



London Borough of Bromley

Childcare Sufficiency

Assessment

April 2021

hempsall's

We've been working to provide equal chances, challenge disadvantage and promote best practice in services for children and families since 1999

Contents

1	Introduction	3
1.2	Childcare Sufficiency Assessment during COVID-19	3
2	Childcare sufficiency risk assessment	4
2.2	Background	4
2.3	Supporting the sector during lockdown and recovery	5
2.4	Childcare sufficiency in the context of COVID-19	6
2.5	Sufficiency Risk Analysis	6
2.6	Short- to medium-term risk mitigation strategies	6
2.7	In the longer term	7
2.8	Other sufficiency considerations	7
2.9	TABLE 1. Recommended actions	10
3	Bromley in context	14
3.1	Population	14
3.2	The economy in Bromley	17
3.3	Industry	19
3.4	New homes developments	20
4	Overview of the market in Bromley	22
4.2	Changes since 2019	25
4.3	Childcare ratios	25
4.4	Fees charged	27
4.5	Availability of provision	28
4.6	Out of school and holiday provision	28
4.7	Quality of provision	29
4.8	Take-up of the early years entitlements	31
5	Bromley provider audit	33
5.3	Demand in spring term 2021	33
5.4	Demand for summer term 2021	36
5.5	Percentage of income derived from funded hours	36
5.6	Changes to delivery models	37
5.8	Access to financial support	39
5.9	Held financial reserves	41
5.10	Local authority support	42
5.12	Business sustainability	43
5.13	Additional comments around future business plans	44

1 Introduction

1.1.1 The Childcare Act (2006) requires local authorities in England to ensure a sufficiency of childcare for working parents, parents studying or training, and for disabled children. Childcare sufficiency relates to the provision of registered childcare for children aged 0-14 years old, and up to 18 years old for disabled children and children with additional needs.

1.1.2 The duties in the Act (section 6) require local authorities to shape and support the development of childcare in their area in order to make it flexible, sustainable and responsive to the needs of the community. This role is described as a market management function; supporting the sector to meet the needs of parents, children and young people, parents and stakeholders.

1.1.3 Under section 6 of the Act there is a requirement on local authorities to produce an annual sufficiency report on the availability and sufficiency of childcare in their area, collecting and publishing information on the supply of provision and demand for childcare. Statutory guidance provides clear indication of what must be included in the annual review.

1.1.4 Section 7 requires local authorities to secure prescribed early years provision free of charge. This provision is for children aged 2, 3 and 4 years of age. Two-year-old children whose families meet eligibility criteria are legally entitled to free early years provision, and all three- and four-year-olds.

1.1.5 With the COVID-19 pandemic, childcare sufficiency assessment needs to be considered from a different perspective.

1.2 Childcare Sufficiency Assessment during COVID-19

1.2.1 The London Borough of Bromley commissioned Hemsall's to support a Childcare Sufficiency Assessment report (CSA), with a specific focus on how COVID-19 has impacted on the market and support the local authority to consider COVID-19 recovery planning requirements.

Key elements

1.2.3 Hemsall's support contained the following elements:

- Desk research – to establish populations and trends and the local economy to provide a context for the CSA.
- An assessment of the supply of early years and childcare provision across the borough, to provide an overview of capacity and type of provision to act as a baseline for future supply trend analysis.
- A snapshot survey of all registered early years and childcare providers to assess the impact of COVID-19 on the market.
- Analysis of take-up of the early years entitlements to establish trends and take-up patterns.
- Consultation with local authority (LA) officers.
- Findings and recommendations based on an assessment of risk.

2 Childcare sufficiency risk assessment

2.1 Sufficiency of childcare has not been an issue in the current environment. Demand for childcare decreased from the start of the national lockdown in March 2020, and remained lower than previous levels throughout the remainder of the year and in to spring term 2021, whilst the number of childcare settings remained relatively unchanged. The focus in the current environment (coming out of the national lockdown) is on assessing the potential risks to the early years and childcare market, the support that has been put in place by Bromley's early years team, and identifying strategies to manage the childcare market moving forwards.

2.2 Background

2.2.1 As England entered lockdown on 23 March 2020, in response to the COVID-19 pandemic, the childcare market (along with all elements of daily life in the UK) entered new and uncharted territory. This meant local authorities needed to consider the childcare market and how they assessed that market very differently, at least in the short- to medium-terms.

2.2.2 Childcare settings (and schools) were instructed to close their doors to all but vulnerable children and children of critical workers, with immediate effect. This coincided with the introduction of Government financial support schemes which meant many parents were placed on the Coronavirus Job Retention Scheme (furloughed). Where possible people worked from home, immediately reducing the need for childcare for many. Childcare settings were able to take advantage of Government financial support and many chose to close or furlough some staff in response to dramatically reduced demand for childcare. Many childminders (and others self-employed and working in the sector) were able to access the Self-employed Income Support Scheme (SEISS) to at least partially if not fully offset lost income if they did not care for critical worker's children or had to shield for their own or family members' health.

2.2.3 Local authorities were tasked with ensuring all eligible children¹ were able to access a childcare place, and as many settings closed their doors for the duration of lockdown this meant supporting families to move children to settings that were open. Local authorities managed the turmoil and supported families, children and childcare settings through the very difficult early days of lockdown and as the country started to come out of initial lockdown and into the next phase. Childcare settings were encouraged to re-open to all children from 1 June 2020, however, demand for childcare was reported to be low and this lower level of demand for some childcare settings continued throughout autumn 2020. The Government continued to fund early years settings based on 2019 levels of take-up, which offered a degree of financial support for settings offering Government funded early years provision.

¹ Eligible children included those considered vulnerable e.g. assessed as being in need under section 17 of the Children Act (1989), those with an Education and Health Care plan and others identified as vulnerable by educational providers or local authorities. Critical workers included: people working in health and social care; education and childcare; key public services; local and national government; food and other necessary goods; public safety and national security; transport; utilities, communication and financial services.

2.2.4 A four-week second national lockdown was in place in November 2020 with childcare settings and schools allowed to remain open; however, people were told to remain at home unless they had a specific reason to leave, such as work which could not be done from home and education. A third national lockdown came into force in January 2021 when all primary and secondary schools moved to remote learning for most pupils from the 5th January 2021 and 'stay at home' rules were reintroduced across the country. Childcare settings were allowed to remain open.

2.2.5 The Government extended financial support (e.g. furlough and SEISS) and many workers continued to work from home. Demand for early years and childcare in spring term 2021 continued to be lower than previously. The Government supported early years settings by funding based on the number of children on roll, not necessarily in attendance. This again supported early years settings with funded children on roll, but settings relying in full or in part on paid-for places, may have been more negatively impacted.

2.3 Supporting the sector during lockdown and recovery

2.3.1 Since the start of the COVID-19 pandemic, Bromley Council's early years team has offered support and guidance to all early years and childcare settings.

This included:

- Daily updates to all providers as Government guidance changes happened.
- Training was moved online and delivered along with provider support sessions.
- Providing training with Public Health on infection prevention and control.
- Acting as a central point of contact for questions.

2.3.2 In summer term Bromley provided funding that followed the child, and if a provider was closed due to COVID-19 and children had to move settings, the child received double funding (for critical worker parents). In autumn term 2020 providers received additional payments, to match the level of funding received in autumn term 2019.

2.3.3 From September 2020 Bromley moved to paying early years entitlements to providers on a monthly basis. This has supported with sustainability, given providers an increased level of flexibility when starting children enabling them to receive funding due for late starters the following month rather than waiting for an end of term adjustment payment. During the first half of spring term 2021 Bromley gave early years providers a funding guarantee if a setting needed to close for COVID-19 related reasons.

2.3.4 Provider audit responses showed that the support provided by Bromley had been well-received, particularly the continuation of early years funding during spring 2020 and early years additional funding in autumn term 2020.

2.4 Childcare sufficiency in the context of COVID-19

2.4.1 The short-term impact of COVID-19 was to limit access to childcare to relatively small numbers of children (vulnerable and critical worker children) between 23 March and 1 June 2020. After which, settings in England were encouraged to re-open their doors to all children. Demand for childcare did not recover to pre-COVID-19 levels from 1 June and remained depressed into the autumn 2020 and spring 2021 terms.

2.4.2 The continuation of early years funding, alongside the other Government measures introduced to support businesses (furloughing, SEISS, Bounce Back Loans and business rates relief, for example) will have provided early years settings with some cushion against the full impact of COVID-19 on demand for their services.

2.5 Sufficiency Risk Analysis

2.5.1 Prior to lockdown (based on spring 2018 national data), the 0-5 year old childcare sector received just over a quarter of its income from free entitlement (public) funding. On average, parents' fees accounted for 64% of income. These averages concealed a considerable amount of variation across different age groups and different provider types (Institute of Fiscal Studies²). During lockdown, and throughout autumn 2020, settings offering the early years entitlements were to a large degree, protected by the Government's commitment to continue funding at 'expected' levels.

2.5.2 However, the Institute of Fiscal Studies (IFS) report identified only around 1 in 10 childcare settings for pre-school aged children are exclusively publicly funded. The range of other Government support was instrumental in supporting most settings from March 2020 and into the spring term 2021. The extent and purpose to which childcare providers have accessed and used Government financial support can be regarded as a risk factor for financial sustainability. If childcare providers have used reserves or non-Government loans, for example, they may be in a more difficult financial situation now than if they had accessed all possible Government financial support.

2.6 Short- to medium-term risk mitigation strategies

2.6.1 There are a number of short- to medium-term strategies that would support the market. These are principally based around supporting providers to develop their business planning, including understanding the dynamics of the market and marketing and promotion. On the demand side, strategies would include increasing demand by addressing parental anxieties, promoting the benefits of formal childcare to children and supporting affordability.

² Institute of Fiscal Studies (IFS) 'Challenges for the childcare market: implications of COVID-19, September 2020 <https://www.ifs.org.uk/publications/14990>

2.7 In the longer term

2.7.1 There is a well-documented 'road-map' out of COVID-19 restrictions, which should see the gradual return to more normal life through the remainder of 2021. The implications of financial support being rolled back need to be considered, along with the impact of a longer period of with current demand levels and supply issues, or a worsening economic climate. It is possible a number of settings will close, or at least face the risk of doing so. The IFS research identified providers' ability to interact (due to safety guidance) impacting on three main groups. These were support services, for example speech and language therapists, parents and carers and agency staff.

2.7.2 If support services have not able to deliver services in settings due to COVID-19 restrictions, this might impact on the levels of support children with additional needs can access. Providers have had to change the way they engage with parents and carers – for example, meeting new parents virtually (online) rather than showing them around the provision, or putting restrictions on parents spending time at the setting during initial settling in periods. If settings are unable to engage agency staff or recruit short-term staff this might create difficulties if permanent staff have to isolate or shield. These issues may impact upon demand, quality and capacity.

2.7.3 If demand remains low, providers will have few options available including:

- Increasing fees and charges.
- Changing delivery models (fewer hours/less flexibility/fewer places etc).
- Changing the mix between funded and fee-paying places.

2.7.4 Any of these could impact on the LAs sufficiency duties and may impact differently in areas of affluence and deprivation. Settings in areas of deprivation may not be in a position to increase income from paid-for childcare or increase fees and charges.

2.8 Other sufficiency considerations

2.8.1 With the roll back of Government financial support, commentators forecast increasing levels of unemployment. At the time of writing, a third national lockdown was in place (effectively spring term 2021), with people being advised to work from home wherever possible and the closure of non-essential shops and services. National Government financial support was extended through this period, which may provide some short-term additional relief for settings. However, higher levels of unemployment and increased and continued working from home will persist to impact upon demand for childcare, slowing any recovery or return to pre COVID-19 conditions in the sector. As at September 2020, the unemployment rate in Bromley was 3.3% (compared to a national average of 4.2%) and it is possible this will rise.

2.8.2 As at March 2021, Bromley can be described as having a good range and mix of childcare, including provision in full day-care, pre-schools, out of school settings, academy nursery provision and childminders. This offers choice and variety to

parents. The current challenge may not be around the sufficiency (quantity) of childcare, but sustainability (financially) of childcare as we continue to navigate through the coming months.

2.8.3 Findings from the provider snapshot audit (March 2021) identified mixed fortunes for Bromley's providers. A high proportion of registered places were vacant (35% at the time of the audit) and around 52% of settings reported demand had decreased in spring term 2021 compared to spring term 2020. There was decreased demand for paid for places (12% overall), impacting most highly on day nurseries and pre-schools. For some providers, demand had increased (predominantly in day nursery provision) and 17% of day nurseries reported an increase in demand for paid for places.

2.8.4 Academy nurseries and pre-schools reported decreased demand for the universal entitlement (50% and 24% respectively) and a relatively high proportion of day nurseries, academy nurseries and childminders reported an overall decrease in demand.

2.8.5 For providers delivering the early years entitlements, on average 45% of income was derived from early years funding. Where settings rely more heavily on paid-for hours there may be a greater risk of financial sustainability. Findings from the snapshot survey showed that childminders in particular had a lower funded: paid for ratio, with day nurseries also relying more heavily on paid-for hours in their business models.

2.8.6 Childcare settings had not necessarily adapted to changes in demand. Overall, just less than half of survey respondents (47%) had not made any changes to the way they offered provision since COVID-19. Pre-schools and academy nurseries were less likely to have changed their provision.

2.8.7 Not all settings had taken advantage of some of the Government financial support – across all settings responding to the provider audit, 72% had accessed at least one form of support. Where settings had a healthy financial position at the start of the pandemic, and where they had taken the opportunity to access Government financial support (rather than use held reserves), it is more likely they will be financial sustainable in 2021. Where settings have not accessed Government financial support and/or relied on held reserves to support their business throughout lockdown and recovery, there is concern they would not be in such a healthy financial position moving forwards.

2.8.8 Across all respondents, a third (33%) had cash reserves at the time of the audit. Respondents were asked for an estimate of how many months operating costs they had in reserve. For many settings (around half of all responding), cash reserves provided up to two months operating costs, albeit for many of these settings, cash reserves provided less than one month operating costs.

2.8.9 Just over a quarter of audit respondents (26%) were not confident in their setting's financial sustainability over the next 6 to 12 months, and in particular pre-school settings where 31% reported lacking confidence. Closure due to infection and issues impacting on cash flow and sustainability were identified as common issues.

2.8.10 Demand for early years and childcare provision may have decreased, however, costs associated with delivery are reported to have increased as a result of increased safety measures and Personal Protective Equipment (PPE). This will further impact on financial sustainability of settings for the duration of the pandemic and beyond.

2.9 TABLE 1. Recommended actions

A risk assessment approach (as at March 2021)

Risk	Impact on the market	Recommended actions
<p>1. Demand for early years and childcare remains low through spring term 2021</p>	<p>Early years and childcare settings will face sustainability pressures as demand remains low or reduces further (as a result of changes in working patterns and/or rising unemployment).</p> <p>Some settings or setting types, or geographical areas may be more vulnerable to changes in demand or as a result of a drop in income throughout the pandemic.</p>	<p>Plan to repeat the provider snapshot survey at the end of summer term/early autumn term 2021, to assess on-going impact and risk. Publish CSA data to inform provider planning and business modelling.</p> <p>Robust communication to support demand – promoting the benefits of early years and childcare to children and not just to support parents that are working. Promote widely including through childcare providers, schools, partners (e.g. social care, Bromley Healthcare, Jobcentre Plus etc.) and employers.</p> <p>Widely promote other Government support to help meet the costs of childcare (e.g. Tax Free Childcare/Universal Credit) including with Jobcentre Plus, debt counselling services, childcare providers etc.</p> <p>Consider an information pack which can be sent to all providers to support them to assess their local market, review their business plan and promote their services. Link to existing business support tools and guidance (e.g. National Day Nurseries Association ‘Early Years Business Zone’, PACEY ‘Business Smart’, and Hempsall’s ‘Business Map’).</p>
<p>2. There is potential for increased level of unemployment in the medium (and possibly longer) term</p>	<p>Demand for childcare will remain low (or potentially decrease further).</p> <p>The short-term impact may be providers increasing fees and/or changing how they offer childcare (e.g. shorter or fewer days, fewer places) in an attempt to shore up income.</p> <p>If the current lower levels of demand continue, some providers will be under increasing financial pressure. Government financial support is being rolled</p>	<p>Adopt a proactive approach by pre-empting, preventing or proactively supporting managed closures. Monitor potential closures and support placement of children should a setting close to ensure continuity of care.</p> <p>Audit the market to establish where there is an over-supply of provision that could absorb any localised closures.</p> <p>Ensure any increased demand for the two-year-old early years entitlement can be met by monitoring the number of eligible children and working with providers to promote take-up.</p> <p>Continue to promote support to meet the costs of childcare (Tax Free Childcare, Universal Credit etc.) to providers and to support parents to reduce the cost of fee-paid childcare.</p> <p>Monitor demand patterns and work with key partners (e.g. Jobcentre Plus) to understand how the local employment market is</p>

Risk	Impact on the market	Recommended actions
	<p>back. Settings may no longer be sustainable without additional funding and some settings may close. This may not be evenly spread across Bromley.</p> <p>Demand for the two-year-old early years entitlement may increase and demand for 30-hours may change if working patterns change.</p>	<p>impacted or showing signs of recovery. Work with settings to adapt provision where this is possible.</p> <p>Consider how messages around supporting childcare take up can continue to be shared with key stakeholders and how impact can be monitored.</p>
<p>3. There are ambitious plans for new home development. The current average requirement of 641 additional homes per year is under review.</p>	<p>In the period 2021-2025 it is assumed 2,663 new homes will be built. The highest number of these are in Kelsey and Eden Park ward, Bromley Town and Copers cope. This target could increase.</p> <p>Kelsey and Eden Park and Copers Cope have a lower relative supply of childcare.</p> <p>Additional housing may increase demand for childcare which cannot be met without capacity growth.</p>	<ol style="list-style-type: none"> 1. Ensure plans for any new home developments take into account the potential for increased demand for early years and childcare provision (all ages). 2. Work with planning to secure S106 contributions where increased demand cannot be met with existing capacity.
<p>4. There is a lack of engagement with the out of school sector.</p>	<p>Out of school settings did not respond to the provider audit and there is an historic lack of engagement.</p> <p>The sufficiency duty is for children aged 0-14 years (and up to 18 years for children with SEND). Currently there is a lack of information about the capacity of the out of</p>	<p>Map out of school provision (including school-based provision) to assess capacity. Audit out of school settings to assess their sustainability, levels of demand and delivery models.</p> <p>Based on findings, plan actions to fill any gaps in provision that impact on the local authority's sufficiency duty.</p> <p>Include out of school provision in all plans to support the childcare market.</p>

Risk	Impact on the market	Recommended actions
	school sector, and the health of the sector post COVID-19. This means it is not possible to assess sufficiency of provision to meet parental need and demand for school-aged children.	
5. Delivery of the early years entitlements relies heavily on the PVI sector.	PVI settings may chose not to deliver the early years entitlements resulting in a lack of capacity to meet demand and impacting on the local authority's duty to deliver places.	Continue to work with the sector to support mixed models of delivery, including provision of early years places. Signpost provider to, or deliver direct, information on working in a sustainable way with Government funding. Promote support to meet the costs of childcare (TFC, UC etc.) to providers to support them to reduce the cost of fee-paid childcare for parents.
6. Children with Special Educational Needs and Disabilities (SEND).	Children with SEND may not have accessed some or all of the early years and childcare provision since the start of the COVID-19 pandemic. This could be partially as a result of lockdowns and schools closing, and partly as a result of heightened parental anxiety around safety.	Review the local offer to consider the support available to children with SEND to access childcare needs and the early years entitlements. (0-17 years to meet the sufficiency duties).
7. Settings may lack business knowledge to navigate through a dynamic, changing environment.	A lack of business planning may result in some settings facing unexpected financial risk.	Develop a business sustainability strategy and signpost providers to support for sustainability and business planning. <ul style="list-style-type: none"> • Business map and resources can be accessed using this link: https://foundationyears.org.uk/2021/01/hempsalls-business-map-for-early-years-providers ▪ PACEY - Business Smart for Childminders. Developed by childminders for childminders, a collection of ideas, inspiration and tools to help new and existing childminders develop a sustainable business. Funded by DfE, providers can find top tips,

Risk	Impact on the market	Recommended actions
		<p>videos, case studies, downloadable tools and other essential ideas to help make the most of their business. https://www.pacey.org.uk/working-in-childcare/business-smart/about-business-smart/</p> <ul style="list-style-type: none"> ▪ Early Years Alliance Cost of delivery calculator. Can be used to calculate provider's total costs and total hours delivered. Information can then be entered into the spreadsheet, which automatically estimate hourly delivery costs https://www.eyalliance.org.uk/cost-delivery-calculator ▪ National Day Nurseries Association (NDNA) – Business Zone. FREE online business support toolkit funded by DfE. It aims to help providers sustain a healthy childcare business, developed by the sector, for the sector. The toolkit includes: Business Appraisal; Financial Management; Staff Cost Calculator. There is a range of downloadable resources. http://www.ndna.org.uk/NDNA/News/Early_Years_Business_Zone.aspx ▪ Coram Family and Childcare - Schools' toolkit. Funded by DfE a free toolkit to help school nurseries extend provision to cover the full day. Includes a guide to setting up or extending, preparing a business planning template, creating a marketing strategy and much more. https://www.familyandchildcaretrust.org/delivering-extended-and-flexible-hours-school-nurseries-toolkit

3 Bromley in context

Bromley is the largest London borough with a population of approximately 331,000 residents. The resident population is forecast to increase to 393,000 in the next 20 years. Covering 59 square miles, over half of the borough is open countryside, much of which is in Metropolitan Green Belt land. The Housing Strategy identified Bromley has relatively low levels of deprivation – it is the 4th least deprived of the 33 London boroughs; however, there are pockets of deprivations – some areas of the borough rank amongst the most deprived wards in England (source: Bromley Housing Strategy 2019-2029).

3.1 Population

3.1.1 The Office for National Statistics (ONS) population estimate for Bromley in mid-2019 was 332,336, which is an increase of 7.4% since the 2011 Census. The child population (0-14 years old) has increased by 5.3% in the same period – from 56,800 in 2011 to 59,787 in the academic year 2020-2021. Between 2020-2021 and 2022-2023 the child population is forecast to remain static (at 59,861).

3.1.2 Wards with the highest child population (0-14 years) are: Bromley Common and Keston, Bromley Town, Clock House, Cray Valley East, Cray Valley West, Kelsey and Eden Park and Penge and Cator..

TABLE 2: Child population 2020-2021 academic years

Ward	Age range					
	0-1	2	3 to 4	5 to 10	11 to 14	0 to 14
Bickley	306	154	320	1,149	769	2,698
Biggin Hill	209	124	225	700	511	1,769
Bromley Common and Keston	488	246	455	1,310	854	3,353
Bromley Town	592	292	634	1,439	730	3,687
Chelsfield and Pratts Bottom	336	184	352	1,151	711	2,734
Chislehurst	378	163	359	1,159	749	2,808
Clock House	493	282	482	1,198	648	3,103
Copers Cope	488	210	375	898	384	2,355
Cray Valley East	485	221	530	1,432	797	3,465
Cray Valley West	443	232	467	1,503	1,071	3,716
Crystal Palace	409	205	320	806	387	2,127
Darwin	98	50	118	383	287	936
Farnborough and Crofton	226	129	316	1,070	818	2,559
Hayes and Coney Hall	268	150	322	1,209	901	2,850
Kelsey and Eden Park	311	204	420	1,247	870	3,052
Mottingham and Chislehurst North	316	150	321	835	713	2,335
Orpington	361	181	420	1,153	731	2,846
Penge and Cator	568	269	501	1,390	693	3,421
Petts Wood and Knoll	339	199	397	1,054	550	2,539
Plaistow and Sundridge	433	217	423	1,216	662	2,951
Shortlands	203	112	287	818	465	1,885
West Wickham	264	162	276	1,036	857	2,595
Overall	8,014	4,137	8,320	24,157	15,159	59,787

Source: Bromley Council. Figures rounded.

3.1.3 Ethnicity

2016-based GLA population estimates show that around 20% of the population is made up of Black, Asian and Minority Ethnic (BAME) groups. White British represent the largest ethnic group (70%). In the child population, BAME groups account for in the region of 33% of the population.

TABLE 3: Population – ethnic groups

Ethnic Group	Population	%	Child population (0-14 years)	%
All	341,373		68,457	
White British	238,795	70%	41,034	60%
Irish	4,777	1%	263	0.4%
Other White	25,813	8%	4,638	7%
White and Asian	4,212	1%	1,785	3%
White and Black African	2,076	0.6%	986	1%
White and Black Caribbean	5,894	2%	2,404	4%
Other mixed	4,025	1%	1,878	3%
Pakistani	1,191	0.3%	277	0.4%
Indian	8,642	3%	1,560	2%
Bangladeshi	2,040	0.6%	464	1%
Other Asian	5,679	2%	1,072	2%
Black African	18,166	5%	5,115	7%
Black Caribbean	9,261	3%	2,193	3%
Other Black	3,505	1%	1,436	2%
Chinese	3,416	1%	384	1%
Arab	1,341	0.4%	391	1%
Other ethnic group	2,540	0.7%	555	1%

Source: GLA 2016-based round of demographic projections (central trend).

Note: GLA child population estimates are higher than Bromley estimates.

3.1.4 According to Bromley's Joint Strategic Needs Assessment (2017) the BAME group experiencing the greatest increase within Bromley's population is the Black African community; from 4.7% of the population in 2017 to an estimated 6.6% of the population in 2031.

3.1.5 The GLA population projections do not include Gypsy Travellers as an ethnic minority, although they do form a distinct ethnic group with particular needs. Bromley has a large Gypsy Traveller community concentrated chiefly in the Crays. Bromley has a large settled Gypsy Traveller Community living in brick and mortar concentrated chiefly in the east of the borough in the Crays. The borough also owns and manages two traveller sites in the Cray at Star Lane with 22 pitches and Old Maidstone Road with 14 pitches. There are also a number of Traveller families on five small private sites across the borough (12 authorised pitches) and a notable cluster on four private sites, to the western borough boundary with Croydon (near New Addington) which have a history of occupation by travellers and are proposed to be allocated as 'Traveller sites' in the draft Local Plan) (source: Bromley JSNA 2017).

3.2 The economy in Bromley

3.2.1 The Office for National Statistics publishes local labour market profiles for all local authority areas in Great Britain. Available data (as at March 2021) is for the period October 2019 to September 2020, so will not fully reflect the impact the COVID-19 pandemic will have had on the economy. This data is useful to review Bromley's labour market alongside the London region and national picture, but new data will be required to support an assessment of the impact of COVID-19 on the local economy, and how that might in turn impact on parental need and demand for childcare as the country comes out of the national lockdown in April/May 2021.

3.2.2 Economic activity - economic activity refers to the number or percentage of people of working age who are either in employment or who are unemployed. Economic inactivity refers to people (of working age) that are neither in employment nor unemployed (for example, those looking after a home, or retired).

3.2.3 Bromley has an economic activity rate broadly in line with London and national averages, albeit slightly higher in terms of economically active residents. Unemployment (as at September 2020) is below the region and national averages with lower proportions of workless households.

TABLE 4: Economic activity rates October 2019 - September 2020

All people:	Bromley	London	Great Britain
	%	%	%
Economically active	80.2	79.1	79.0
In employment	77.4	75.2	75.7
Employees	65.3	62.2	65.1
Self employed	11.6	12.6	10.3
Unemployed	3.3	4.9	4.2

Source: ONS annual population survey (NOMIS). Percentage is a proportion of economically active

3.2.4 Out of work benefits

Under Universal Credit (UC) a broader spectrum of claimants is required to look for work than under Job Seekers Allowance (JSA). The claimant count in as at January 2021 (not seasonally adjusted) was 5.4% in Bromley compared to 8.0% in London and 6.2% across Great Britain.

3.2.5 Workless Households

In the year January – December 2019, 8,700 households in Bromley were Workless – 8.3% of total. This compares to 12.0% in London and 13.9% in Great Britain (source: NOMIS).

3.2.6 Economic inactivity

Economic inactivity rates in Bromley are lower than across Great Britain and slightly lower than the region as a whole. There are higher proportions of economically inactive residents in Bromley wanting a job:

TABLE 5: Economic inactivity rates October 2019 to September 2020

	Bromley	London	Great Britain
	%	%	%
All people: economically inactive	19.8	20.9	21.0
Wanting a job	22.3	23.2	21.7
Not wanting a job	77.7	76.8	78.3

Source: Office for National Statistics annual population survey (NOMIS)

3.3 Industry

3.3.1 Bromley has relatively high levels of employment in construction, admin and support services, education and human health and social work activities.

3.3.2 Just under 63% of employee jobs in Bromley are full-time – 62.6% compared to 74.2% in London and 67.8 in Great Britain as a whole (employee jobs 2019).

TABLE 6: Employee jobs (2019)

% of employee jobs			
Employee jobs by industry	Bromley	London	Great Britain
Mining and quarrying	0.0	0.0	0.2
Manufacturing	2.3	2.3	8.0
Electricity, gas, steam and air conditioning supply	0.4	0.2	0.4
Water supply	0.4	0.3	0.7
Construction	7.5	3.8	4.9
Wholesale and retail trade; repair of motor vehicles and motorcycles	15.0	11.5	15.0
Transportation and storage	3.3	4.9	4.9
Employee jobs by industry continued	Bromley	London	Great Britain
Accommodation and food service activities	7.5	8.1	7.7
Information and communication	4.2	8.4	4.3
Financial and insurance activities	4.7	7.3	3.5
Real estate activities	2.3	2.7	1.7
Professional, scientific and technical activities	7.5	12.9	8.8
Administrative and support service activities	12.1	10.8	8.9
Public administration and defence; compulsory social security	2.3	4.4	4.4
Education	10.3	7.1	8.7
Human health and social work activities	15.0	10.0	13.1
Arts, entertainment and recreation	3.3	2.7	2.5
Other service activities	2.3	2.3	2.0

Source: Office for National Statistics business register and employment survey

3.3.3 Earnings by residence

Median gross weekly and hourly pay for employees living in Bromley is higher than across London and GB:

TABLE 7: Earnings by residence (2020)

	Bromley £	London £	Great Britain £
Gross weekly pay – full-time workers	804.9	716.4	587.1
Hourly pay excluding overtime – full-time workers	21.06	18.91	15.18

Source: Office for National Statistics annual survey of hours and earnings – resident analysis. Median earnings in pounds for employees living in the area. Data as reported.

3.3.4 The median earnings by places of work (2020) shows employees working in Bromley earning (on average) a lower rate of pay than workers across London and 4% higher than GB:

3.3.5 This suggests (given earnings by place of residence) a proportion of Bromley residents travel outside of the borough for work.

TABLE 8: Earnings by place of work (2020)

	Bromley £	London £	Great Britain £
Gross weekly pay – full-time workers	611.1	760.7	586.7
Hourly pay excluding overtime – full-time workers	16.02	20.12	15.17

Source: Office for National Statistics annual survey of hours and earnings – resident analysis. Median earnings in pounds for employees working in the area. Data as reported.

3.4 New homes developments

3.4.1 The population of Bromley is rising and there is demand for additional homes within the borough. Bromley's Local Plan (2019) sets out the planning policies, site allocations and land designations borough-wide and is the central document in the borough's Development Plan (Bromley Local Plan 2019, pp7). The Local Plan outlines the target of at least 641 net additional homes to be delivered each year during the period of the plan (6,413 in the 10 years 2015 – 2025, as laid out in the London Plan 2016). The Council has made provision for a minimum average of 641 additional homes per year. Specific sites that will help contribute to housing supply within the borough over the next 15 years include those in the Bromley Town Centre Area action plan (2010) and the Bromley Town Centre Opportunity Area, the five year supply of deliverable land for housing which is regularly updated and site allocations. Other housing units will also be provided on large and small windfall sites. The housing trajectory in

Appendix 10.1 of the Local Plan shows a total of 10,645 deliverable and developable dwellings over the Plan period, an annual average of over 700 dwellings.

3.4.2 Bromley's Authority Monitoring Report (AMR, November 2020) shows the annual target has been exceeded with a five-year (2014 – 2019) average housing completion figure of 701. The revised London Plan (not yet adopted) sets a new target of 1,424 new homes per year. This new target has been challenged by Bromley Council but if it remains in place will require significantly more resources to achieve (Bromley Housing Strategy 2019-2029³ pp13).

3.4.3 In the period 2021-2025 (academic years), it is assumed 2,663 new homes will be built (source: Bromley schools place planning March 2021). The highest number of these are in Kelsey and Eden Park ward (510 new homes, 19% of total), Bromley Town (485, 18%) and Copers Cope (353, 13%).

TABLE 9. New homes development academic year 2020/21 to 2024/25 (four-year totals)

Ward	Assumed development
Bickley	89
Biggin Hill	53
Bromley Common and Keston	33
Bromley Town	485
Chelsfield and Pratts Bottom	48
Chislehurst	87
Clock House	85
Copers Cope	353
Cray Valley East	71
Cray Valley West	35
Crystal Palace	163
Darwin	24
Farnborough and Crofton	43
Hayes and Coney Hall	97

³ https://www.bromley.gov.uk/downloads/file510/5122/bromley_council_housing_strategy_2019-2029

Ward	Assumed development
Kelsey and Eden Park	510
Mottingham and Chislehurst North	24
Orpington	183
Penge and Cator	121
Petts Wood and Knoll	44
Plaistow and Sundridge	41
Shortlands	28
West Wickham	48
Total	2,663

Numbers rounded to nearest whole number

4 Overview of the market in Bromley

4.1 Registered settings and places

4.1.1 There are a total of 732 registered childcare settings in Bromley. This includes 470 childminders, 63 day nurseries, 101 pre-schools and 25 academy nurseries.

4.1.2 These settings offer early years and childcare provision to children aged 0-4 years, with a number also offering out of school provision for older children. In addition, there are 34 holiday clubs and 39 out of school settings offering childcare. In the following tables 'pre-schools' includes private pre-schools.

TABLE 10. Number of settings on the childcare registers (compulsory and voluntary) in Bromley at ward level

Ward	Childminders	Day Nursery	Private pre-schools	Academy nurseries	Holiday clubs	Out of school provision
Bickley	14	3	5	0	4	1
Biggin Hill	9	1	2	2	1	1
Bromley Common and Keston	23	2	7	1	0	0
Bromley Town	30	6	3	2	2	0
Chelsfield and Pratts Bottom	30	2	5	2	3	0

Ward	Childminders	Day Nursery	Private pre-schools	Academy nurseries	Holiday clubs	Out of school provision
Chislehurst	17	3	7	1	2	3
Clock House	49	6	2	1	1	1
Copers Cope	7	6	6	0	0	5
Cray Valley East	18	4	4	2	1	2
Cray Valley West	24	0	3	4	1	2
Crystal Palace	9	3	1	1	1	1
Darwin	3	0	0	1	0	1
Farnborough and Crofton	28	3	5	2	2	3
Hayes and Coney Hall	32	3	9	0	5	1
Kelsey and Eden Park	25	3	4	0	0	6
Mottingham and Chislehurst North	19	1	2	1	2	0
Orpington	20	2	4	0	2	1
Penge and Cator	22	7	7	3	1	5
Petts Wood and Knoll	25	2	9	1	1	0
Plaistow and Sundridge	19	3	6	1	1	3
Shortlands	12	1	2	0	2	2
West Wickham	35	2	8	0	2	1
Bromley total	470	63	101	25	34	39

Source: Bromley Council February 2021

4.1.3 Collectively, settings are registered to deliver 9,239, places for children aged 0-5 years old with good representation across the private, voluntary and independent sector. This total excludes provision for children aged 0-5 in out of school and holiday provision. Note: Childminders are typically registered for 0-8 year olds. Registered places 0-5 assumes childminders offer 50% of registered places to this age range. Day nurseries account for the highest number of registered places (3,785 41% of total), with 33% (3,510) available in pre-schools. Childminders account for an estimated 1,373 places 0-5 years old, 15% of total.

TABLE 11. Places for children aged 0-5 in Bromley

Ward	Childminders Number of places 0-5	Day Nursery Number of places 0-5	Pre- schools Number of places 0-5	Academy nurseries Number of places 0-5	All registered settings Total places 0-5
Bickley	45	202	221	0	468
Biggin Hill	27	36	58	50	171
Bromley Common and Keston	67	95	203	26	391
Bromley Town	94	409	106	50	659
Chelsfield and Pratts Bottom	92	195	206	50	543
Chislehurst	56	179	237	26	498
Clock House	145	394	92	26	657
Copers Cope	17	304	93	0	414
Cray Valley East	51	372	147	52	622
Cray Valley West	68	0	77	126	271
Crystal Palace	29	130	28	26	213
Darwin	9	0	0	20	29
Farnborough and Crofton	82	204	168	63	517
Hayes and Coney Hall	84	296	33	154	567
Kelsey and Eden Park	68	146	132	146	492
Mottingham and Chislehurst North	57	59	63	26	205
Orpington	58	115	119	0	292
Penge and Cator	59	325	244	102	730
Petts Wood and Knoll	77	84	318	30	509
Plaistow and Sundridge	57	249	207	26	539
Shortlands	31	46	66	0	143

Ward	Childminders Number of places 0-5	Day Nursery Number of places 0-5	Pre- schools Number of places 0-5	Academy nurseries Number of places 0-5	All registered settings Total places 0-5
West Wickham	104	91	261	0	456
Bromley total	1,373	3,785	3,079	999	9,239

Source: Bromley Council February 2021

Note: where places data was not available the following assumptions have been made: childminders – assume 6 places per setting where data missing; academy – assume 26 places; pre-schools – assume an average of 33 places.

4.2 Changes since 2019

4.2.1 Analysis of capacity data in 2019 identified a total of 6,959 childcare places in pre-schools and day nurseries, compared to 6,864 in 2021.

4.2.2 The number of childminders has decreased between 2019 and 2021, from 487 to 470. The number of day nurseries has increased by six (from 57 to 63) and pre-schools have decreased by five (106 to 101). There are five more academy nurseries and the one remaining maintained school with a nursery class is now an academy.

4.3 Childcare ratios

4.3.1 Childcare ratios provide a means of comparing relative supply across different areas of the borough. Across Bromley there are an estimated 20,471 children aged 0-4 years old and an estimated 9,239 early years and childcare places for this age range (including school-based provision and childminders). This gives a childcare ratio of 0.45, or around one place for every two children in the 0-5 age range.

4.3.2 The childcare ratio is highest in the wards of Farnborough and Crofton and Hayes and Coney Hall (both wards with a childcare ratio of 0.77 or one place per 1.3 children) and West Wickham (ratio of 0.65). The childcare ratio is lowest in Darwin (0.11), Crystal Palace (0.23) and Cray Valley West and Shortlands (both wards with a childcare ratio of 0.24).

4.3.3 Relatively low childcare ratios do not necessarily mean there is a lack of provision in a given area; it may be parents choose to access childcare in other wards. For example, Darwin is a large rural ward and demand is low; new provision opening in this ward has been unsustainable in the past.

TABLE 12. Childcare ratios at ward level

Ward	Population 0-4 years	Registered places 0-5*	Childcare ratio
Bickley	780	468	0.60
Biggin Hill	558	171	0.31
Bromley Common and Keston	1,189	391	0.33
Bromley Town	1,518	659	0.43
Chelsfield and Pratts Bottom	872	543	0.62
Chislehurst	900	497	0.55
Clock House	1,257	657	0.52
Copers Cope	1,073	414	0.39
Cray Valley East	1,236	622	0.50
Cray Valley West	1,142	271	0.24
Crystal Palace	934	213	0.23
Darwin	266	29	0.11
Farnborough and Crofton	671	517	0.77
Hayes and Coney Hall	740	567	0.77
Kelsey and Eden Park	935	492	0.52
Mottingham and Chislehurst North	787	205	0.26
Orpington	962	292	0.30
Penge and Cator	1,338	730	0.55
Petts Wood and Knoll	935	509	0.54
Plaistow and Sundridge	1,073	539	0.50
Shortlands	602	143	0.24
West Wickham	702	456	0.65
Overall	20,471	9,239	0.45

Source: Bromley Council February 2021

* Childminders are typically registered for 0-8 year olds. Registered places 0-5 assumes childminders offer 50% of registered places to this age range

4.4 Fees charged

4.4.1 Data on fees charged is not available for all settings. Where data is held it suggests a range of fees charged by settings, with many charging a similar amount per hour for two-year-olds, and three- and four-year-olds.

4.4.2 Available data has been analysed for two, three and four year olds. The baseline data used was fees per 25 hours (data held by Bromley Council).

TABLE 13. Average fees, and the range charged

Type of provision	Fees charged for 2-year-olds			Fees charged for 3- and 4-year-olds		
	Range (per 25 hours)	Average (per 25 hours)	Equivalent hourly rate	Range (per 25 hours)	Average (per 25 hours)	Equivalent hourly rate
Childminding	£125-£200	£152.99	£6.12	£125-£200	£152.94	£6.12
Day nursery	£125-£225	£149.40	£5.98	£125-£225	£144.05	£5.76
Pre-school	£100-£250	£152.17	£6.09	£100-£250	£153.38	£6.14
Academy nursery	£100-£162.50	£133.33	£5.33	£112.5-£150	£142.75	£5.75

Sample size: 2-year-old fees – childminders 134; day nursery 42; pre-school 69; academy nursery 6

3- and 4-year-old fees – childminders 132; day nursery 42; pre-school 74; academy nursery 8

4.4.3 Settings delivering the early learning entitlements are currently funded at £6.58 per hour for two-year-olds and £4.98 per hour for three- and four-year-olds. Settings delivering the early years entitlements for three- and four-year-olds can also access additional funding in the form of the Early Years Pupil Premium (EYPP), the Disability Access Fund (DAF) and the Special Educational Needs Inclusion Fund (SENIF). EYPP is an additional payment to support children from low income families, and DAF and SENIF support children with SEND to access their entitlement.

4.4.4 Pre-schools in Bromley are generally receptive to accepting children with additional needs and working in an inclusive way for all children. SENIF funding is given to eligible 3 and 4 year olds but also extended to 2 year olds in Bromley who receive the FEE, which is a suggestion, but not a requirement specified in the 'Early years national funding formula Operational December guide' 2016. However, some settings have reported there is an issue of access for younger children, including 2-Year-olds who are not funded, but do have a high level of need.

4.4.5 SENIF funding is predominately used by settings to provide additional staffing to support children in the setting and work towards agreed outcomes but can also be used for resources and training. Examples include staff attending Speech and Language Therapy appointments/groups so strategies modelled can be replicated in the setting, developing and personalising a distraction free and or sensory area, or more specialised training. There is also evidence that settings are using the advice from the Early Years SEN Advisory Team to support the use of SENIF.

4.5 Availability of provision

Based on data held by Bromley Council, a high proportion of group-based settings (pre-schools, day nurseries and academy nurseries) are open during term-time only. This may limit parental choice in terms of available childcare to support them to work. Conversely, it may provide opportunities to work with the market to increase stretched provision (more than term-time only/all year round).

TABLE 14 Weeks open per year

Type of provision (base)	30-39 weeks (term time only)	40-50 weeks	51-52 weeks
Childminding (141)	21 (15%)	105 (74%)	15 (11%)
Day nursery (43)	0 (0%)	9 (21%)	34 (79%)
Pre-school (84)	84 (98%)	1 (1%)	1 (1%)
Academy nursery (17)	17 (100%)	0 (0%)	0 (0%)
Overall (285)	122 (43%)	115 (40%)	50 (18%)

Percentages rounded

4.6 Out of school and holiday provision

4.6.1 There are 34 settings offering holiday childcare and 39 out of school settings on the childcare register. Data regarding the number of places offered by out of school and holiday providers is not available for all settings; therefore it is not possible to quantify the number of places available for children aged 0-14 years old (up to 18 years for children with SEND). In addition to the settings on the childcare register, provision will be available for school-aged children in the form of before and after school clubs and activities. Often this type of provision runs for fewer than two hours, for pupils of the school, and is not required to register.

4.6.2 In addition to provision available in registered holiday and out of school settings, many childminders offer childcare for school-aged children – based on the assumption childminders will offer around 50% of their registered places to this age range, there are around 1,373 places for children aged 5-8 years old available in childminding settings.

4.7 Quality of provision

4.7.1 Ofsted use a four-point scale for an overall grading that denotes the effectiveness of provision:

Grade 1: Outstanding

The quality of teaching, learning and assessment is outstanding. All other key judgements are likely to be outstanding. Safeguarding is effective. There are no breaches of statutory requirements.

Grade 2: Good

The quality of teaching, learning and assessment is at least good. All other key judgements are likely to be good or outstanding. Safeguarding is effective.

Grade 3: Requires improvement

Where one or more aspects of the setting's work requires improvement, the setting's overall effectiveness is likely to require improvement. Safeguarding is effective. Where there are any breaches of the safeguarding and welfare and/or the learning and development requirements, they do not have a significant impact on children's safety, well-being or learning and development.

Grade 4: Inadequate

The setting's overall effectiveness is likely to be inadequate if one or more of the following applies:

- Any one of the key judgements is inadequate and/or safeguarding is ineffective
- Breaches of statutory requirements have a significant impact on the safety and well-being and/or the learning and development of children
 - It is a nursery or pre-school that has been judged as requires improvement at two consecutive inspections and is still not judged to be good at its third inspection.

Source: Ofsted Early Years Inspection Handbook April 2018

4.7.2 Quality of the provision in Bromley - All

Data held by the early years and childcare service has been collated to provide an overview of the quality of provision in Bromley. The overview excludes settings where there is no inspection record (e.g. the setting has not yet been inspected) and settings inspected by the Independent Schools Inspectorate (ISI).

4.7.3 In the table below, 'met' means the setting has no children on roll and the inspection judgement is that the provider continues to meet the requirements for registration. Not met with actions is the equivalent of an inadequate judgement for the purposes of any follow-up action.

TABLE 15. Ofsted inspection outcomes

Type of provision (number in sample)	Ofsted inspection outcome					
	Outstanding	Good	Met	Requires improvement	Not met with actions	Inadequate
Childminding (365)	17% (61)	62% (227)	19% (70)	1% (5)	0.5% (2)	0% (0)
Day nursery (44)	25% (11)	73% (32)	0% (0)	2% (1)	0% (0)	0% (0)
Out of school care (12)	0% (0)	100% (12)	0% (0)	0% (0)	0% (0)	0% (0)
Holiday provision (14)	21% (3)	57% (8)	21% (3)	0% (0)	0% (0)	0% (0)
Pre-schools (79)	28% (22)	68% (54)	0% (0)	1% (1)	0% (0)	2% (2)
All registered provision* (533)	18% (97)	62% (333)	14% (73)	1% (7)	0.3% (2)	0.3% (2)

Source: Bromley Council 2021

*Excludes settings inspected by ISI; excludes no inspection records

4.7.4 Quality of the provision in early years

The data shown above is for all registered provision in Bromley. Focussing on early years provision shows an increasing proportion of providers achieving a good or outstanding inspection outcome.

4.7.5 Ofsted Data View⁴ shows performance over time in terms of Ofsted inspection outcomes, at a national, regional and local level. Data is snapshot – as at 31st August in a given year.

4.7.6 Quality in early years provision in Bromley has been increasing – from 94% judged Good or Outstanding in 2016 to 96% in 2020.

⁴ <https://public.tableau.com/profile/ofsted#!/vizhome/Dataview/Viewregionalperformancevertime>

TABLE 16. Quality in early years settings in Bromley – 2016 to 2020

Year	Percentage of early years settings achieving:			
	Outstanding	Good	Requires Improvement	Inadequate
2020	21%	75%	3%	1%
2019	25%	72%	3%	1%
2018	24%	72%	2%	1%
2017	22%	73%	4%	1%
2016	19%	75%	6%	1%

Source: Ofsted Data View

Snapshot as at 31st August in the relevant year.

4.8 Take-up of the early years entitlements

4.8.1 All three- and four-year-olds and around 40% of two-year-olds nationally are entitled to up to 15 hours a week, or 570 hours a year of free early years entitlement. These are referred to as funded entitlements. From September 2017, eligible families with a three- and four-year-old became entitled to 30-hours childcare. 30 hours childcare is an extended early years entitlement which includes the 15 hours universal early years entitlement and an additional 15 hours (per week up to a maximum of 38 weeks, or 570 hours stretched across more weeks of the year). Eligibility for 30 hours childcare is based on both parents working in a couple household, and a single parent working in a lone-parent household, with minimum and maximum income thresholds applied. Parents apply to HMRC and if eligible are given a code which their chosen childcare provider validates before a place is taken up.

4.8.2 Take-up of the funded entitlements for two-year olds

68% of eligible two-year-olds took up their entitlement in Bromley in January 2020, in line with national averages and higher than the outer London average. Take-up of the universal entitlement for all three- and four-year-olds was higher than the average for outer London and the national average. (see TABLE 17)

4.8.3 Following the schools academisation programme, the majority of maintained schools with nursery provision in Bromley have converted to academies. This means that Bromley relies heavily on PVI settings (including academy nurseries) to deliver the funded early years entitlements. Less than 4% of two-year-olds benefitting from the early years entitlement were with childminders in January 2020.

4.8.4 The proportion of funded three- and four-year-olds accessing their entitlement in the PVI sector is also high.

TABLE 17. Take-up of the early years funded entitlements

	% of eligible, or all children taking up their funded entitlement in the relevant year		
	Bromley	Outer London	England
2-year-olds			
2020	68%	60%	69%
2019	58%	56%	68%
2018	65%	63%	72%
3- and 4-year-olds			
2020	98%	87%	93%
2019	99%	88%	93%
2018	95%	88%	94%

Source: Provision for children under 5, DfE, January 2020 released June 2020

4.8.5 For the extended entitlement (30 hours) a higher proportion of eligible children take up their entitlement with childminders, however, this remains less than 10% of all children accessing 30-hours.

4.8.6 The following table shows percentage take-up of the early years entitlements in PVI settings, with childminders and in maintained nursery schools and classes. A small number of children will have accessed their entitlements in another type of provision.

TABLE 18. Take-up of the early years entitlements by type of provider

fg	PVI	Childminding	Maintained nursery and state funded primary school*	Independent school	All provision
2-year-old funded	92.2%	3.7%	3.7%	0.4%	536
3- and 4-year-old funded	83.6%	2.1%	8.9%	5.4%	6,038
Extended entitlement	82.2%	9.0%	7.6%	1.1%	2,048

Source: Provision for Children under 5, DfE, January 2020 released June 2020

* excludes four-year-olds in infant classes in primary schools.

4.8.7 Increasing the low take-up of the early years entitlements in childminding might present a business opportunity to replace lost income from paid for childcare, for some childminders.

5 Bromley provider audit

5.1 All registered early years and childcare settings (including academy schools with nursery provision) were invited to participate in an online survey in March 2021. The aim of the survey was to establish the impact of COVID-19 on registered childcare provision in Bromley in terms of demand, and to identify how settings have responded. The survey also explored the extent to which settings have accessed financial support and what further support might be needed.

5.2 A total of 392 settings completed the online survey. This included over half of all registered childminders (53%), nearly 90% of day nurseries (87%), 72% of academy nurseries and 69% of pre-schools. Only one out of school setting responded and no holiday settings and as a result this report excludes out of school and holiday provision.

TABLE 19. Response rates

Type of provision	Number in Bromley	Number responding	% response rate
Childminding	470	249	53%
Day nursery	63	55	87%
Pre-school	101	70	69%
Academy nursery	25	18	72%
Overall*	659	392	59%

* excludes out of school and holiday settings. Number of settings: Bromley Early Years Team February 2021

5.3 Demand in spring term 2021

5.3.1 Across all settings respondents reported 35% of registered places were vacant. Childminders reported the highest percentage of vacant places (39% of registered places were vacant at the time of the audit):

TABLE 20. Vacancies in spring term - % of registered places vacant

Type of provision				
Childminder	Day nursery	Pre-school	Academy nursery	Overall
39%	27%	32%	25%	35%

Base: all respondents 386. Percentages rounded

5.3.2 Applying the percentage of vacant places to overall places gives an estimate of 3,331 vacant places. Some of these places will have been for children aged 5 to 8

years old (specifically with childminders), with the majority available for children aged 0-5 years old.

TABLE 21. Estimated vacancies in spring term 2021 (based on provider audit responses)

Type of provision				
Childminder	Day nursery	Pre-school	Academy nursery	Overall
1,073	1,023	985	250	3,331

5.3.3 The estimate of 3,331 vacant places will overestimate the actual number. Some settings reported vacancies might be for a fulltime place, others for an afternoon or a day during the week. Registered places (the number of places the setting is registered for with Ofsted) represents the theoretical capacity of a market. Settings may not operate to full capacity but choose to work with a lower number of children. This is especially true during the pandemic, when many settings may have restricted their numbers due to COVID 19-safe practice (maintaining distance etc.), or staff shortages.

5.3.4 Respondents were asked if parental demand for their setting had changed for spring term 2021 compared to spring term 2020. Responses identified a mixed picture.

5.3.5 Whilst demand was reported as 'about the same' by 32% of respondents, 52% reported it had decreased, either slightly or a lot. Around 15% of respondents reported an increase in demand, predominantly day nursery provision.

TABLE 22. Changes in demand spring term 2021 compared to spring term 2020

Has demand changed?	% of respondents (number)				
	Childminder	Day nursery	Pre-school	Academy nursery	Overall
About the same	29% (71)	35% (19)	40% (28)	50% (9)	32% (127)
Decreased a lot	34% (84)	7% (4)	21% (15)	17% (3)	27% (106)
Decreased slightly	27% (67)	25% (14)	23% (16)	11% (2)	25% (99)
Increased a lot	3% (7)	11% (6)	6% (4)	17% (3)	5% (20)
Increased slightly	8% (20)	22% (12)	10% (7)	6% (1)	10% (40)

Base: all respondents 392, percentages rounded.

5.3.6 Where respondents reported a change in demand, they were asked how that demand had changed. Responses show a mixed picture. There was decreased demand or paid for places (12% overall), impacting most highly on day nurseries and pre-schools. Conversely 17% of day nurseries reported an increase in demand for paid for places.

5.3.7 Academy nurseries and pre-schools reported decreased demand for the universal entitlement (50% and 24% respectively) and a relatively high proportion of day nurseries, academy nurseries and childminders reported an overall decrease in demand.

5.3.8 Childminders reported a relatively large decrease in demand for wrap-around childcare and responses suggest there has been a general trend to parents wanting fewer hours or shorter days.

TABLE 23. Where demand has changed – how?

	% of respondents (number)				
	Childminder	Day nursery	Pre-school	Academy nursery	Overall
Increased demand for paid for hours	7% (14)	17% (7)	2% (1)	0% (0)	8% (23)
Decreased demand for paid for hours	10% (19)	15% (6)	20% (9)	8% (1)	12% (35)
Increased demand for 2-year-old places (funded)	0% (0)	2% (1)	2% (1)	0% (0)	0.7% (2)
Decreased demand for 2-year-old places (funded)	1% (2)	5% (2)	9% (4)	8% (1)	3% (9)
Increased demand for 30-hours childcare	4% (8)	7% (3)	4% (2)	25% (3)	6% (16)
Decreased demand for 30-hours childcare	1% (2)	0% (0)	2% (1)	0% (0)	1% (3)
Increased demand for the universal entitlement for 3-and-4-year-olds	1% (2)	2% (1)	9% (4)	8% (1)	3% (8)
Decreased demand for the universal entitlement for 3-and-4-year-olds	0.5% (1)	5% (2)	24% (11)	50% (6)	6% (16)
Decreased demand for wrap-around care	28% (53)	2% (1)	2% (1)	8% (1)	19% (56)
Increased demand for wrap-around care	2% (3)	0% (1)	0% (1)	0% (1)	1% (3)
Parents want fewer hours of shorter days	32% (62)	25% (10)	9% (4)	0% (0)	26% (76)
General increase in demand	1% (2)	0% (0)	4% (2)	0% (0)	1% (3)
General decrease in demand	7% (14)	20% (8)	2% (1)	0% (0)	8% (23)
Not open/new business	2% (4)	15% (6)	4% (2)	8% (1)	4% (13)
Other*	2% (3)	5% (2)	2% (1)	0% (0)	2% (6)

Base: all respondents 290. Percentages rounded. Multiple responses

*Other includes: slow to book; more days; increase in baby places

5.3.9 Settings were asked if there was any demand they could not meet – 16% overall (62 settings) indicated this was the case.

5.4 Demand for summer term 2021

5.4.1 Respondents were asked to look ahead to summer term 2021, and report on the level of demand expected, compared to spring 2021. Historically demand for places grows in the summer term ahead of the school intake in the autumn.

5.4.2 Over a third of all settings (38%) and nearly half of all childminders (49%) were not sure, with another third (33% of all respondents anticipating demand would remain relatively unchanged from spring term 2021.

5.4.3 Settings would normally anticipate an increase in demand between spring and summer terms, ahead of the school-intake in the autumn (more children accessing a place and four-year-olds are not yet ready to move on, often resulting in full capacity being reached in the market).

5.4.4 Around 1 in 10 respondents (9%) expected demand to decrease, with 20% anticipating an increase compared to spring 2021.

TABLE 24. Changes in demand spring to summer term 2021

Respondents expecting demand to:	% of respondents (number)				
	Childminder	Day nursery	Pre-school	Academy nursery	Overall
Decrease compared to spring 2021	9% (23)	11% (6)	9% (6)	6% (1)	9% (36)
Stay relatively unchanged from spring 2021	30% (74)	29% (16)	41% (29)	50% (9)	33% (128)
Increase compared to spring 2021	12% (31)	42%(23)	26% (18)	44% (8)	20% (80)
Unsure	49% (121)	18% (10)	24% (17)	0% (0)	38% (148)

Base: all respondents. Percentages rounded.

5.5 Percentage of income derived from funded hours

5.5.1 Demand for paid for hours has decreased in spring 2021 (compared to spring 2020). Where settings have a relatively high percentage of income from paid for hours, they may be more financially vulnerable as the pandemic continues to impact and if the trend to lower levels of demand for paid for hours continues. Settings that derive income from early years funding were protected to an extent across summer and

autumn terms 2020 and spring term 2021 as the Government continued to fund on expected levels or numbers on roll and not on actual attendance.

5.5.2 Respondents were asked what the split was between funded and paid for hours income. Data was not necessarily consistent, and some responses have been omitted. However, responses do suggest childminders and day nurseries have a higher reliance on paid-for hours.

5.5.3 Across all respondents the average split was 45% funded and 63% paid for hours, but this masks considerable variation (note: given irregularities in the responses average ratios do not add up to 100%).

TABLE 25. Estimated % of income derived from early years funding and from fees.

	Childminding	Day nursery	Pre-school	Academy nursery	Overall
Early years funding	36.8%	29.8%	72.3%	84.8%	45.7%
Paid for fees	77.1%	69.1%	28.2%	16.3%	63.5%

Base: all respondents, 285. Percentages rounded.

5.5.4 Across all respondents, 22% (64 settings) did not receive any early years funding (all childminders).

5.5.5 8% of all respondents derived 90% or more of their income from early years funding, comprised of 27% of pre-schools and 33% of academy nurseries. In contrast 23% of respondents (63 settings) reported 100% of their income came from paid for fees.

5.6 Changes to delivery models

5.6.1 Respondents were asked how they had changed their provision since COVID-19. Just over half of all respondents (53%, 198 settings) reported they had made changes to their provision since the start of the pandemic. Pre-schools and academy nurseries were less likely to have changed their provision.

TABLE 26. The proportion of respondents changing their provision since COVID-19

	Childminding	Day nursery	Pre-school	Academy nursery	Overall
% (and number) of respondents	60% (145)	55% (28)	33% (22)	17% (3)	53% (198)

Base: all respondents, 376. Percentages rounded.

5.6.2 To a degree, changes can be regarded as defensive in response to a market with low demand.

5.6.3 The most common change made was offering shorter days (29% of those making changes), followed by offering fewer hours (17%) and fewer days (15%). Childminders accounted for the highest number of settings making these changes, pushing up the overall averages. The issue may be how quickly settings could adapt to increased demand.

TABLE 27. Changes to delivery models

Changes made:	% of respondents (number)				
	Childminder	Day nursery	Pre-school	Academy nursery	Overall
Fewer hours	21% (30)	4% (1)	9% (2)	0% (0)	17% (33)
Shorter days	32% (46)	25% (7)	14% (3)	33% (1)	29% (57)
Fewer days	19% (28)	0% (0)	9% (2)	0% (0)	15% (30)
Fewer weeks a year	3% (5)	0% (0)	0% (0)	0% (0)	3% (5)
More places	3% (5)	4% (1)	5% (1)	0% (0)	4% (7)
More hours	2% (3)	0% (0)	5% (1)	0% (0)	2% (4)
Longer days	4% (6)	11% (3)	14% (3)	66% (2)	7% (14)
More days	6% (8)	0% (0)	0% (0)	0% (0)	4% (8)
More weeks of the year	3% (5)	0% (0)	0% (0)	0% (0)	3% (5)
Reduced fees	11% (16)	7% (2)	14% (3)	33% (1)	11% (22)
Increased fees	1% (2)	32% (9)	9% (2)	0% (0)	7% (13)

Base: all respondents 198. Percentages rounded. Multiple choices.

5.7 Financial support and issues causing concern

5.7.1 Respondents were asked to indicate the extent to which issues were of concern, from a range of options. The issue presenting the highest degree of concern was partial or full closure due to infection (with 73% of respondents agreeing or strongly agreeing this was a concern).

5.7.2 Other issues with high levels of concern were related to finances (included financial sustainability, cash flow and low levels of demand), and infection control.

TABLE 28. Issues causing concern – all respondents

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
Partial or full closure due to infection	6% (23)	7% (26)	14% (54)	30% (146)	34% (129)
Financial sustainability	3% (11)	13% (48)	27% (99)	37% (137)	21% (77)
Cash flow	3% (13)	13% (49)	32% (121)	34% (127)	18% (67)
Infection control	5% (19)	22% (84)	26% (98)	34% (126)	13% (48)
Low levels of demand	7% (26)	19% (72)	29% (109)	30% (112)	14% (52)
Training – access to or cost of	4% (14)	15% (56)	37% (138)	33% (122)	11% (40)
Staff recruitment	6% (22)	14% (50)	59% (211)	15% (52)	6% (23)
Staff retention	7% (25)	20% (72)	54% (195)	14% (52)	4% (15)
High levels of demand (which I cannot fulfil)	21% (77)	33% (124)	32% (118)	11% (42)	3% (10)

Base: all respondents. Percentages rounded.

5.8 Access to financial support

5.8.1 The Government introduced a range of financial support packages to support all businesses during lockdown and recovery. These were in addition to Government support specifically for the childcare sector where public funding for the early years free entitlements continued. The range of financial support schemes include:

- Self-employment Income Support Scheme (SEISS)
- Coronavirus Job Retention Scheme (Furlough)
- Small business grant scheme
- Small/rural business rate relief grant
- Bounce Back Loan
- Coronavirus Business Interruption Loan Scheme (CBILS)
- Rent or mortgage holiday
- Business rates holiday
- Universal Credit

5.8.2 The extent to which early years and childcare settings have applied, and been successful, for these support measures will probably impact on their business health through 2021.

5.8.3 Some of the Government financial support (e.g. Bounce Back Loans) are subject to repayment, and if demand for childcare remains low at the time repayments are due, this could put some additional pressure on some settings.

5.8.4 Support was targeted differently. For example, the SEISS supported (and continues to support) people that are self-employed (in most cases this relates to childminders), whereas furlough was introduced to support employees and so relates to businesses that employ staff (e.g. group childcare settings).

5.8.5 Respondents were asked if they had applied for any of the schemes listed above, and including local authority discretionary funding.

5.8.6 Across all respondents, 72% had accessed at least one form of financial support, including:

- 79% of childminders (predominantly SEISS)
- 69% of day nurseries (predominantly making use of furlough and to a lesser extent, Bounce Back Loans)
- 61% of pre-schools (furlough, SEISS and rent holiday)
- 33% of academy nurseries (predominantly accessing furlough)

5.8.7 Nearly one in three settings responding (28%) had not accessed any form of the identified support, which may be of concern.

TABLE 29. Percentage of respondents taking advantage of financial support

	Childminder	Day nursery	Pre-school	Academy nursery	Overall
Self-employed income support scheme	85% (168)	14% (5)	31% (13)	0% (0)	66% (186)
Coronavirus Job Retention Scheme (furlough)	6% (12)	95% (35)	86% (36)	67% (4)	31% (87)
Mortgage holiday	26% (51)	0% (0)	5% (2)	0% (0)	19% (53)
Bounce Back Loan	4% (8)	24% (9)	10% (4)	0% (0)	7% (21)
Rent holiday	0% (0)	5% (2)	21% (9)	0% (0)	4% (11)
LA discretionary funding	1% (2)	5% (2)	12% (5)	17% (1)	4% (10)
Business rates grant	1% (2)	8% (3)	5% (2)	0% (0)	2% (7)
Coronavirus Business Interruption Loan Scheme (CBILS)	0.5% (1)	5% (2)	5% (2)	0% (0)	2% (5)

	Childminder	Day nursery	Pre-school	Academy nursery	Overall
Small/rural business rates relief grant	0% (0)	3% (1)	2% (1)	0% (0)	0.7% (2)
Business rates holiday	0% (0)	0% (0)	0% (0)	17% (1)	0.3% (1)

Base: all respondents, 282. Percentages rounded. Multiple responses.

5.8.8 Respondents were invited to share any comments about the financial support available or accessed. Responses are shown verbatim in the appendices. For some respondents, financial support had been well-received and supported them to sustain their business throughout the stages of the pandemic. For others, they were unable to access any financial assistance – for example, those that had recently opened. A number of respondents reported financial support was insufficient.

5.9 Held financial reserves

5.9.1 Where settings had a healthy financial position at the start of the pandemic, and where they had taken the opportunity to access Government financial support (rather than use held reserves), it is more likely they will be financial sustainable in 2021. Where settings have not accessed Government financial support and/or relied on held reserves to support their business throughout lockdown and recovery, there is concern they would not be in such a healthy financial position moving forwards. Across all respondents, a third (33%) had cash reserves at the time of the audit.

TABLE 30. Cash reserves

	Childminding	Day nursery	Pre-school	Academy nursery	Overall
% (and number) of respondents with cash reserves	24% (55)	62% (24)	53% (29)	20% (3)	33% (111)

Base: all respondents 282. Percentages rounded.

5.9.2 Respondents were asked for an estimate of how many months operating costs they had in reserve. The purpose of collating the data was to support an assessment of the financial health of the childcare market in Bromley.

5.9.3 Not all respondents chose to provide an estimate, as this information can be regarded as sensitive or confidential. Based on information shared:

TABLE 31. Estimated number of months operating costs in reserve (all respondents)

0.5 month – 1 month	1 – 2 months	3 – 4 months	5 -6 months	More than 6 months
21% (16)	28% (21)	25% (19)	17% (13)	8% (6)

Base: all respondents 75. Percentages rounded

5.10 Local authority support

5.10.1 Bromley provided a range of support for childcare settings throughout the pandemic. This included: daily updates; delivering training online; provider support sessions; training with Public Health on infection prevention and control, and early years funding in autumn term to match funding received in autumn term 2019.

5.10.2 Respondents were asked if they had used local authority support and if they had the extent to which the support had worked on a scale of 1 (not useful) to 5 (very useful).

5.10.3 Across all respondents, 38% reported they had not accessed any support. Of those that had, support had been well-received, particularly the continuation of free entitlement funding during spring 2020 and early years top-up funding in autumn term 2020.

TABLE 32. Access to support

Type of support	% settings that accessed/used	How useful was support accessed?				
		Not useful	Of limited use	Somewhat useful	Useful	Very useful
Continuation of free entitlement funding during the first lockdown period (spring 2020)	65% (236)	4% (9)	0% (0)	7% (17)	14% (33)	75% (177)
Early years top-up funding in the autumn term 2020	49% (174)	6% (10)	1% (2)	11% (19)	24% (42)	58% (101)
Email updates from the LA	92% (225)	2% (7)	4% (15)	19% (63)	44% (148)	30% (102)
Access to briefings, guidance and information from the LA	82% (295)	1% (4)	6% (17)	21% (62)	48% (141)	24% (71)
Regular support from the LA	62% (216)	5% (11)	10% (22)	22% (47)	44% (96)	19% (40)

Base: all respondents. Percentages rounded.

5.11 What would help ongoing recovery?

5.11.1 Respondents were asked what additional support would help with their ongoing recovery. There were a range of suggestions made. A number of comments focussed on access to COVID testing and the additional costs associated with delivering provision COVID-safe.

“Home COVID test. I work 7.30am - 6.30pm Monday to Friday. Test centre is not open for regular flow test when I can assess it”[childminder]

“PPE prices has absolutely soared in the last year. e.g. Bulk box of 1000 disposable gloves used to cost £27.00 from Booker's wholesalers since the first lockdown in March 2020 they now cost £77.00. The same as all other PPE, Face visors etc., which we are using a lot more to ensure health and safety” [pre-school]

5.11.2 Some comments focussed on funding and additional financial support, for example:

“Funding support to last year’s children on roll to support financial sustainability of the setting. Low numbers is having a significant impact on financial sustainability” [academy nursery]

“Funding rates being a true reflection of the hourly cost of childcare in a nursery setting which delivers high quality care” [day nursery]

5.11.3 Other respondents commented on demand, the need for information, guidance and training support and acknowledgment of the support provided by the early years team.

5.12 Business sustainability

5.12.1 Respondents were asked how confident they were in their setting’s financial sustainability in the next six to 12 months. A relatively high proportion (26%) lacked confidence, particularly pre-school settings (where 31% reported lacking confidence). A relatively high proportion of day nurseries (63%) were confident in their setting’s financial sustainability.

TABLE 33. Degree of confidence in financial sustainability in the next 6 to 12 months

	Childminder	Day nursery	Pre-school	Academy nursery	Overall
Very unconfident	10% (24)	2% (1)	9% (6)	0% (0)	8% (31)
Unconfident	18% (43)	14% (7)	22% (15)	11% (2)	18% (67)
Neither confident nor unconfident	38% (92)	20% (10)	32% (22)	22% (4)	34% (128)
Confident	31% (76)	49% (24)	31% (21)	67% (12)	35% (133)
Very confident	4% (9)	14% (7)	6% (4)	0% (0)	5% (20)

Base: all respondents, 379. Percentages rounded.

5.13 Additional comments around future business plans

5.13.1 Respondents were asked if they had any additional comments they would like to make around their future business plans. Comments reveal the stress experienced by a number of practitioners throughout the pandemic, with some respondents (notably childminders) sharing their thoughts about giving up their work in the sector.

“With COVID it has made has made me stress and worry, so I am giving it six months to see if things improved if not I will be closing for good. Looking for jobs elsewhere” [childminder]

“I only provide school age care. If Gov. restrictions persist (I know they're necessary) or if demand stays low I will look for alternative employment” [childminder]

5.13.2 Others commented on levels of demand or income:

“We feel that we as an industry have been poorly treated however due to strict monetary controls we hope to survive these times and September's books are improving with nursery children on the waiting list few leaving for school, the 2021-2022 year should restore some of our spent reserves of cash” [day nursery]

“It's all just a waiting game. With [setting] I imagine we will end up closing down after twenty years, as we pay over £400.00 a week in rent for morning only. Sadly without more financial support it's unlikely we will be sustainable” [pre-school]

“Concerns around occupancy in autumn term 2021. This will impact of staff employment levels. Concerns around children entering setting in autumn due to lack of experiences and opportunities as toddler groups and stay and play sessions have been closed. Concerned around the waiting lists for SEN support services” [pre-school]