

Report of Director of Children and Families

Report to Executive Board

Date: 10th February 2021

Subject: Covid-19 and the Early Years Sector



Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- All childcare providers were required to close between 23 March and 1 June (other than for vulnerable and key worker children)
- Demand for childcare since 1 June has been varied throughout the city, with the majority of settings seeing a reduced demand and / or capacity to provide due to restrictions
- Nationally and locally, the childcare sector faces financial challenges due to increased costs and reduced private fee income
- Nationally and locally, the childcare sector continue to raise concern that the national focus on children and learning does not include childcare, leaving the sector feeling overlooked and unsupported

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The childcare sector in Leeds is instrumental in supporting the delivery of the ambitions, outcomes and priorities for the City as set out in the Best Council Plan.
- Sufficient and affordable childcare is fundamental to ensuring that parents are able to work, with the sector also providing employment opportunities directly in the city's registered childcare settings.

- Early learning opportunities provided in childcare settings support all children to be ready for learning, with developed language and communication skills – the key to ensuring they attend, attain and achieve and go on to engage in employment and make a positive contribution to the economy in Leeds.

3. Resource Implications

- To date the funding received under the Dedicated Schools Grant (DSG) Early Years block has been based on the January 2020 census and so there has been no reduction in DSG income received by the Local Authority (LA) due to Covid-19. The DfE adjusted the funding methodology to all LAs for Autumn 2020 to ensure that LAs were able to fund providers 'as though Covid hadn't occurred' ie – funding providers for hours according to 'normal' attendance levels rather than actual attendance levels which for some settings were negatively impacted by Covid-19.
- Childcare providers in receipt of Free Early Education Entitlement (FEEE) DSG funding saw no reduction in their FEEE grant income in the summer term, and a maximum of 5% reduction in autumn term under the funding approach taken by the LA.
- £45k Early Years block DSG funding was used to provide a PPE starter kit to all providers when they reopened.
- Little Owls settings (LCC) have seen a fall in private fee income, and it is reported that this is the case throughout the sector. The private fee income at Little Owls settings is currently down to 37% of last year's average monthly income although it increased to 60% of 2019 average income in the autumn term before the second lockdown.
- Under the existing funding methodology prescribed by the DfE, the Local Authority will be funded for Spring term 2021 based on the number of children attending settings during week commencing 18 January 2021. Low attendance during this time due to parental confidence, staffing restrictions limiting places or setting closures means the Local Authority anticipates a reduction in the annual DSG Early Years block allocation to Leeds for 2021/22
- The DfE decision to fund providers in Spring 2021 based on attendance only means that some settings will see a significant reduction in income, due to children not attending over census week (w/c 18 January). This may lead to permanent setting closures where businesses are no longer sustainable, leading to sufficiency issues locally.

Recommendations

That Executive Board note that:

- a) The childcare sector has faced significant challenges during the Covid-19 pandemic – in relation to finances, demand for places and the ability to provide the stimulating learning environment providers aspire to due to the safety measures, restrictions, guidance and advice in place.
- b) There is concern both nationally and locally that the childcare market disruption is likely to have ongoing and long term impacts on the sector, with regard to parental engagement with childcare and early learning, the sustainability of childcare provider businesses and subsequently the sufficiency of early learning and childcare places

- c) The Local Authority continues to support the sector through ongoing communication and advice, amending funding approaches wherever possible in line with DfE advice to offer financial support to providers
- d) The Local Authority will continue to lobby and advocate for the sector with regard to the need for adequate funding, in recognition of the crucial importance of the sector for children’s development and as a key plank of the economy.
- e) The Local Authority will continue to lobby and advocate for the sector with regard to being recognised and included in Covid 19 recovery plans; e.g. staff being included within priority groups for vaccinations, access to adequate PPE and timely communication from central government to the sector.

1. Purpose of this report

- 1.1 The purpose of the report is to give an overview of the Early Years sector in Leeds, within the context of the pandemic and the challenges this has presented.

2. Background information

- 2.1 In Leeds there are currently 1337 active childcare registrations with Ofsted. The breakdown by childcare provider type registered with Ofsted is as follows:

Provider Type	Number of Ofsted registrations
Childminder	715
Children’s Centre	29
Creche	3
Day Nursery	188
School Nursery	147
Out of School Club	154
Playgroup	26
Playscheme (holiday provision)	75

Childcare is a very broad and varied sector, including those supporting children throughout the Early Years, those offering childcare as a wrap-around offer to the usual school day for school aged children (Out of School Clubs or OOSC) and those providing holiday clubs outside term time.

The Local Authority has statutory functions in relation to the sector, including funding and payments for Funded Early Education Entitlement (FEEE), ensuring the sufficiency of places across all types of childcare and supporting the moderation of learning assessments at the end of the early years’ foundation stage (EYFS).

- 2.2 Based on data provided by Childminder’s, playgroups, Children’s Centres, Creches, nurseries and school nurseries, there were on average over 19,700 children attending a Leeds early years’ childcare provision each week in December 2020.
- 2.3 FEEE is paid to providers where they have children attending the setting who are eligible to receive the government funded hours. Vulnerable 2 year olds are eligible

for up to 15 hours funded childcare, with eligibility criteria set by the DfE. There is a universal offer for all children aged 3 & 4 to access 15 hours of funded childcare, and parents who are in work may be eligible for a further 15 hours (up to 30hrs total).

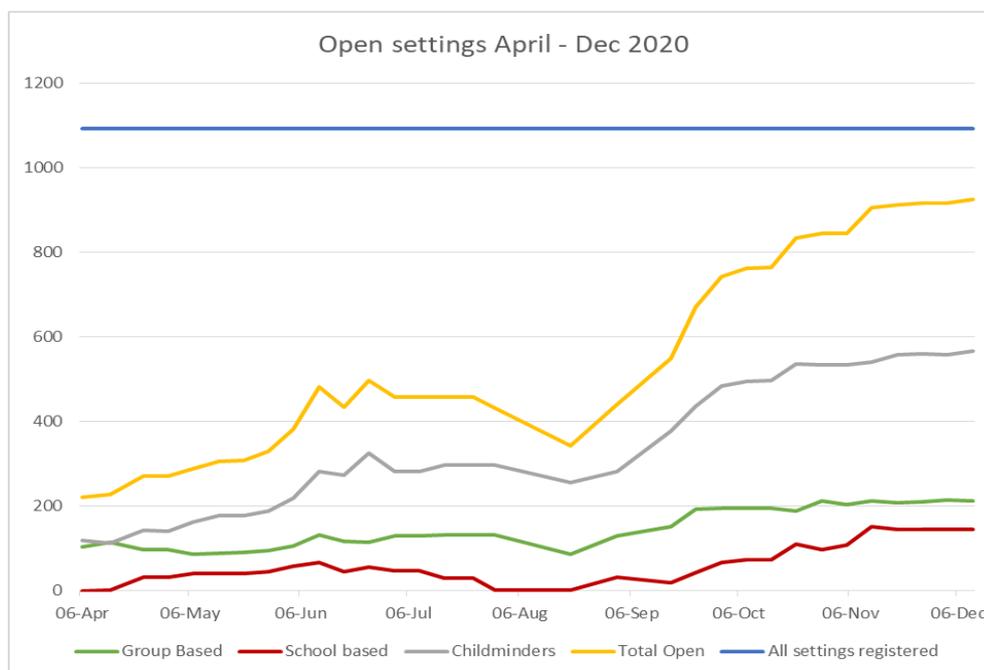
- 2.4 High quality early years' provision is crucial for the well-being, learning and development of our young children. Early years settings can play a vital role in the early identification of children's individual needs and the implementation of a high quality early years' curriculum which is essential for raising attainment and narrowing the inequalities gap.
- 2.5 Quality early years' provision is also a key plank of the economy, both as an employer of staff and as a provider of childcare. Any lack of sufficient childcare places has a significant impact on working and training parents. It would particularly affect the career opportunities of women - both as mothers who rely on childcare and as women working in this female dominated sector.
- 2.6 The introduction of government funded hours for children aged 2, 3 and 4 has been widely reported to have had a significant impact on the childcare sector nationally. The DfE provide funding for the early education of eligible children, while childcare settings often provide a broader offer. This has led to underfunding for many providers when the rates paid by the government are compared to the average hourly rate set by providers, with providers expressing concerns about finances for many years. The independent early years research analysts, [Ceeda](#), found that the early years sector faced a £662m funding gap in the 2019/20 financial year – they report that there was a 37% funding gap for two-year-old places and a 20% gap for three and four-year-old places.
- 2.7 Providers have multiple and varied business models in place to ensure sustainability. Childcare provider income is usually a combination of DfE funding (for eligible 2, 3 and 4 year olds) plus private fees paid by parents. These private fees cover those children not eligible for funded hours, (0-2 year olds. 2-4s not eligible for funding or for hours above the funded offer), and services not paid for by FEEE (such as meals and consumables, activities and any offer outside the requirements of the EYFS).

3. Main issues

- 3.1 When national lockdown was first announced for 23 March 2020, childcare providers were advised that they must close to all but vulnerable children or children of key workers who needed access to childcare to enable them to work. The sector responded quickly with some settings closing completely, and others committing to remain open as long as possible after putting Covid restrictions in place.
- 3.2 All providers were advised that they would continue to receive their usual monthly FEEE income from the Local Authority, regardless of whether they were open with only a few children or fully closed. Payments were made based on the estimates providers had submitted to the Local Authority in March prior to any Covid restrictions being introduced. This decision was taken to ensure providers had consistent FEEE income for the summer term – guaranteeing equal payments in April, May, June, July and August to allow providers to plan and was in line with DfE guidance on how the FEEE funding should be used.
- 3.3 Leeds City Council lettings were suspended between April and the end of August, with no payments required and this offered additional financial relief for those private childcare providers with an LCC letting. Any setting who was able to remain

open could request that the let remained active and the agreement and rent were then reinstated.

- 3.4 The DfE requested weekly returns from the Local Authority commencing in April to indicate the number of settings open / closed. The summary below shows that there has been a steady increase in the number of settings reporting that they are open.



- 3.5 Anecdotally, providers reported that take-up of places in the June – September period were significantly down on usual, with many open settings reporting around 30% occupancy.
- 3.6 13 of the 29 Leeds City Council Little Owls settings (childcare in Children’s Centres) remained open as ‘hub’ sites during lockdown, ensuring that all children who needed to attend a setting were able to do so. Little Owls staff were redeployed across the hubs and were also able to support Leeds Teaching Hospital Trust Nursery with staffing to ensure they could remain open for the children of NHS workers.
- 3.7 The DfE prescribed that the LA were able to use the DSG Early Years block (FEEE funding) to support settings to open where any vulnerable or key worker child was struggling to secure childcare. In Leeds, this provision was not required, as there were no identified unmet childcare needs. The majority of parents kept their children at home, until the childcare sector was able to reopen to all children from 1 June 2020.
- 3.8 During the period March – July, multiple guidance documents were being published by the DfE for the childcare sector. The Early Years Learning Improvement Team and Family Information Service sought to keep providers updated by sharing regular news items with all registered childcare providers, interpreting and clarifying key messages for all providers.
- 3.9 Initial indications to the sector from the DfE confirmed that LAs were able to fund FEEE ‘as normal’ regardless of the number of children attending settings. It was also confirmed that childcare businesses would also be supported by access to the Coronavirus Job Retention Scheme (CRJS or ‘furlough’). Two days prior to the launch of the application portal for CRJS, the DfE clarified that furlough and FEEE

funding could not be claimed at the same time to cover the same costs. There was a significant amount of concern and anguish across the sector as providers had used the previous guidance to plan their budgets and staffing arrangements. Support was offered to providers to review their planning and costs so that they could make appropriate claims from CRJS, however there is currently no targeted offer of formal business support to the childcare sector in Leeds.

- 3.10 The Early Years Alliance has estimated that nationally 1 in 4 providers may cease to trade as a result of the pandemic. Locally, we have not been made aware of this level of permanent closures, however we do know that Out of School providers in particular are struggling financially as they are not in receipt of any FEEE funding and reduced demand due to changing working patterns of parents and school and bubble closures have led to significant loss of income.
- 3.11 Childcare providers working from non-domestic premises were able to apply for a grant under the local discretionary grant funding, which aimed to support those with loss of income with ongoing fixed property costs. A total of 59 settings were successful in the grant process, receiving a total of £539k upto December 2020.
- 3.12 As the first lockdown eased and settings began to reopen on a wider scale, a PPE initiative was developed, funded through the Early Years DSG block, to provide a funded PPE starter kit (gloves, masks, sanitiser, wipes, aprons) to all settings at the point of reopening.
- 3.13 In line with the DfE guidance to fund providers in the Autumn term 'as though Covid had not happened' Leeds City Council offered all FEEE childcare providers a minimum funding guarantee, so that their Autumn income from FEEE paid for the number of children they had attending their setting or 95% of their Autumn 2019 income, whichever was higher. This was offered to provide some stability to settings who were reporting a reduction in the number of children taking up their place, and in particular, a reduction in the number of 'new' children joining settings to replace those who had left to start school in September.
- 3.14 Throughout this time, providers – both nationally and locally - continued to report that they feel they are the 'forgotten sector', being unable to access some of the funding support offered to schools and other learning settings, and receiving guidance documents from the DfE at the last minute prior to reopening. In particular, the out of school clubs and holiday schemes found it a huge challenge to receive guidance only days prior to the end of the school term in July, meaning many were unable to open as they had been unable to plan and secure appropriate staffing. The guidance was crucial as it outlined the DfE requirements for safe opening, detailing the arrangements for restricted group sizes, staffing levels and permitted activities. Until this guidance was released, holiday and out of school clubs had not been permitted to open. Furthermore, early years' settings have not been able to access funding made available to schools, such as funding to pay for additional cleaning or staffing required.
- 3.15 In addition to the responsive phone support service for all providers from the Early Years Learning Improvement Team Consultants, Bronze Childcare meetings were established in May. This has provided childminders, daycare settings and out of school clubs the opportunity to meet with council officers to discuss the issues and challenges they've faced. These have been held 3 weekly and have informed the support and information provided to all settings across the city.
- 3.16 Zoom meetings have also been held regularly, with all registered childcare providers invited to attend. These have been well attended and proved very popular, enabling all early years' providers to meet together virtually and hear key

messages from the Lead Member and the Director of Children and Families. Providers have reported that they have felt that this has given them a voice and that they have felt listened to locally.

- 3.17 When national restrictions were confirmed on 4 January 2021 with schools closing to the majority of pupils, early years and childcare settings were advised they were able to stay open. The DfE then issued further guidance that early years and childcare settings should remain open and have repeated their intention that providers should only be funded for the children they have in attendance, and that the funding protection / support offered in Summer and Autumn 2020 should not be applied in the Spring term.
- 3.18 In addition to the challenges around funding, settings have been advised by the DfE and the Competition and Markets Authority that they are unable to charge parents when a service cannot be provided. This means that where any setting is required to close due to staffing restrictions or where there has been a positive case reported in the setting, the setting loses their private fee income. In addition, the guidance indicates that where children are obliged to self-isolate at home, settings should also ensure they do not charge parents while the child is absent. This has a significant financial impact on childcare provider income.
- 3.19 The decision to fully open early years settings, while schools are only open to the children of critical workers and vulnerable children, has raised concerns for many early years' providers about the safety of their staff and children.
- 3.20 Many have suggested that early years' staff should be prioritised along with school staff for vaccinations and also have access to rapid testing. At present, early years' staff are not included in the plans for asymptomatic testing, although school based early years staff would be included in the school testing plans.
- 3.21 Although childcare is deemed to be a critical / key worker role, a number of settings are currently facing staffing challenges as some staff members have been unable to secure key worker places in school for their own children, meaning they are unable to attend work.

3.22 Recurring themes and concerns

Childcare providers have requested support and advice on a number of recurring themes. These are summarised below.

- 3.22.1 The DfE Safe Opening guidance for childcare (May 2020) instructed that children needed to be kept in small, consistent groups or "bubbles" of up to 15 in order to reduce the risk of infection between different groups of children. Staffing within these bubbles was to be consistent to prevent infection across rooms. This presented a huge challenge for settings as staff often have multiple roles and work across different rooms with various groups of children throughout the day. Managing staff breaks and any absence is very difficult under these restrictions as staff are not able to work flexibly across the setting. Having a limit of 15 within each room impacted on the numbers of children that the setting can accommodate and has resulted in reduced income for many providers. However, despite this, there has been little evidence of parents struggling to secure the childcare they have needed which providers believe is due to parents working from home, being furloughed or changing their working patterns. Under the January 2021 guidance, early years providers are no longer required to maintain "bubbles" of 15 children, however they are obliged to undertake their own risk assessments and ensure they are minimising mixing wherever possible. The guidance issued in Summer 2020 is often referred to by childcare providers and

informs their approach and assessments on how to minimise the risk of transmission. This is further influenced by the January 2021 DfE guidance for those caring for over 5s or any children in holiday, after school clubs and other out of school settings which continues to refer to small consistent bubbles of 15 wherever possible and avoiding mixing of groups unless absolutely necessary, as a means of preventing transmission.

- 3.22.2 The guidance for early years' settings in May 2020 advised practitioners to remove all soft furnishings and any toys and resources that could not be easily and regularly cleaned. This presented settings with many dilemmas as they strived to keep the setting hygienic and safe, but also comfortable and stimulating. At a time when many children were experiencing uncertainty and anxiety, providers felt it was important to provide a warm, welcoming environment, which was difficult without rugs, cushions etc. Malleable materials such as play dough and sand are a staple part of early years' provision, providing learning opportunities to develop fine motor control, speech and language and social skills. Settings were not able to offer these experiences and many other activities, meaning that provision was limited and not as rich as usual. Additional cleaning and rotating of resources has been an additional burden for settings and has taken up large amounts of staff time and capacity. Settings have raised concern about the financial impact of this, and their view that there is a lack of central government support when compared to schools who have had access to additional Covid-19 related funding or resources to support things such as staffing, cleaning requirements and PPE. The current (January 2021) guidance for early years settings does not require that settings remove soft furnishings, toys and resources that cannot be easily cleaned, however settings continue to refer to the May 2020 guidance when undertaking their risk assessments given the increases in transmission rates and the current national restrictions in place.
- 3.22.3 Staff in settings have needed to be incredibly vigilant in looking out for any symptoms of Covid-19 in the children in their care. This has been made more difficult because of the many childhood coughs, colds and illnesses that young children often present with. In addition, many young children have immunisations during their time in a pre-school setting which can result in a child feeling unwell afterwards. All of these things have contributed to very challenging situations for staff who have needed to make difficult decisions about whether a child needs to isolate and be tested. Lack of clarity in the government guidance – such as advising settings they may not always need to exclude for a temperature and should instead assess whether the temperature might be Covid related or just a response to immunisations or teething - has not supported settings in their decisions and this has sometimes resulted in challenge and dissatisfaction from parents.
- 3.22.4 Childminders provide childcare from the family home. This situation has presented its own unique challenges during the pandemic. Many childminders had concerns about the risk they were introducing to their own families by continuing to provide childcare from their homes. Additional risk assessments, hygiene and cleaning routines at the end of an already long day, have meant extended working hours for many childminders. Restrictions on mixing with others have resulted in childminders feeling lonely and isolated, without any adult contact with others. Self-isolation of family members has been particularly problematic for this sector, and has often resulted in the setting having to close for a period of time. Any symptomatic children in the setting would also mean the setting would have to close.

- 3.22.5 To support working families and providers offering wrap around childcare such as childminders, guidance allowed childminders to care for children from across different bubbles in schools, however there was contradictory guidance in schools which was explicit that bubbles should not mix, which caused concern and some challenges between schools and childminders.
- 3.22.6 Out of school settings were not initially allowed to open at all in the early stages of the lockdown period. Many school settings provided extended care at the beginning and end of the day for working parents instead. When out of school settings were able to re-open at the end of July 2020, the guidance restricted groups to a consistent bubble of 15 and also specified that these should reflect the bubbles that children were in during the school day. The sector has reported significant staffing and financial challenges. Out of school settings working on a school site or in community buildings were dependant on the decisions of those leasing the buildings to them, and for some this meant they could not re-open. Unlike day care settings, out of school settings do not receive DSG FEEE funding due to the age of the children, meaning when closed, they did not receive any income. Similarly, where their numbers have fallen, they do not benefit from funding guarantees.
- 3.22.7 All childcare settings have faced a number of challenges during the period since March 2020. The development and maintenance of consistent “bubbles” helps to reduce risk and transmission within the setting, but brings with it a range of issues. Covering staff breaks or absences, when practitioners are not able to work across different groups has been problematic, and has sometimes resulted in the need for additional staff recruitment. Reduced provision, due to the removal of soft furnishings, resources and malleable materials, has caused concern, as providers feel this has resulted in limited learning experiences for children. Settings have needed to approach transitions differently for children and parents, as visitors have not been able to enter settings. Settling new children has been more challenging for staff to manage, and many have had to use virtual and online methods to introduce children and parents to the setting. Additional cleaning and hygiene measure are taking up large amounts of staff time throughout the day. This, along with less flexible staff deployment, has resulted in some settings needing to offer reduced hours to families. The collapsing of bubbles for 14 days where there were positive cases, had significant financial implications for settings, staff and parents, especially where this has happened a number of times.
- 3.22.8 In the summer, the Competition and Markets Authority wrote an open letter to the Early Years sector to outline that settings should be “reasonable and fair” when considering their charging policies where settings or bubbles close, or where children are required to self-isolate, outlining that settings should not charge parents where the child is unable to attend the setting for any of the above reasons. This message has been repeated in a communication from the DfE to all Local Authorities in December where they have confirmed the view that “if there is a barrier to accessing childcare, based on government guidance or the law, the provider should not charge the consumer for this period”. This causes huge concerns for the childcare sector, who have limited ability to cover their ongoing business costs where children are self-isolating or bubbles are closed.
- 3.22.9 Early Years providers have asked the Local Authority for support in ensuring that staff are prioritised where possible for the Covid-19 vaccine. The concerns raised include that it is widely acknowledged that social distancing is not possible in an early years setting and that early years’ staff are advised not to wear PPE. While

many practitioners agree that this is the right thing to do in order to care for babies and young children some have reported feeling concerned at the risk of infection despite government guidance and maximum health and safety measures being in place. While they are being advised to remain open and caring for children, early years' staff would like to be included, alongside school staff, in any prioritisation for the vaccine.

- 3.22.10 The announcement of closure of schools to all but key workers and vulnerable children in January 2021, including primary schools, raised significant concern across the early years' sector both locally and nationally. Some providers and national early years' groups have expressed concern about the decision to keep early years' settings open while closing primary schools to the majority of pupils despite the DfE having confirmed that the decision to keep early years settings open is due to the evidence that young children (under 11) are not 'super spreaders'. The funding position confirmed by the government is that FEEE funding will only be paid where settings are open for children this has created additional concern for some providers.
- 3.22.11 Many of the restrictions on group sizes, resources and equipment that can be used in Early Years settings were formally relaxed when providers were able to commence reopening in June 2020. However, providers continue to be advised that they must risk assess and minimise the risk of transmission as far as possible. When the January 2021 lockdown restrictions were announced, including the closure of schools to the majority of pupils, many providers returned to the guidance from the last national lockdown as they perceive this to be appropriate guidance in place to minimise the risk of transmission.

3.23 2021 and onwards

A national research project is currently looking at the impact of coronavirus on early years' childcare provision in the UK. A team from the universities of Leeds and Bristol are exploring how Covid-19 is reshaping early years' childcare. The 16-month research project will explore many of the issues and challenges that settings have experienced in Leeds. These include the sustainability of childcare provision and the importance of this for working families, the role of informal childcare provision and the impact of this on registered providers and also the safety of childcare environments. Leeds settings were invited to contribute to the research.

- 3.18 In early years' settings the focus has been, and continues to be, on effectively managing each day with all of the challenges and uncertainties it brings. Leaders and staff are being physically and emotionally stretched and are functioning on a day-to-day basis. Consequently, professional development, training and setting improvement are not high on the agenda in most settings at present. Whilst training is being developed and delivered to meet current needs, take up is low, and settings are unable to release staff.
- 3.19 The autumn spending review confirmed £44m additional funding for FEEE in the 2021/22 financial year. This provides an £0.08 increase on the rate paid to the LA for 2 year olds, and £0.06 increase on the rate paid to the LA for 3 and 4 year olds. A consultation with all childcare providers is being undertaken early in the Spring term and the funding rates for Leeds providers will be confirmed in March following this period of consultation.
- 3.20 Improving outcomes for our early years; children remains a priority. Focussed improvement programmes (part of the 3As strategy) are in place to support settings to raise attainment in key areas such as Communication and Language, Literacy and Maths. The Covid-19 situation has impacted on engagement and involvement

with these programmes however we continue to work with those settings that have capacity to take part and plan to support the sector more widely as the situation improves.

- 3.21 The CRJS and current business rates relief is expected to end on 31 March and providers who have relied on the CRJS to offset loss of private fee income have shared concerns about the impact this will have on them financially if the Covid safety restrictions plus the demand for childcare remain as they currently are.
- 3.22 There is also significant concern across the sector about the disruption to the market and the potential that childcare demand is unlikely to return to pre-Covid levels due to the changing working patterns and increase in parents working from home, meaning they need fewer hours childcare.

4 Corporate considerations

4.1 Consultation and engagement

Providers have been supported by the Early Years Learning Improvement Team, Family Information Service and Early Help service to ensure that there is a continuous communication route with the Local Authority for seeking support, advice and providing feedback. The Bronze groups are expected to continue for the foreseeable future, and the success of the regular all provider zoom meetings mean they are expected to become a regular method of communication between the Early Years sector and the Local Authority.

4.2 Equality and diversity / cohesion and integration

This report is for information only. It is recognised that the childcare sector supports all parents, but is often seen to provide essential childcare which allows mothers to return to work following maternity leave. In addition, the sector is, both locally and nationally, a female dominant workforce.

4.3 Council policies and the Best Council Plan

- 4.3.1 The childcare sector in Leeds is instrumental in supporting the delivery of the ambitions, outcomes and priorities for the City as set out in the Best Council Plan.

Sufficient and affordable childcare is fundamental to ensuring that parents are able to work, while the early learning opportunities provided in childcare settings support all children to be ready for learning, with developed language and communication skills – the key to ensuring they attend, attain and achieve and go on to engage in employment and make a positive contribution to the economy in Leeds.

The childcare sector also provides many employment opportunities throughout the city in the 1000+ registered childcare settings.

- 4.3.2 Climate Emergency

Our sufficiency duty ensures that parents are able to access local provision without having to travel unnecessarily to access childcare.

4.4 Resources, procurement and value for money

- 4.4.1 To date the funding received under the DSG Early Years block has been based on the January 2020 census and so there has been no reduction in DSG income received due to Covid-19, with an adjustment made by the DfE to the funding methodology to support the Autumn 2020 payments 'as though Covid hadn't occurred'.
- 4.4.2 Childcare providers in receipt of Free Early Education Entitlement (FEEE) DSG funding saw no reduction in their FEEE grant income in the summer term, and a maximum of 5% reduction in autumn term under the funding approach taken by the LA.
- 4.4.3 DSG income was used to provide a PPE starter kit to all providers when they reopened.
- 4.4.4 Little Owls settings (LCC) have seen a fall in private fees income, and it is expected that this is replicated throughout the sector. The private fee income at Little Owls settings is currently down to 37% of last year's average monthly income although it increased to 60% of 2019 average income in the autumn term before the second lockdown.
- 4.4.5 Under the existing funding methodology prescribed by the DfE, the Local Authority anticipates a reduction in the annual DSG Early Years block allocation to Leeds for the 2021/22 financial year due to the impact of the national restrictions in place during census week (w.c 18 January 2021) which determines the Local Authority DSG allocation for the financial year.

4.5 Legal implications, access to information, and call-in

- 4.5.1 This report is for information only and as such there are no legal implications.

4.6 Risk management

- 4.6.1 This report is for information only and as such is not subject to risk management.
- 4.6.2 The Local Authority continues to have a duty to ensure the sufficiency of childcare across the city and continues to monitor the market as we progress through the pandemic. The annual Childcare Sufficiency Assessment will be completed by Easter 2021 and will identify any gaps in sufficiency in the market, with the risks being managed and mitigated where possible.

5 Conclusions

- 5.1 Early Years education and childcare providers have faced, and continue to face, significant challenges due to the Covid-19 pandemic.
- 5.2 The varied nature of the sector means that different providers each face their own challenges, however there are common themes and concerns being shared regularly with officers in the Council in relation to staffing, finances, providing the best care and learning environment possible for the children, Covid-19 related safety and ensuring that appropriate risk assessments are in place to protect both children, families and staff.
- 5.3 The Local Authority is working with all early years providers in the city to ensure there is open communication and on demand advice and support available universally.

6 Recommendations

That Executive Board note that:

- a. The childcare sector has faced significant challenges during the Covid-19 pandemic – in relation to finances, demand for places and the ability to provide the stimulating learning environment providers aspire to due to the safety measures, restrictions, guidance and advice in place.
- b. There is concern both nationally and locally that the childcare market disruption is likely to have ongoing and long term impacts on the sector, with regard to parental engagement with childcare and early learning, the sustainability of childcare provider businesses and subsequently the sufficiency of early learning and childcare places
- c. The Local Authority continues to support the sector through ongoing communication and advice, amending funding approaches wherever possible in line with DfE advice to offer financial support to providers
- d. The Local Authority will continue to lobby and advocate for the sector with regard to the need for adequate funding, in recognition of the crucial importance of the sector for children’s development and as a key plank of the economy.
- e. The Local Authority will continue to lobby and advocate for the sector with regard to being recognised and included in Covid 19 recovery plans; e.g. staff being included within priority groups for vaccinations, access to adequate PPE and timely communication from central government to the sector.

7 Background documents¹

None

¹ The background documents listed in this section are available to download from the council’s website, unless they contain confidential or exempt information. The list of background documents does not include published works.