) were not using as much childcare as they needed to allow them to work or train. Again, affordability was an issue in accessing childcare. We found a need for additional sessional pre-school places in some parts of the county. Working parents would like day nurseries, and before and after school clubs to open earlier and stay open later.

Parents of disabled children would use more provision if they knew about it, if it were more affordable and if there were more of it that could cater to their children's special needs.

We found that lone parents, young parents, parents in households with lower incomes, parents from BME groups and parents living in disadvantaged were more likely to not be using as much childcare as they need to allow them to work or train.

Based on these findings and previous research we have carried out, Surrey's Early Years and Childcare Service has been working with childcare providers to expand existing and develop new provision where it is needed. We have been focusing on increasing the quality of provision and helping existing providers to make their services more accessible to disabled children and children with special needs. We have continued to raise awareness of childcare and early education provision to parents through our Family Information Service, and we have developed information about the local offer for parents of disabled children and children with special needs.

We have also been helping childcare and early education providers to deliver free early education for two, three and four year olds more flexibly to make it easier for parents to pay for childcare and reduce associated costs.

Annex A details the progress made in areas identified in the last assessment as not having sufficient free early education places to meet increases in future demand for services.

2 Current supply of childcare and early education

We collect and provide information on the provision of childcare and early education services on a regular basis. Information from group providers in the private, voluntary and independent sector (PVI) is collected annually as part of the Surrey childcare and early education practitioner census. The census provides information on the number of places offered and for which ages, occupancy rates and information about whether settings are unable to meet parental demand. We collect this information from childminders annually as well as part of a survey to find out their views on the childcare market.

Table 1 Childcare and early education places in Surrey in 2014 and in 2015

Childcare type	2015 CSA update		2014 CSA	
	Number of providers	Number of places	Number of providers	Number of places
Pre-school provision in PVI sector	605	24,607	587	23,517
Pre-school provision in state maintained nursery schools and classes	72	3,807	71	3,721
Out of school (Before and after school and holiday play schemes)	443	22,217*	428	17,247
Childminders	1,765	8,812**	1,883	9,077

*Not directly comparable because of changes in the way before and after school places are counted.

**There has been a decline in the number of childminders nationally. Surrey continues to have a high proportion of early years places provided by childminders compared to 19 south east LAs. The decrease of 265 childminding places is relatively small.

2.1 Childcare and early education density rates

We calculate the childcare density rate, using the number of childcare places in a geographic area and the number of children in that same geographic area. This gives us a standardised measure that allows us to compare the level of provision across areas. Pre-school, early education and out of school childcare density rates are calculated separately, by dividing the total number of childcare places by the number of children of the appropriate age group and multiplying by 100. For pre-school and early education calculations population figures are based on live birth data from the Office for National Statistics (ONS) and for out of school calculations population figures are based on the number of children aged 5-14 years reported in 2011 Census data. The number of childcare settings and childcare places, and the childcare density rates used here are correct as at 10 April 2015. The audit of childcare and early education provision is available on our website at: <http://new.surreycc.gov.uk/schools-and-learning/childcare-professionals/running-your-childcare-business/setting-up-a-childcare-business/childcare-research-and-consultations>

Density rates for pre-school childcare and out of school care are described in more detail below. Overall, density rates are lower in disadvantaged areas². Maintained nursery schools and classes are more likely to offer pre-school provision in these areas than other types of pre-school provision, with nearly one in five of their places being offered in disadvantaged areas.

2.2 Occupancy rates

Occupancy rates for the PVI sector are collected annually, in January, as part of the childcare and early education practitioner census. Settings calculate their occupancy rates by dividing the total number of hours attended by all children per week by the total number of available hours per week, and multiplying by 100. Occupancy rates for maintained nursery schools and classes are calculated differently, by dividing the number of children who attend by the total number of places available for the nursery class. This assumes that each child takes up the full entitlement, which is the case for

² We define disadvantaged areas as lower layer super output areas (LSOA) that rank in the 30% most disadvantaged for the Income Deprivation Affecting Children Index (IDACI) 2010, English Indices of Multiple Deprivation, Department for Communities and Local Government

the majority of children in maintained nursery schools and classes. When categorising occupancy rates, 'full' is an occupancy rate of 100%, 'busy' is an occupancy rate of between 85% and 99%, 'healthy' is an occupancy rate between 70% and 84%, and 'not busy' is an occupancy rate below 70%. Occupancy rates are correct for the 2015 spring term for group settings and for the 2015 summer term for childminders.

Occupancy rates are generally healthy overall. However, rates have decreased in most setting types from 2014. The largest drops have happened in playwork settings, although the smaller sample sizes this year must be noted.

Table 2 Occupancy rates by childcare type

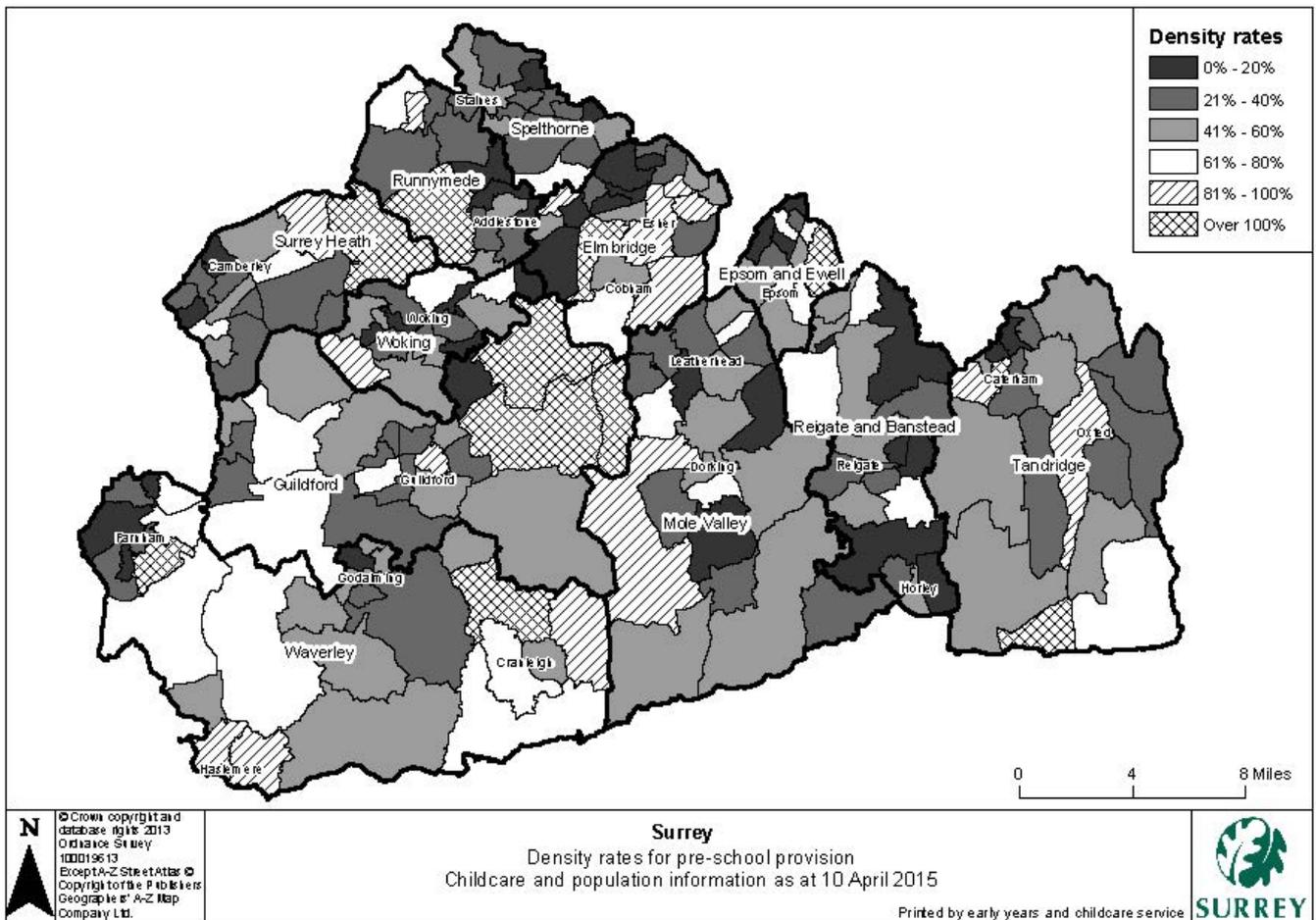
Childcare type	Average occupancy rate for the day	Average occupancy rate for the morning session	Average occupancy rate for the afternoon session	Overall average occupancy rate 2015	Overall average occupancy rate 2014	Overall average occupancy rate 2013
Before school club		85% (25)		85% (25)	84% (33)	84% (36)
Before & after school club		64% (63)	70% (62)	68% (64)	76% (148)	73% (138)
Out of school (after school club)			69% (49)	69% (49)	78% (65)	74% (74)
Holiday play scheme	70% (31)			70% (31)	78% (58)	80% (67)
Day nursery	67% (183)			67% (183)	70% (174)	72% (163)
Extended day playgroup	76% (135)			76% (135)	82% (221)	81% (220)
Pre-school playgroup		82% (209)	73% (79)	80% (209)	83% (293)	86% (321)
Nursery unit of independent school	70% (59)			70% (59)	75% (62)	74% (65)

Note: For 2015, figures in brackets indicate sample sizes of the number of settings providing occupancy rates. For previous years, figures in brackets indicate sample sizes of the number of occupancy rates provided.

2.3 Pre-school provision

Overall, there are 2,337 pre-school settings in the PVI sector in Surrey offering 29,008 pre-school childcare places. This includes places provided by day nurseries, sessional pre-school playgroups, childminders, and nursery units of independent schools. Since 2007, the number of pre-school settings has steadily decreased but the number of places offered has steadily increased. The overall pre-school density rate for Surrey is 41%. That means for every 100 children aged under five years, there are 41 childcare places available. The childcare density rate for children under two years is lower at 28%. Across Surrey, over four in ten (42%) sessions at pre-school settings are full or busy, and nearly a quarter (24%) more are healthy. A similar proportion of pre-school settings (39%) have waiting lists for immediate places. However, in January 2015, 14% of day nurseries, 18% of extended day pre-school playgroups, and 27% of pre-school playgroups, reported that they were experiencing a lack of demand for places. This highlights the complexity of the childcare market; it is localised and must be analysed bearing this in mind.

Figure 1 Pre-school childcare density rates in Surrey by ward



2.4 Day nurseries

There are 189 day nurseries in Surrey offering a total of 11,301 places. The childcare density rate in Surrey for day nurseries is 16%. The overall occupancy rate for day nurseries in Surrey is 67%. There are 3,313 places in day nurseries for children aged under 2 years, and the childcare density rate for this age range is 12%.

Nearly all (93%) day nurseries in Surrey are open for 10 hours a day, from 8am to 6pm, or longer. Just under half (47%) of day nurseries are open before 8am, and a similar proportion (48%) open at 8am. The remaining 4% open after 8am but not later than 9am. Nearly two thirds (61%) of day nurseries close at 6pm, and a third (33%) close after 6pm, including 3% that close at 7pm. The remaining 6% close before 6pm.

2.5 Sessional pre-school childcare

There are 416 settings offering 13,306 sessional pre-school places in Surrey. This includes places in extended day pre-school playgroups, pre-school playgroups, and nursery units of independent schools. The density rate in Surrey for sessional pre-school childcare is 31%. The density rate for sessional pre-school childcare is calculated by dividing the total number of places at sessional settings by the total number of children ages two to four years. Overall occupancy rates in sessional settings vary from 70% in nursery units of independent schools, 76% in extended day playgroups, to 80% in pre-school playgroups.

2.6 Maintained nursery provision

There are 71 maintained nursery schools or classes (MNSC) offering 3,807 places in Surrey. These places are offered through four nursery schools and 61 classes in primary, infant and first schools.

The total number of MNSC places excludes the six classes offered through special schools, as the number of places offered in these classes depends on the needs of the children attending. About a third of maintained nursery schools and classes are full.

2.7 Out of school care

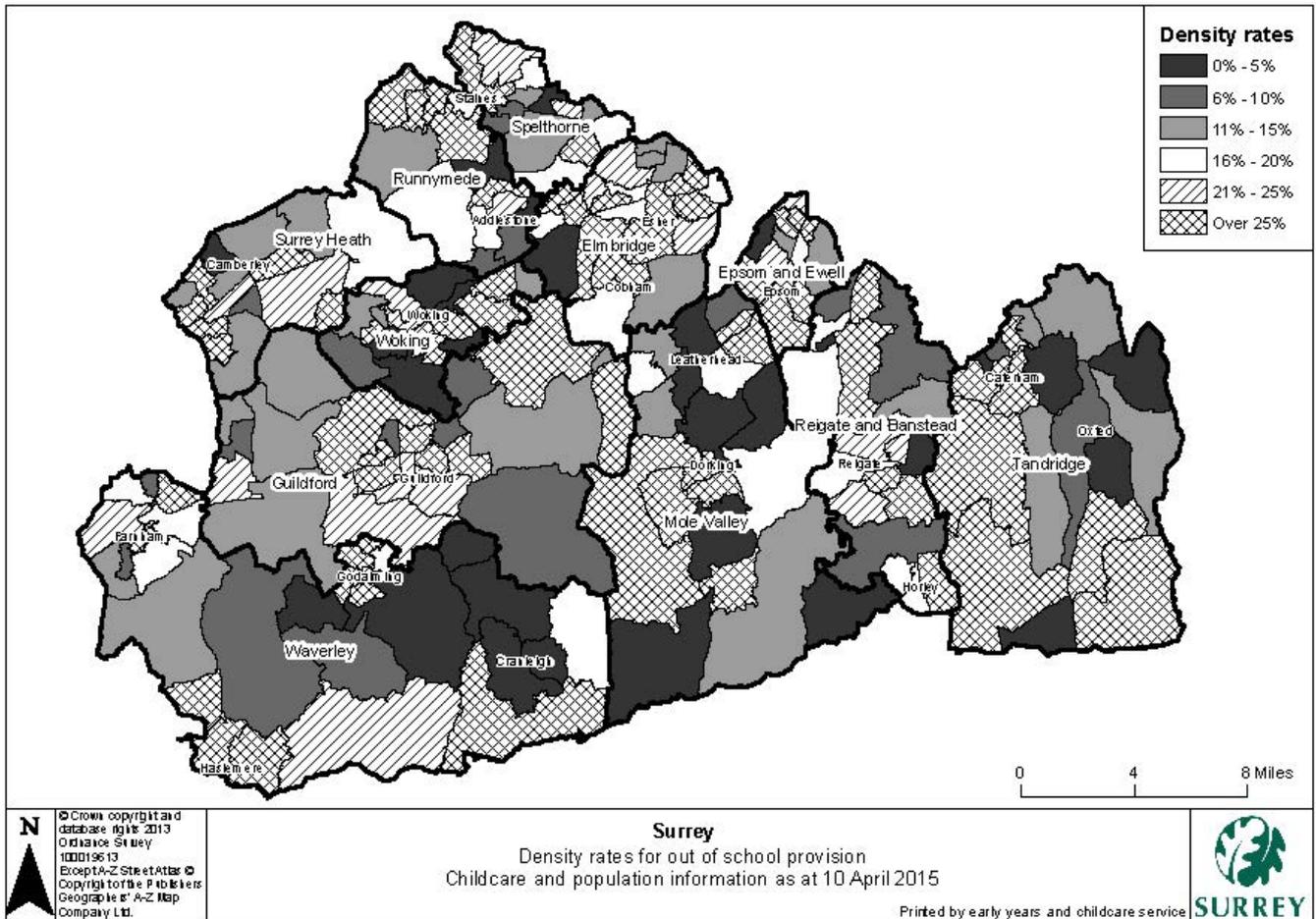
There are 295 settings offering 6,213 places for before school care and 7,893 places for after school care. The density rate for before school care is 5% and for after school care is 7% at group settings. That means for every 100 children aged five to fourteen years, there are five before school places and seven after school places. There are 148 holiday playschemes offering 8,111 places, including specialist holiday playschemes. The density rate for holiday care is 7%. Childminders offer a further four out of school places (before and/or after school and holiday care) for every 100 children aged five to fourteen years. Childminding places will be discussed in more detail later.

Over three quarters (78%) of infant, junior and primary schools have access to before and/or after school group settings. All schools in Elmbridge have either provision on site or a pick-up service offered by another group setting. Schools in Tandridge are significantly less likely to have access to before and/or after school group settings. Of the schools that do not have access to before and/or after school group settings, either on site or through a pick-up service, most (86%) have at least one childminder that picks up from the school.

Over two thirds (69%) of before school clubs in Surrey open before 8am. Just under a third (30%) open at 8am and 2% open at 8.15am. Nearly two thirds (62%) of after school clubs close at 6pm. Just over a quarter (27%) close before 6pm, with most of these closing at 5.30pm or later. Ten percent close later than 6pm.

Over a third (39%) of holiday playschemes in Surrey open at 8am or earlier, a similar proportion (43%) open after 8am until 9am, and the remaining 18% open after 9am. Over a third (38%) close at 6pm and 27% close between 5pm and before 6pm. Nearly a third (30%) close before 5pm, and one of these closes as early as midday. Five percent close later than 6pm.

Figure 2 Out of school childcare density rates in Surrey by ward



2.8 Childminders

There are 1,765 childminders in Surrey offering a total of 8,812 childcare places. The childcare density rates for childminding places for pre-school care is 6% and for out of school care is 4%. Overall, the childcare density rate for childminding places is 5%. That means for every 100 children aged nought to fourteen years, there are five childminding places. The overall, and the out of school childcare density rate for childminders are underestimates; childminders do not have to register places for children over eight years so these are not included when calculating childcare density rates.

Due to the flexible working structure of childminders, we ask them to tell us how full their setting is rather than calculating an occupancy rate. Nearly half (46%) of childminders estimate that their setting is full and just over a quarter (27%) estimate that their setting is three quarters full. Three quarters (75%) of childminders have had requests from parents for childcare places that they had to turn down in the last 12 months. Of those that have turned down childcare requests in the last 12 months, more have turned down requests for places for pre-school aged children (81%) than school aged children (61%). The most common reason childminders are unable to meet requests from parents is that, although they offer the hours requested, they had no spaces available (61%). One quarter (25%) currently working as a childminder are having problems filling childcare places. More childminders are having problems filling childcare places for pre-school aged children (86%) compared to school aged children (30%). Just over half (55%) of childminders having problems filling their childcare places report that parents use friends and/or family for childcare, and just under half report there are too many other types of childcare in their area or that there are too many registered childminders in their area (49% and 41%, respectively). Just over one in ten childminders

(12%) have been unable to accept childcare requests in the last 12 months and are currently having trouble filling childcare places. Again, this highlights the complexity of the childcare market as well as the personalised service offered by childminders.

2.9 Free early education for three and four year olds and flexibility of the offer

All parents can access free early education from the term after their child turns three. Parents can access 15 hours of early education per week for 38 weeks of the year. There are about 22,400 early education places available, giving a density rate of 80% for three and four year olds. That is, there are 88 places for every 100 children aged three and four years in Surrey in all sectors (PVI and maintained sectors).

Overall, just over a third of settings offering free early education do so flexibly.

Table 3 Flexibility of the free early education offer by setting type

Settings offering free early education	Day nursery (n=109)	Extended day playgroup (n=85)	Childminder (n=15)	Nursery units of independent schools (n=45)	Pre-school playgroup (n=158)
Flexible offer of free early education	46%	73%	80%	9%	13%
Not a flexible offer of free early education	54%	27%	20%	91%	87%

2.10 Free early education for two year olds (FEET)

There are 483 group settings and 391 childminders that provide FEET places. Most of these provide flexible hours to allow parents to work. In the 2015 spring term there were just over 2,000 children accessing FEET in Surrey. We monitor the take up of FEET as low take up may be due to insufficient places.

2.11 Quality of childcare settings (and occupancy rates)

Most (92%) childcare settings in Surrey are rated as good (73%) or outstanding (19%) by Ofsted. Overall, pre-school settings are more likely than out of school settings to be rated as good or outstanding (92% compared to 89% respectively).

Table 4 Ofsted EYFS inspection outcomes by childcare type

Childcare type	Count	Outstanding	Good	Satisfactory/ Requires improvement	Inadequate
Childminder	1,220	15%	77%	7%	1%
Day nursery	171	23%	67%	9%	1%
Extended day playgroup	121	34%	60%	6%	0%
Pre-school playgroup	177	19%	73%	7%	1%
Nursery unit of independent school	64	59%	38%	3%	0%
Before and/or after school care	86	16%	73%	10%	0%
Holiday playscheme	60	12%	78%	10%	0%
Total	2,147	19%	73%	7%	1%

Note: As at 01 June 2015. Includes ISI and ISI EYFS inspection outcomes.

There are 47 PVI settings in our most disadvantaged areas, including childminders and group providers. Almost all of these are rated good or outstanding by Ofsted. Almost all of the maintained nursery schools and classes in disadvantaged areas are rated good and outstanding in their school inspection. This contrasts the national trend of poor quality settings in disadvantaged areas³.

As found in previous years, occupancy rates are related to Ofsted outcomes, with settings rated as good or outstanding more likely to be full or busy when compared to those that are rated as requiring improvement or inadequate. Settings that receive good or outstanding outcomes are more likely to have occupancy rates of 85% or higher, than settings with a satisfactory, requires improvement or inadequate inspection outcome.

Table 5 Occupancy rates and Ofsted outcomes

Childcare type	Settings rated good or outstanding			Settings rated satisfactory/requires improvement or inadequate		
	Count of settings	Settings with an occupancy rate of 85% and above	Settings with an occupancy rate below 85%	Count of settings	Settings with an occupancy rate of 85% and above	Settings with an occupancy rate below 85%
Day nursery	157	27%	73%	19	11%	89%
Sessional settings	330	50%	50%	23	39%	61%

Note: Where applicable for sessional settings, only morning occupancy rates are included.

³ Ofsted (2014) *Sector report: Early years Manchester*

2.12 Childcare costs

Different settings organise their charges in different ways. Below is an average cost by type, based on the most common way that childcare type charges.

Table 6 Average childcare costs by setting type

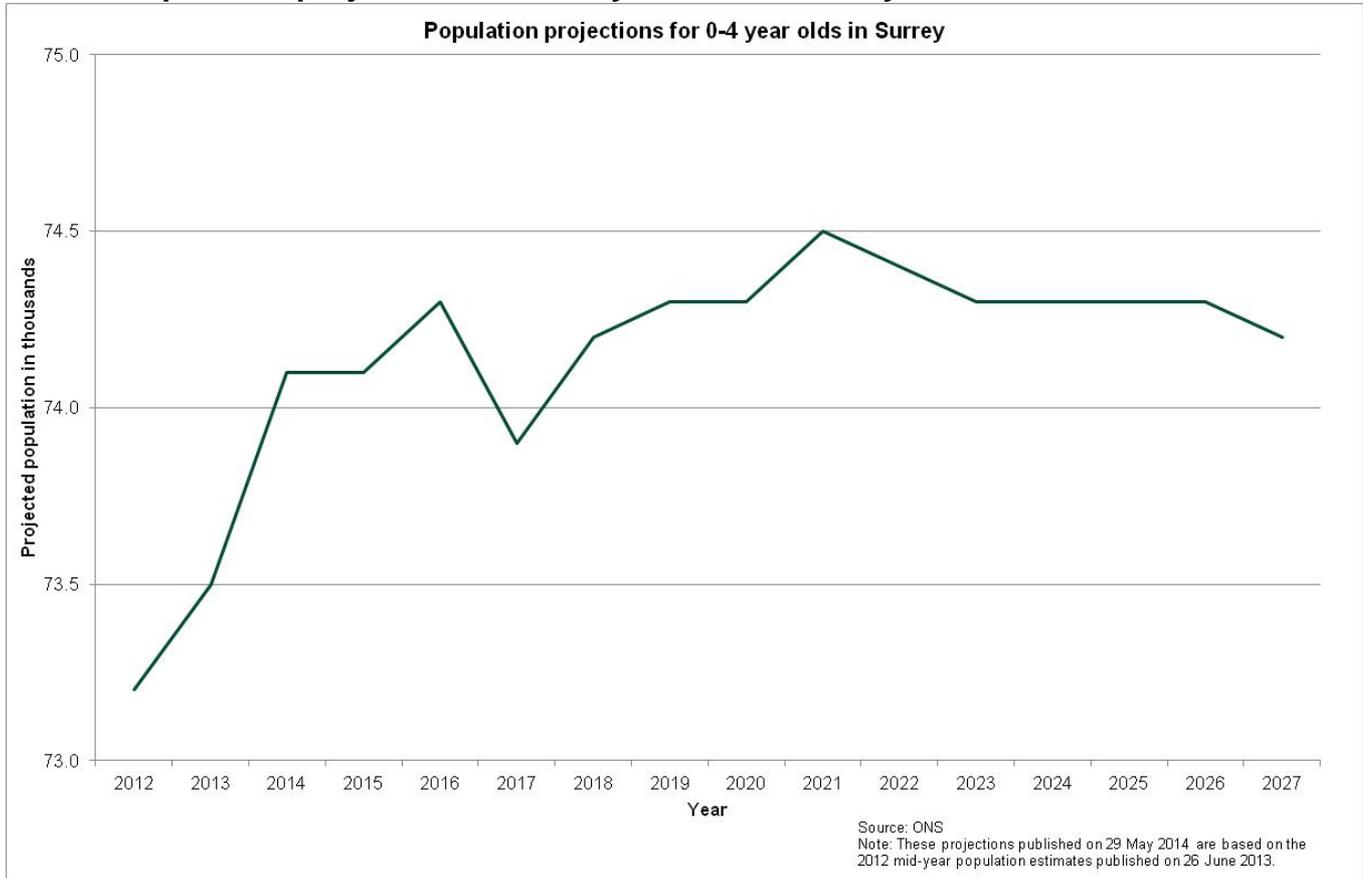
Childcare type	Average cost per hour	Average cost per session	Average cost per day	Average cost per week
Childminder	£5.55 (1457/1502)			
Day nursery under 2 years old		£37.25 (97/165)	£63.89 (145/165)	£295.37 (71/165)
Day nursery 2 - 4 years old		£34.02 (97/165)	£58.95 (145/165)	£265.90 (71/165)
Extended day playgroup	£5.72 (74/145)	£17.37 (91/145)		
Nursery unit of independent school		£26.93 (20/42)		
Pre-school playgroup		£15.03 (149/179)		
Breakfast club		£4.26 (158/182)		
After school club		£9.63 (193/208)		
Holiday scheme			£24.26 (78/102)	

Note: Figures in brackets indicate the number of settings for which we have cost information and the total number of settings. Some settings offer more than one rate of charges.

2.13 Pressures on supply

It is estimated that the population of nought to four year olds in Surrey will rise slightly over the coming years, peaking in 2021 before levelling out. This projection assumes that recent population trends will continue. The graph below shows estimated projections for nought to four year olds by year.

Chart 1 Population projections for 0 – 4 year olds in Surrey



As well as the slight, projected population rise, there are also a number of housing developments planned throughout the county which are likely to result in an increased pressure for childcare and early education. We collect information about planned housing developments from each borough and district council. Based on permissions and housing trajectories over the next 10 years, the largest planned housing developments are focussed in and around Guildford town centre, Woking town centre, Horley, Ash, Mytchett, Redhill, Foxhills, Addlestone and Chertsey, and Epsom. However, there are a number of other areas where there are large planned housing developments. These new properties over the next 10 years mean approximately 5,000 extra early education places will be required across Surrey because of housing increases.

As well as increases in population, the government scheme for Free Early Education for Two year olds (FEET) puts extra pressure on the availability of free early education places. From September 2014, the eligibility criteria for FEET expanded to include families receiving Working Tax Credit and Income related Employment and Support Allowance. For Surrey, this means almost 3,000 two year olds are eligible. Alongside this, the government is currently finalising its scheme to offer 30 hours free childcare a week to working parents. Our projections will take this into account when it becomes law.

In order to predict the number of places we will need in the future, we use population projections, estimated pupil yields from planned housing developments, estimated numbers of eligible two year

olds, and estimated early education take-up rates (based on current take-up rates). We analyse this data at ward level, and cluster wards together, taking into account natural boundaries and where families go to take up free early education, because of the localised nature of childcare. The resulting, identified gaps are described further in section 4.

3 Current demand and take-up of services

3.1 Parents' use of childcare and early education

Nationally, 17% of parents of children under 15 years old report that they are unable to work as much as they would like because of childcare. Of these 35% say it's due to lack of available places, and 31% say it's due to the cost of childcare. The cost of childcare is higher for parents of children aged under three years⁴.

Our 2014 Childcare Sufficiency Assessment similarly shows 29% of parents were not using as much childcare as they would have liked to work or train, with affordability being a particular barrier.

The following table shows the number of children attending group settings registered to offer early education in private, voluntary and independent settings in Surrey in January 2015.

Table 7 Number and percentage of children using group childcare settings in the PVI sector

	Under 1 year olds	1 year olds	2 year olds	3 year olds	4 year olds	Total
Day nursery	696	3,032	4,362	4,114	1,555	13,759
Extended day playgroup	3	18	1,787	3,304	1,374	6,486
Nursery unit of independent school	0	3	342	1,084	1,384	2,813
Pre-school playgroup	6	17	2,068	3,592	1,360	7,043
Total number of children	705	3,070	8,559	12,094	5,673	30,101
Percentage of all children	5%	22%	60%	85%	41%	43%

Note: Collected as part of the Surrey childcare and early education practitioner census, January 2015. Children may be attending multiple settings. Attendance with home-based childcarers is not included. Attendance of three and four year olds in the maintained sector is not included. Base population figures used are from Office for National Statistics, Live births by postcode for academic years 2009/10 to 2012/13

3.2 Take-up of free early education

In the 2015 spring term 27,438 Surrey three and four year old children accessed free early education in Surrey settings (in the PVI and maintained sectors). This equates to 98% of all three and four year olds living in Surrey. We know that some children access their free early education in neighbouring local authorities and that about 1% don't access it at all. From a survey of parents not accessing free early education prior to reception year, we know that half of them wanted to but couldn't because the setting they used was not registered for free early education or because the free early education sessions were not flexible enough.

In the 2015 spring term, there were just over 2,000 children accessing FEET. As more families have become eligible for FEET from September 2014, not all of these have been able to access a childcare place straight away. There are certain areas in Surrey with higher proportions of eligible two year olds. These are generally disadvantaged areas, where early education place density rates are significantly lower. Free early education take-up rates are lower in disadvantaged areas than in non-disadvantaged areas, but this is not significant. Maintained nursery schools and classes are

⁴ Department for Education (2013) *Parents views and experiences of childcare*

more likely to be available in these areas and are less likely to provide a flexible offer of free early education and less likely to charge for additional services.

Most four year olds (93%) access the full entitlement of 15 hours a week of free early education. Three year olds are more likely to access less than 15 hours a week (31% in the 2015 spring term). We know that nearly two thirds (65%) of parents not using the full 15 hours of free early education do this through choice. Parents explain that using 15 hours is not appropriate for their child or doesn't suit them as a family. Parents of three year old children are significantly more likely to report that using the full 15 hours of free early education is not appropriate for their child, compared with parents of four year old children.

"I like a 'day off' together before my child is in full-time education."

"I think 15 hours is too much. I was happy sending him for fewer hours and doing other things with the children myself."

"I wanted George to work up to attending nursery more as he is there for two years. His attendance will increase in September."

For 32% of parents not using the full 15 hours, it is not through choice. For most of these parents, it is because their preferred provider is too full to offer the hours they want, they are not open for 15 hours a week or because associated costs are unaffordable for them.

"I would have liked the option for a longer day i.e. past 12:30 but the provider was more important than the hours offered."

"Was told only could have three hours free in mornings if wanted more would be £9 hourly which I cannot afford."

"The length of sessions at the playgroup was slightly less than 15 hours, but we were already sending her 5 times a week ..."

4 Identified gaps

In our last full childcare sufficiency assessment, we identified gaps in childcare and early education provision that we are continuing to address.

Overall, 29% of parents in Surrey are not using as much childcare as they need to work or train. Parents are dissatisfied with the affordability of childcare. It is the main barrier for all parents, particularly for those on lower incomes. Although parents are generally satisfied with the availability, they would use more childcare and early education if more places were available, particularly sessional settings, including maintained nursery schools and classes, and before and after school care. Working parents would like day nurseries, and before and after school clubs to open earlier and stay open later. Parents of disabled children would use more provision if they knew about it, if it were more affordable and if there was more of it that could cater to their children's special needs.

Over three quarters (78%) of infant, junior and primary schools have access to before and/or after school group settings. All schools in Elmbridge have either provision on site or a pick-up service offered by another group setting. Schools in Tandridge are significantly less likely to have access to before and/or after school group settings. Of the schools that do not have access to before and/or after school group settings, either on site or through a pick-up service, most (86%) have at least one childminder that picks up from the school.

When using free early education, parents often have to consider a range of information and their own preferences before reaching a compromise. While most parents (95%) who access free early education do so at their first choice of provider, 42% are dissatisfied with the choice of free early education sessions offered by providers. Some parents are prevented from taking up the full 15 hours of free early education because of a lack of places. Some settings are not open long enough in the day. Parents would like free early education sessions that are longer. Rising free early education take-up rates and increasing population, pupil yields from planned housing developments, and the increased number of two year olds eligible for free early education mean that there will not be enough childcare and early education places in the future in some parts of the county. These issues are discussed in more detail below and section 5 summarises how we will address the identified gaps.

4.1 Affordability of childcare

Parents are significantly less likely to be using enough childcare to allow them to work or train if either one parent is not working or both parents are not working, their household incomes are less than £45,000 and especially if less than £25,000, and if they live in disadvantaged areas. There is a significant relationship between household income and using enough childcare; as household income increases, so does the likelihood of using enough childcare. Parents report that all types of childcare are too expensive, but this is particularly the case for day nurseries, registered childminders, nursery units of independent schools and holiday playschemes. While parents are generally satisfied with the quality of childcare provision, opening hours and availability, nearly half (41%) are dissatisfied or very dissatisfied with the cost of services.

4.2 Opening hours

Parents would like sessional settings, including maintained nursery schools and classes, to be open for longer hours in the day. It is evident that parents would like free early education to be offered flexibly. Nearly two thirds (62%) of parents of children under three years would like to take up free early education across two, three or four days, while just under a quarter (23%) would like to use it across five days. Parents with household incomes of £45,000 or more would like childminders, sessional settings, nursery units of independent schools and holiday playschemes to be open longer hours. Working parents comment that they would like day nurseries and before and after school clubs to be open longer hours also.

4.3 Childcare for disabled children

The use of childcare is important to parents of disabled children. They need it for more than to allow them to work. These parents want to use services:

- for themselves, to work, to socialise, and for personal identity
- for their disabled child to socialise with children their own age, to find role models, and to build self confidence
- and for the family, to allow siblings wider opportunities.

Parents of disabled children feel that childcare is too expensive and that there is not enough provision that can cater to their children's needs. They would use more before and after school care if it were available or can be coordinated well with specialist schools and transportation. These parents would also use more pre-school provision if it met their children's special needs. They are more likely to be dissatisfied or very dissatisfied with the availability of childcare. Regarding specialist provision, parents of disabled children acknowledge that providing childcare for a variety of disabilities and special needs is difficult due to the different needs of each disability and each child.

4.4 Need for free early education places across Surrey

We consider a wide range of information to identify areas in Surrey with insufficient childcare and early education. We take into account increases in population and planned housing developments, as well as looking at:

- Pre-school childcare density rates
- Early education density rates
- Occupancy rates for sessional pre-school setting (for the PVI and maintained sectors) and day nurseries
- Information about waiting lists for settings offering free early education
- Take-up rates for early education
- Projected need for early education places
- The need for FEET places
- Demographic information
- Relevant information about surrounding areas

For occupancy rates, and early education take-up, we use information from the spring term because settings are generally less busy in the autumn and most busy in the summer term. Information from the spring term is more reliable because it reduces the likelihood of over or under estimation. Using spring term year on year allows us to compare data to monitor change.

We analyse this data at ward level. We also look at where people travel to and from to take up early education. This helps us group wards together in a way that makes sense because ward boundaries do not necessarily define childcare and early education use. We know that people use early education services close to where they live, but sometimes this means crossing ward boundaries. There are 206 wards in Surrey, and we have grouped them into 73 clusters. The identified geographical gaps listed in this report are correct as at 01 September 2015, and use information collected in 2015.

We have identified that for nine of these clusters current provision will not be able to meet future demand for early education. These clusters are:

- Walton North, Walton Central, Walton Ambleside, Walton South, and Hersham North wards in Elmbridge borough (also focused area for development of FEET places)
- Burpham, and Merrow wards in Guildford borough (also focused area for development of FEET places)
- Holmwoods and Beare Green in Mole Valley district
- Horley Central, Horley East, and Horley West wards in Reigate and Banstead borough (also focused area for development of FEET places)
- Bletchingley and Nutfield, Merstham, Redhill East, and Redhill West wards in Reigate and Banstead borough and Tandridge district (also focused area for development of FEET places)
- Chertsey Meads, and Chertsey St Ann's in Runnymede borough
- Addlestone Bourneside, Addlestone North, and Chertsey South and Row Town wards in Runnymede borough
- Byfleet, West Byfleet, and Pyrford wards in Woking borough
- Horsell West, and Horsell East and Woodham wards in Woking borough (also focused area for development of FEET places)

In some clusters, current provision might not be able to meet future demand. These are:

- Molesey North, Molesey South, and Molesey East wards in Elmbridge borough (also focused area for development of FEET places)
- Ashtead Common, Ashtead Village and Ashtead Park in Mole Valley district
- Brockham, Betchworth and Buckland ward in Mole Valley district

- Fetcham East, and Fetcham West wards in Mole Valley district
- Westcott, and Leith Hill wards in Mole Valley district
- Chipstead, Hooley and Woodmansterne ward in Reigate and Banstead borough
- Tattenhams, and Preston wards in Reigate and Banstead borough
- New Haw, and Woodham wards in Runnymede borough
- Ashford East, Ashford Common, and Ashford Town wards in Spelthorne borough (also focused area for development of FEET places)
- Laleham and Shepperton Green, Shepperton Town, Halliford and Sunbury West, Sunbury East, and Sunbury Common wards in Spelthorne borough (also focused area for development of FEET places)
- Bisley, and West End wards in Surrey Heath borough (also focused area for development of FEET places)
- Parkside, and Heatherside wards in Surrey Heath borough
- Godstone ward in Tandridge district (also focused area for development of FEET places)
- Maybury and Sheerwater, Mount Hermon East, Mount Hermon West, Old Woking, Kingfield and Westfield, Mayford and Sutton Green wards in Woking borough (also focused area for development of FEET places)

We also identified the following areas where take up of FEET is low:

- Ash Vale, Ash Wharf, Ash South and Tongham wards in Guildford borough
- Reigate Hill and Reigate Central wards in Reigate and Banstead borough
- Thorpe, Egham Hythe wards in Runnymede borough
- Stanwell North, Ashford North and Stanwell South wards in Spelthorne borough

5 Next steps and recommendations

Since the last CSA, we have supported the development of childcare and early education places in areas where this was needed. We continuously monitor the market and the take-up of childcare and early education services to measure the sufficiency and accessibility of provision. Over the coming year, we will continue to address the need for more early education places and other issues identified in section 4.

5.1 Affordability of childcare

To improve parents' and carers' access to childcare services we will:

- Support settings registered to offer free early education to do this flexibly so that families can use the full 15 hours across two, three, or four days and fewer families pay for additional hours.
- Promote national childcare voucher scheme to settings through EYCS delivery channels and improvement advisors so that more settings are registered to accept childcare vouchers and more parents are aware and use them.
- Promote free early education for two, three and four year olds, highlighting the opportunities to access free early education flexibly so that more parents are aware of how they can take up free early education.
- Continue to promote ways parents can reduce childcare costs including national and local schemes so that more parents and carers can access childcare.

5.2 Opening hours

To help parents and carers access childcare services when they need it, we will:

- Encourage and help maintained schools that offer free early education in nursery classes to offer it flexibly so that they are a real option to parents and carers.

- Provide sound business advice to settings regarding sustainability when considering increasing opening hours so that more settings are open for the hours that parents and carers need them.

5.3 Childcare for disabled children

To help parents of disabled children access the childcare services they need, we will:

- Promote the support and funding we offer to settings to help them cater for disabled children (including 15 hours funding) so that more settings are confident in catering for them.
- Promote to parents mainstream settings that have experience with special needs and disabilities, as well as specialist schemes, and other support available to them through Childcare Finder, EYCS Early Support Service, and the local offer so that parents and carers feel more informed and are able to access the childcare services they need.

5.4 Need for free early education places across Surrey

To make sure there are enough free early education places across Surrey, we will:

- Use capital strategy funding to develop free early education places in the maintained and PVI sector
- Develop places in the maintained and PVI sector in the clusters that have been identified with a projected shortfall of places (see section 4.4).

Annex A: Progress made in areas where there was a need identified for more free early education places

The following tables summarise progress made in areas identified in the 2014 assessment where provision is not sufficient to meet future demand for early education. Of the nine clusters identified as not being able to meet future demand for early education in 2014, three of these are now assessed as offering sufficient provision, two of these areas have been assessed as at lower risk, and for four of these areas, their status has not changed.

Table 1 Areas identified in the 2014 CSA as not being able to meet future demand for early education now with sufficient provision

Ward cluster	Activity, issues and how the area is identified in 2015 CSA update
Westborough, Stoughton, Stoke	We supported the development of two pre-school playgroups in this cluster, offering a total of 42 places. Population projections have decreased for this ward cluster and the projected deficit has decreased considerably since 2014. There is now sufficient provision in this area.
South Park and Woodhatch, Earlswood and Whitebushes, Meadvale and St. John's	One pre-school playgroup closed, offering 24 places, due to premises issues, but we supported a move to alternative premises, and an extended service delivery. The setting now offers longer hours of care and 26 places. Population projections have decreased for this ward cluster and new calculations show that there is sufficient provision.
Thorpe, Egham Hythe	We supported the development of one extended day pre-school playgroup which now offers 30 additional places. Population projections have decreased for this ward cluster. There is now sufficient provision.

Table 2 Areas identified in the 2014 CSA as not being able to meet future demand for early education now identified as possibly not being able to meet future demand (lower priority)

Ward cluster	Activity, issues and how the area is identified in 2015 CSA update
Molesey North, Molesey South, Molesey East	We supported one provider to move premises and increase the number of childcare and early education places offered. One pre-school playgroup which was identified as closed is in fact still open. Take up rates and occupancy rates are being monitored.
New Haw, Woodham	Although one workplace nursery has closed, this will not greatly impact on families using local provision. There is a projected deficit for places but there is capacity in current provision.

Table 3 Areas identified in the 2014 CSA as not being able to meet future demand for early education with no change in status in 2015 update

Ward cluster	Activity, issues and how the area is identified in 2015 CSA update
Burpham, Merrow	There have been no additional places created in this cluster and no closures. There is a projected deficit of places. The take up rate for FEET is low for this area.
Bletchingley and Nutfield, Merstham, Redhill East and Redhill West	One day nursery has opened, offering 136 places, in Redhill. However, this does not close the gap on its own. Additional places in different types of provision are needed. Take up rates for FEET are low. Current provision in the area will not meet future demand.
Chertsey South and Row Town, Addlestone Bourneside, Addlestone North	We supported a provider to set up an extended day pre-school playgroup which offers 33 places. However, we are still projecting a deficit in early education places.
Byfleet, West Byfleet, Pyrford	One pre-school playgroup has closed and one extended day pre-school playgroup has re-registered and no longer offers free early education places. There is a projected deficit of places.