Business Intelligence

Early Years and Childcare

COVID-19 Business Health Check Survey

Autumn Term 2020

Published April 2021 by Warwickshire Business Intelligence

Warwickshire County Council

Working for Warwickshire

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Introduction

In response to the impact of COVID-19 on early years and childcare providers operating in Warwickshire a business health check survey was undertaken with the sector in Autumn Term 2020 to identify how the pandemic had impacted to date on the sector.

The results and findings of the business health check will be used to monitor place sufficiency, sustainability of providers and to direct and inform any support needs for the sector going forwards.

With the ongoing impact of the pandemic it is essential that short term actions are not used as an overall solution and Warwickshire must consider a longer term plan to monitor, support and manage the impact to the sector. This will work alongside reviewing and identifying how, if at all, the early years and childcare needs of Warwickshire families will change as the country heads towards stability and recovery from the impacts of COVID-19.

The business survey will be used as a tool to touch base with providers of early years and childcare services within Warwickshire and will be issued at intervals throughout the next academic year to allow for comparison and evaluation and will be linked to Warwickshire Childcare Sufficiency Assessment work and that of the Early Years & Childcare Entitlements, Sufficiency and Business Team.

Each section included within this summary is based on the specific questions directed to the sector in the business survey.

The focus of this survey is based solely on finance and take up and it must be acknowledged that as the impact of the pandemic continues the additional pressures that are not financially measurable may well start to have an effect on the provision available and long term place sufficiency. The impact of the none financial pressures should not be underestimated.

Provision Type	**No.**	**%**
Day Nursery	146	21
Pre-school	52	8
Private Nursery School	2	0.3
School Run Provision	48	7
Maintained Nursery Classes/Schools	36	5
Nursery Units of Independent Schools	5	0.7
Childminders	331	49
Out of School Care	48	7
Holiday Schemes	12	2
Total	**680**	**100**

(Total number of providers as of 09.04.21, includes only 1 type of provision per registration number)

Responses

The survey was issued to **688** early years and childcare providers and there were **506** responses in total.

Responses were received from all districts, and from all Lower Early Years Planning Areas within each district providing a fair representation of the situation at the time for services spread across the county as a whole.

EARLY YEARS DISTRICT	AS % OF RESPONSES
Warwick	**23.3%**
Rugby	**21.7%**
Nuneaton and Bedworth	**21.3%**
Stratford	**19.4%**
North Warks	**14.2%**

The majority of responses were received from **childminders** and **day nurseries**.

PROVISION TYPE	AS % OF RESPONSES
Childminder(s)	**42.1%**
Day Nursery	**30.4%**
Pre-School	**15.0%**
Maintained Nursery Class/School	**9.7%**
Out of School Care	**1.0%**
Nursery Units of Independent Schools	**0.8%**
Private Nursery School	**0.6%**
Holiday Scheme	**0.4%**

The majority of responses were received from **sole traders** and **private limited businesses**.

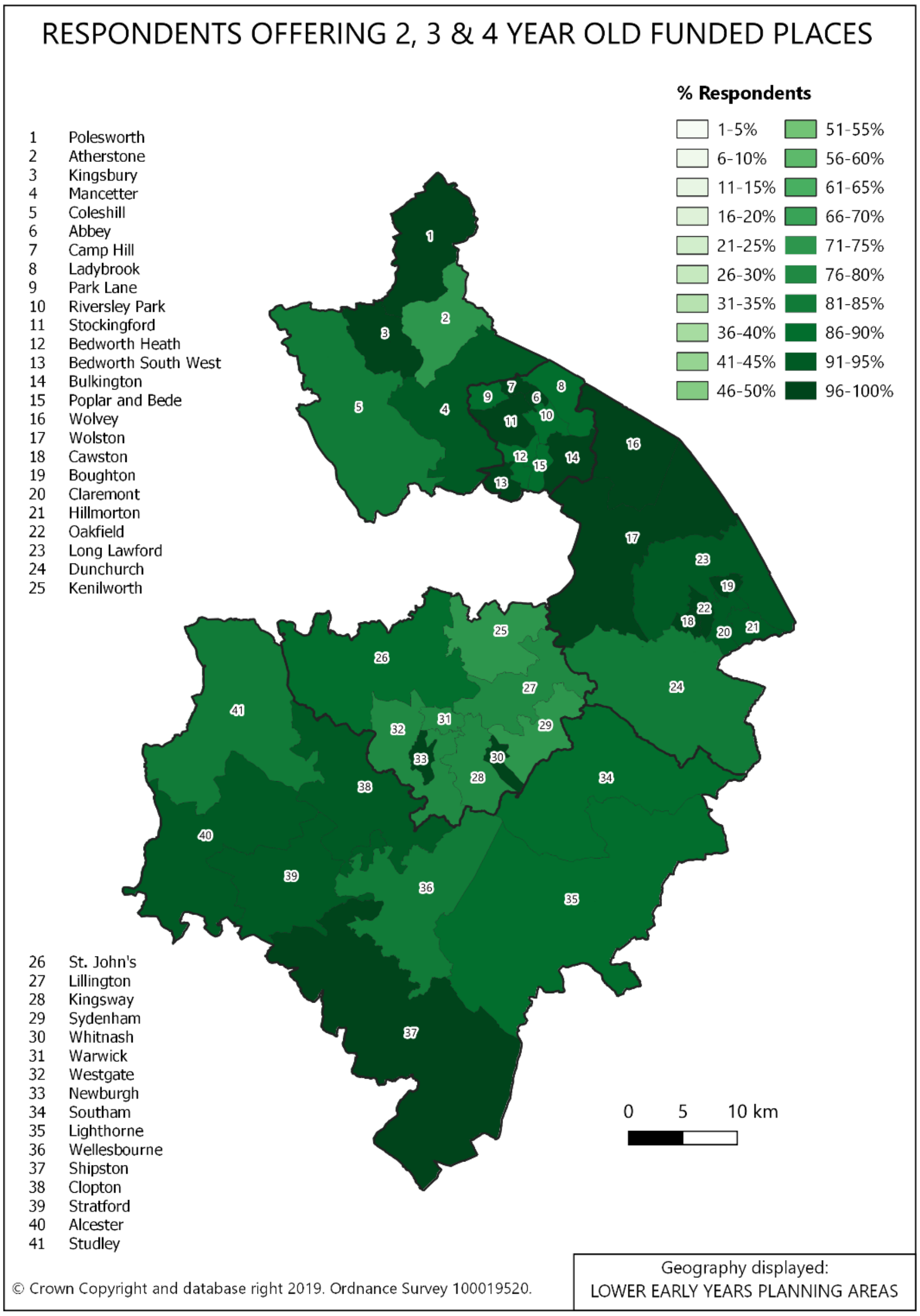
LEGAL STRUCTURE	AS % OF RESPONSES
Sole Trader	**43.5%**
Private Ltd Business	**26.7%**
LA Maintained Nursery Class / School	**7.7%**
Company Ltd by Guarantee	**5.5%**
Academy	**5.1%**
School Run Provision (Section 27 Care)	**4.0%**
Charitable Incorporated Organisation (CIO)	**3.8%**
Charity (Unincorporated)	**2.4%**
Other	**0.6%**
Limited Liability Partnership (LLP)	**0.4%**
Community Interest Company (CIC)	**0.2%**
Co-operative business	**0.2%**

The majority of **sole trader** respondents are childminders.

Do you offer 2, 3 & 4 year old funded places?

89.9% of respondents offer 2, 3 & 4-year-old funded places.

PROVISION TYPE	% OFFERING FUNDED PLACES
Nursery Units of Independent Schools	**100.0%**
Pre-School	**100.0%**
Private Nursery School	**100.0%**
Day Nursery	**99.4%**
Maintained Nursery Class/School	**98.0%**
Childminder(s)	**79.3%**
Out of School Care	**40.0%**



Are there any limiting factors that affect the ability of the setting to accept more 2, 3 & 4 year old places?

36.9% of respondents said there are no current limiting factors preventing them offering more places.

PROVISION TYPE	% WITH NO LIMITS
Nursery Units of Independent Schools	**50.0%**
Childminder(s)	**38.5%**
Maintained Nursery Class/School	**37.5%**
Day Nursery	**35.9%**
Pre-School	**35.5%**
Private Nursery School	**33.3%**
Out of School Care	**0.0%**

Staff-to-child ratios was the most common limiting factor cited (**34.3%** of respondents).

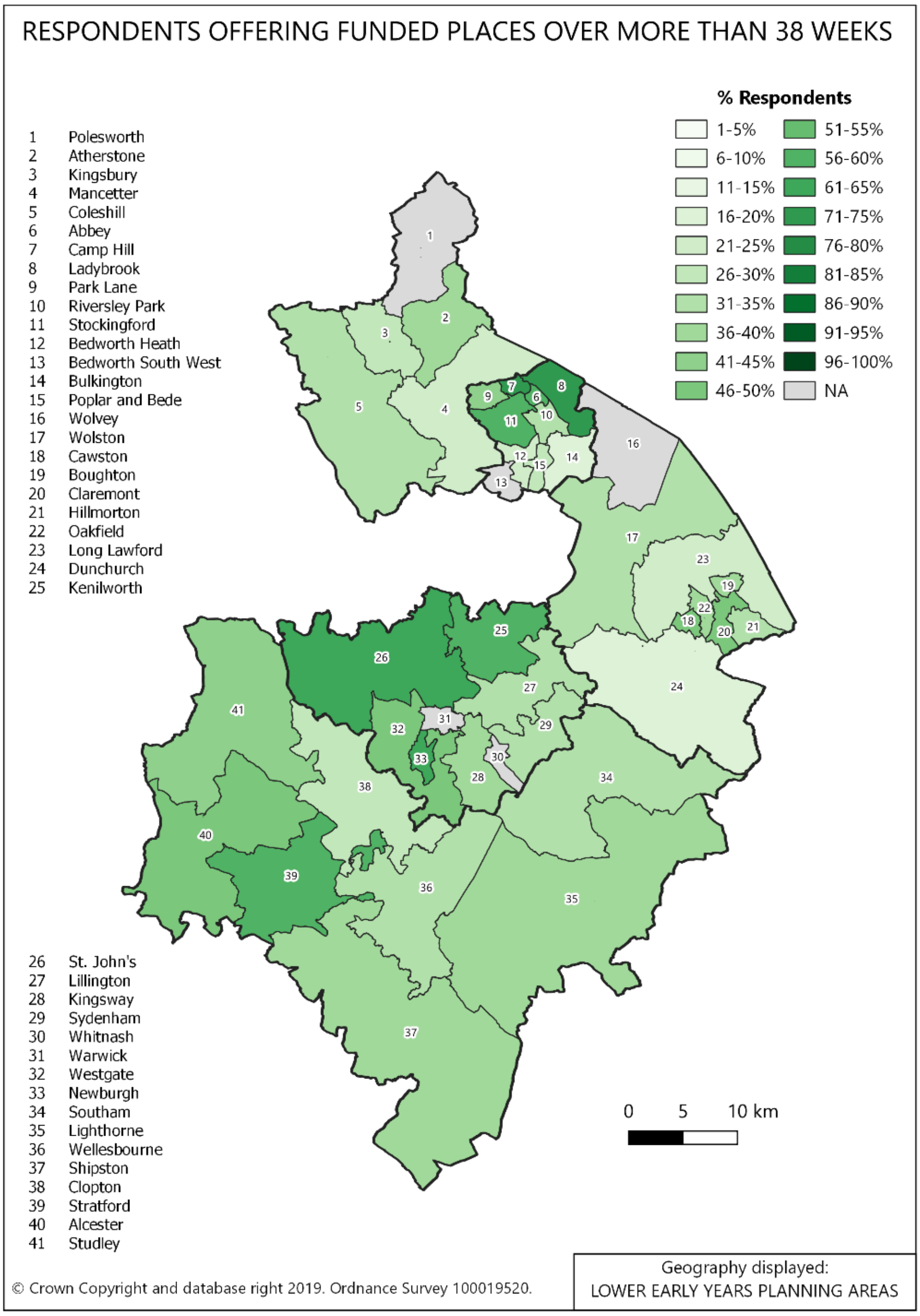
LIMITING FACTOR	% RESPONDENTS
There are no current limiting factors	**36.9%**
Staff-to-child ratios	**34.3%**
Space / layout of setting	**22.2%**
COVID-19 restrictions	**10.8%**
Recruitment of new staff	**9.9%**
Sustainability of business	**7.9%**
Additional needs of children	**4.4%**
Personal preferance	**4.0%**
Lack of suitably qualified applicants	**3.7%**
Other limits	**30.5%**

89.2% of respondents said that COVID-19 restrictions do not limit their ability to offer more funded places.

Do you offer funded places over more than 38 weeks?

38.0% of respondents offer funded places over more than 38 weeks.

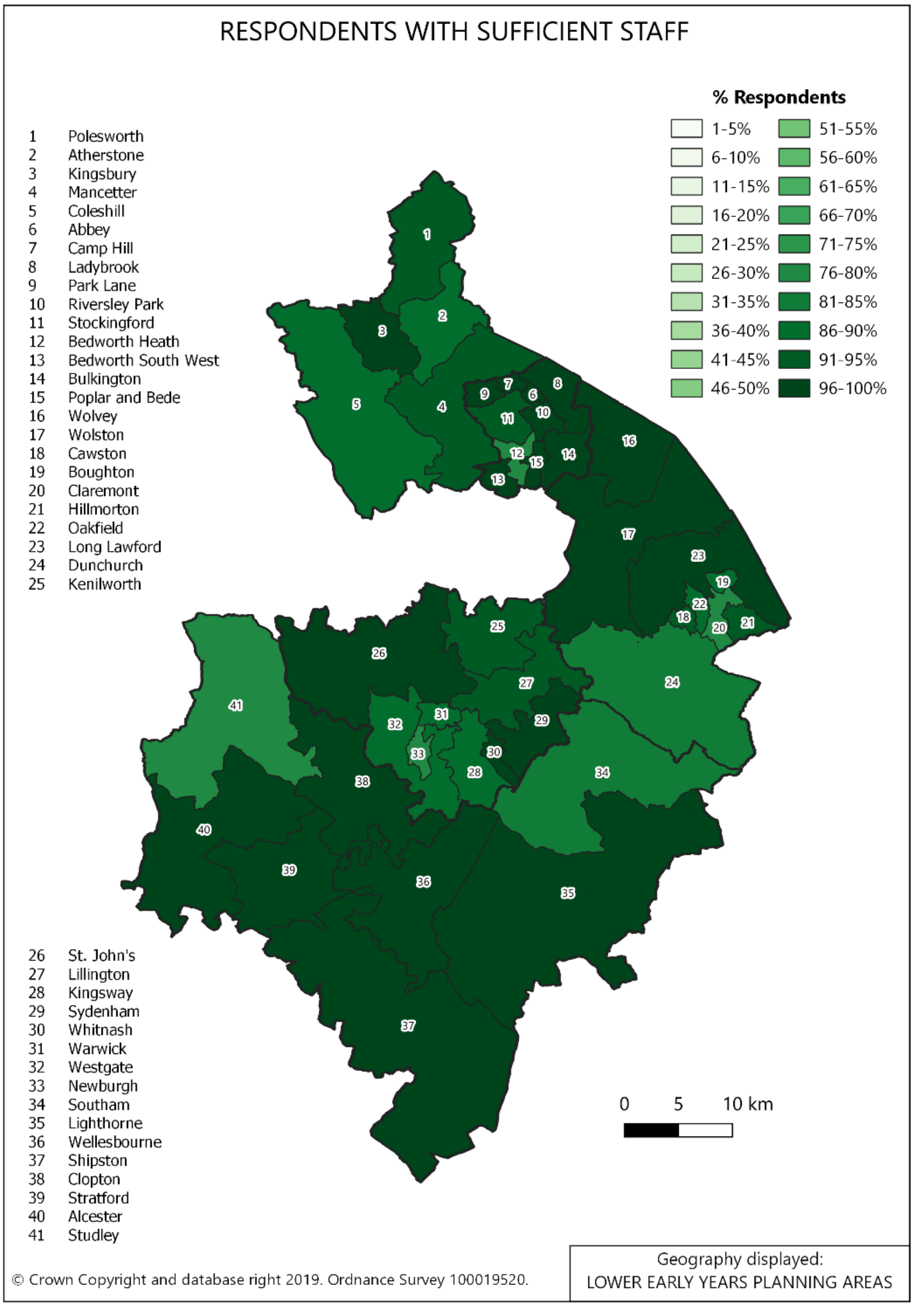
PROVISION TYPE	% FUNDING OVER 38 WEEKS
Day nursery	**62.7%**
Out of school care	**50.0%**
Childminder	**40.2%**
Private nursery school	**33.3%**
Nursery unit of independent schools	**25.0%**
Pre-School	**7.9%**



<u>Do you have sufficient staff? If no, what is the reason why?</u>

93.5% of respondents have reported sufficient staff.

PROVISION TYPE	% WITH SUFFICIENT STAFF
Nursery Units of Independent Schools	**100.0%**
Private Nursery School	**100.0%**
Pre-School	**98.7%**
Maintained Nursery Class/School	**98.0%**
Childminder(s)	**94.8%**
Day Nursery	**88.3%**
Out of School Care	**80.0%**
Holiday Scheme	**50.0%**



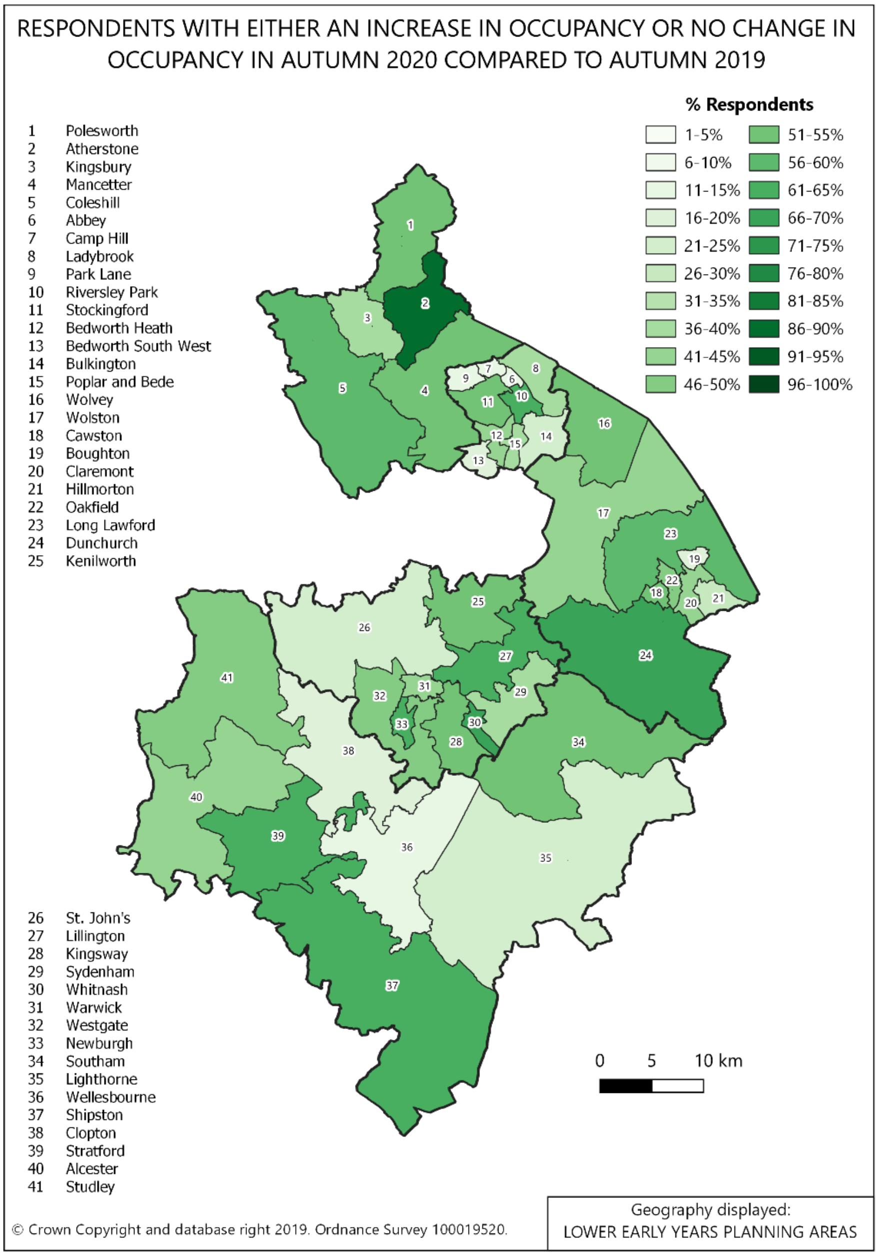
Of those respondents with insufficient staff, an **inability to recruit** was the most commonly cited reason, where a reason was specified.

REASON FOR INSUFFICIENCY	% APPLICABLE RESPONDENTS
Unable to recruit	**27.6%**
Staff unable to work due to shielding / illness	**20.7%**
Staff have left to pursue other careers	**3.4%**
Other	**48.3%**

Overall occupancy figures for Autumn term 2019 and Autumn term 2020.

42.8% of respondents saw either an increase in occupancy or no change in occupancy in Autumn term 2020 compared to Autumn term 2019.

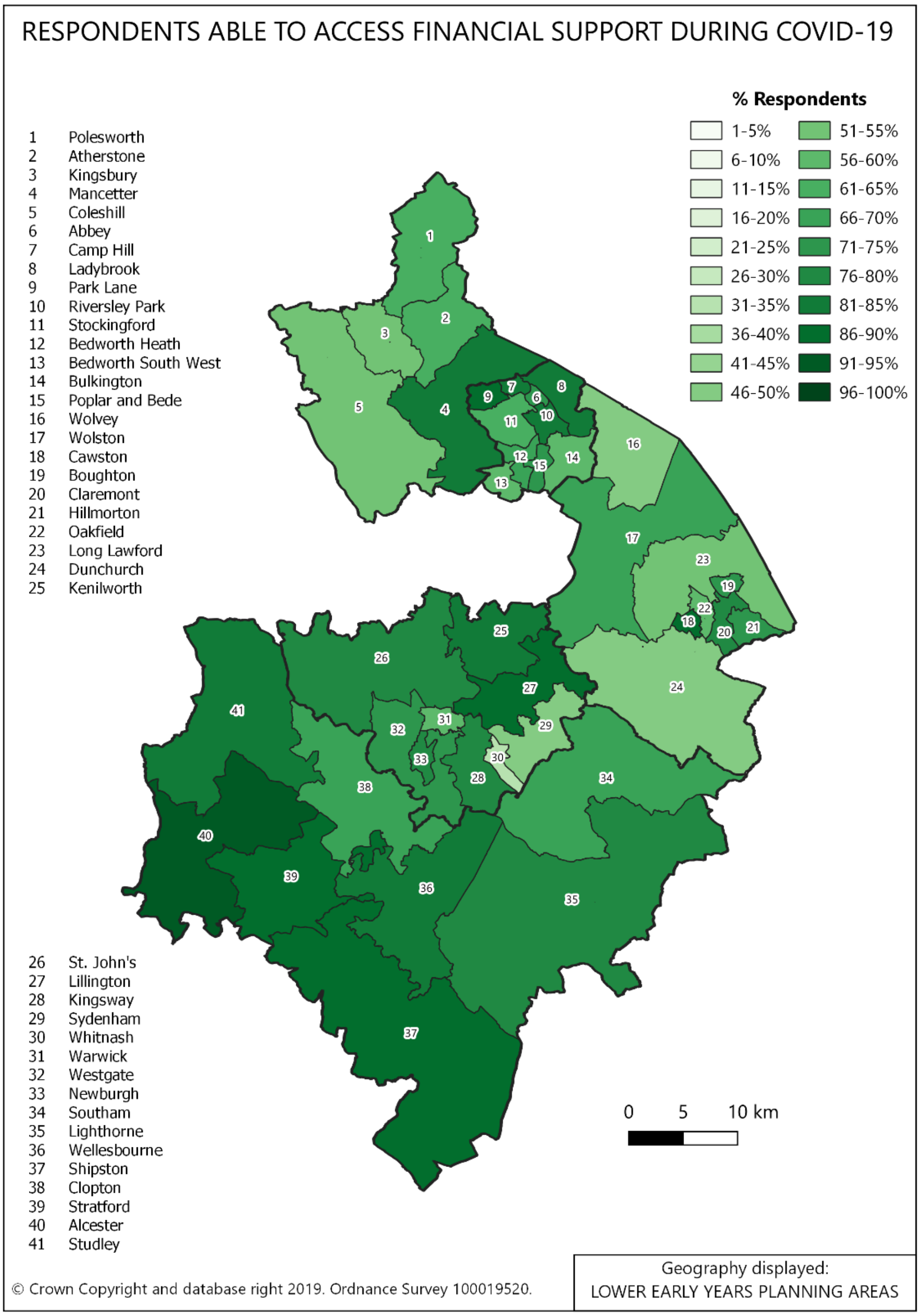
PROVISION TYPE	% OCCUPANCY INCREASE OR NO CHANGE
Childminder(s)	**50.2%**
Nursery Units of Independent Schools	**50.0%**
Maintained Nursery Class/School	**44.9%**
Out of School Care	**40.0%**
Pre-School	**36.8%**
Day Nursery	**35.7%**
Private Nursery School	**33.3%**



Have you been able to access financial support during COVID-19?

73.1% of respondents have been able to access financial support during COVID-19.

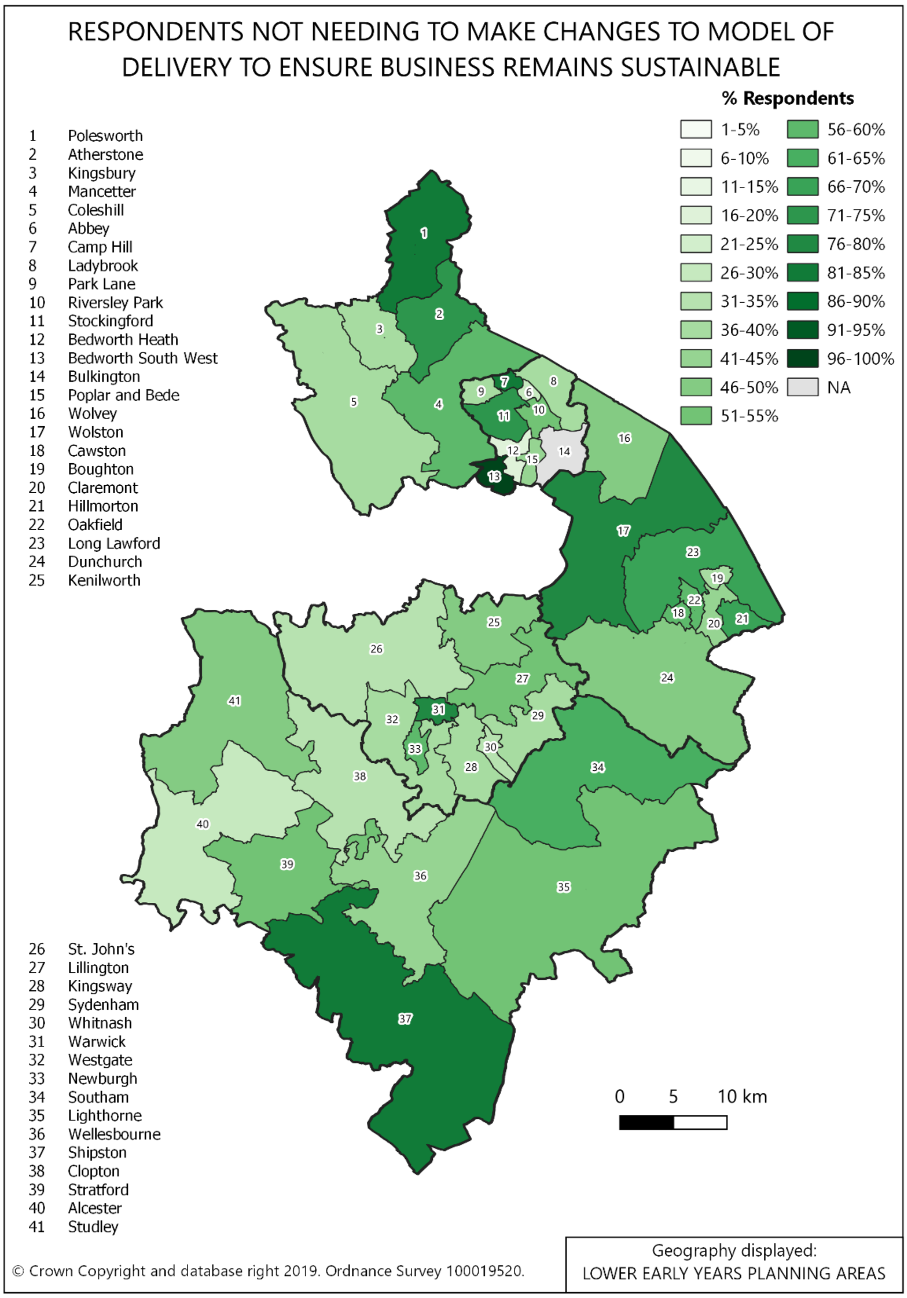
PROVISION TYPE	% ABLE TO ACCESS SUPPORT
Nursery Units of Independent Schools	**100.0%**
Childminder(s)	**83.1%**
Day Nursery	**78.6%**
Out of School Care	**60.0%**
Pre-School	**53.9%**
Maintained Nursery Class/School	**49.0%**



Will you have to make any changes to your model of delivery to ensure your business remains sustainable?

52.0% of respondents will not have to make changes to their delivery model to ensure the sustainability of their business.

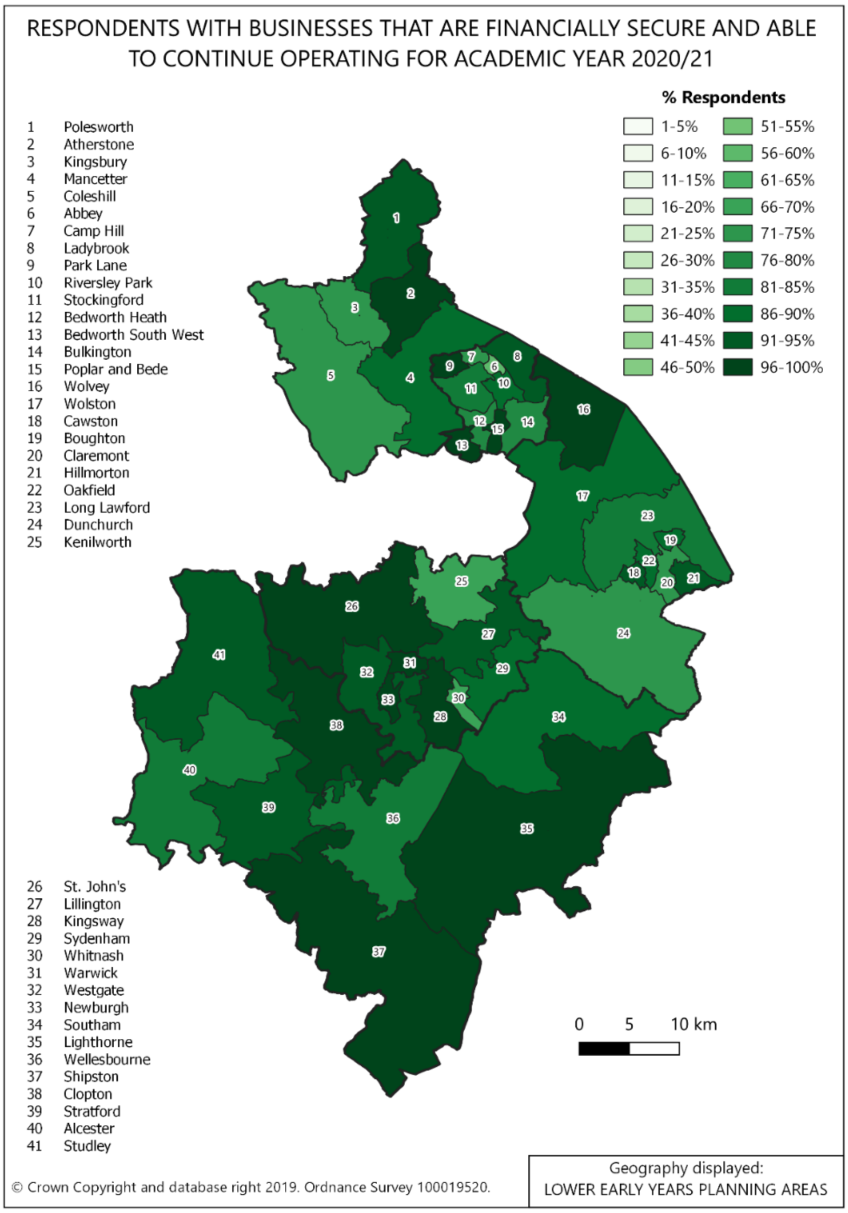
PROVISION TYPE	% NOT NEEDING TO CHANGE DELIVERY MODEL
Nursery Units of Independent Schools	**75.0%**
Childminder(s)	**62.0%**
Maintained Nursery Class/School	**49.0%**
Day Nursery	**44.8%**
Pre-School	**44.7%**
Out of School Care	**20.0%**



Is your business financially secure and able to continue operating for this academic year 2020/21?

88.7% of respondents believe their business to be financially secure and able to continue operating through the academic year.

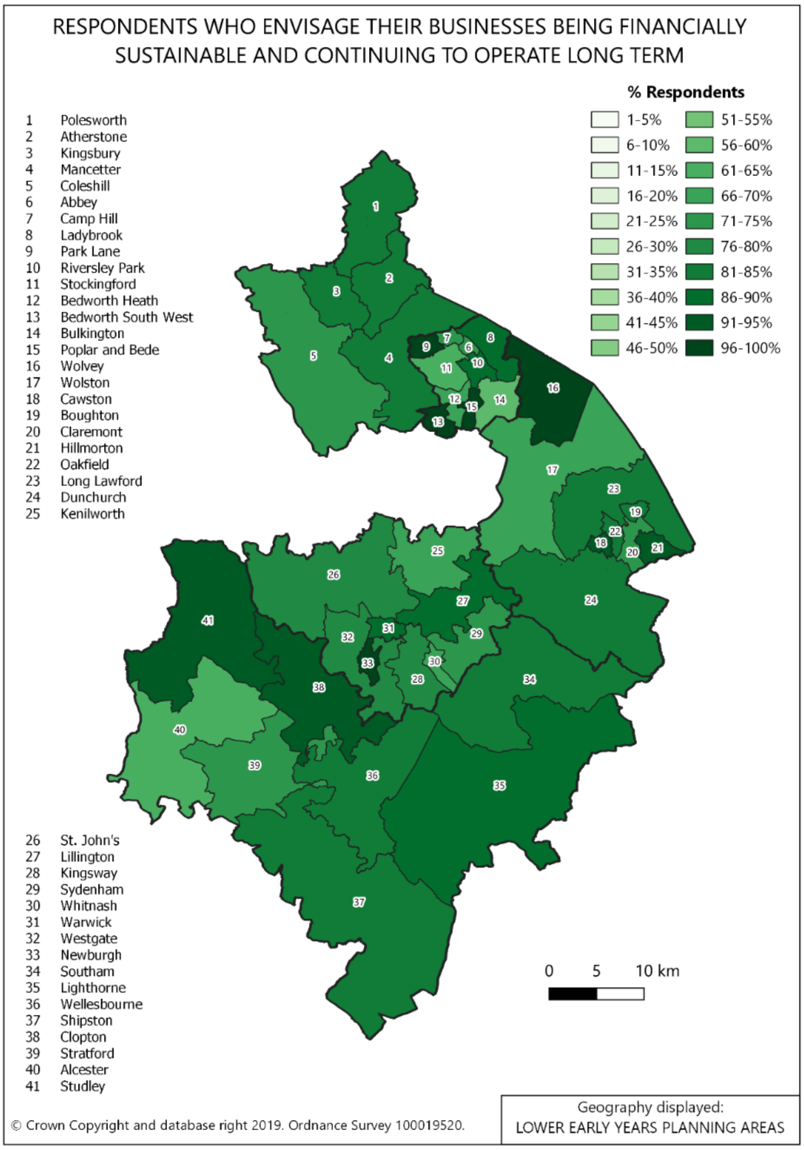
PROVISION TYPE	% FINANCIALLY SECURE	
Nursery Units of Independent Schools	**100.0%**	
Out of School Care	**100.0%**	
Pre-School	**96.1%**	
Maintained Nursery Class/School	**95.9%**	
Day Nursery	**92.2%**	
Childminder(s)	**82.2%**	
Private Nursery School	**66.7%**	
Holiday Scheme	**50.0%**	



<u>To the best of your knowledge do you envisage your business being financially sustainable and continuing to operate long term?</u>

82.0% of respondents envisage their business being financially sustainable and continuing to operate long term.

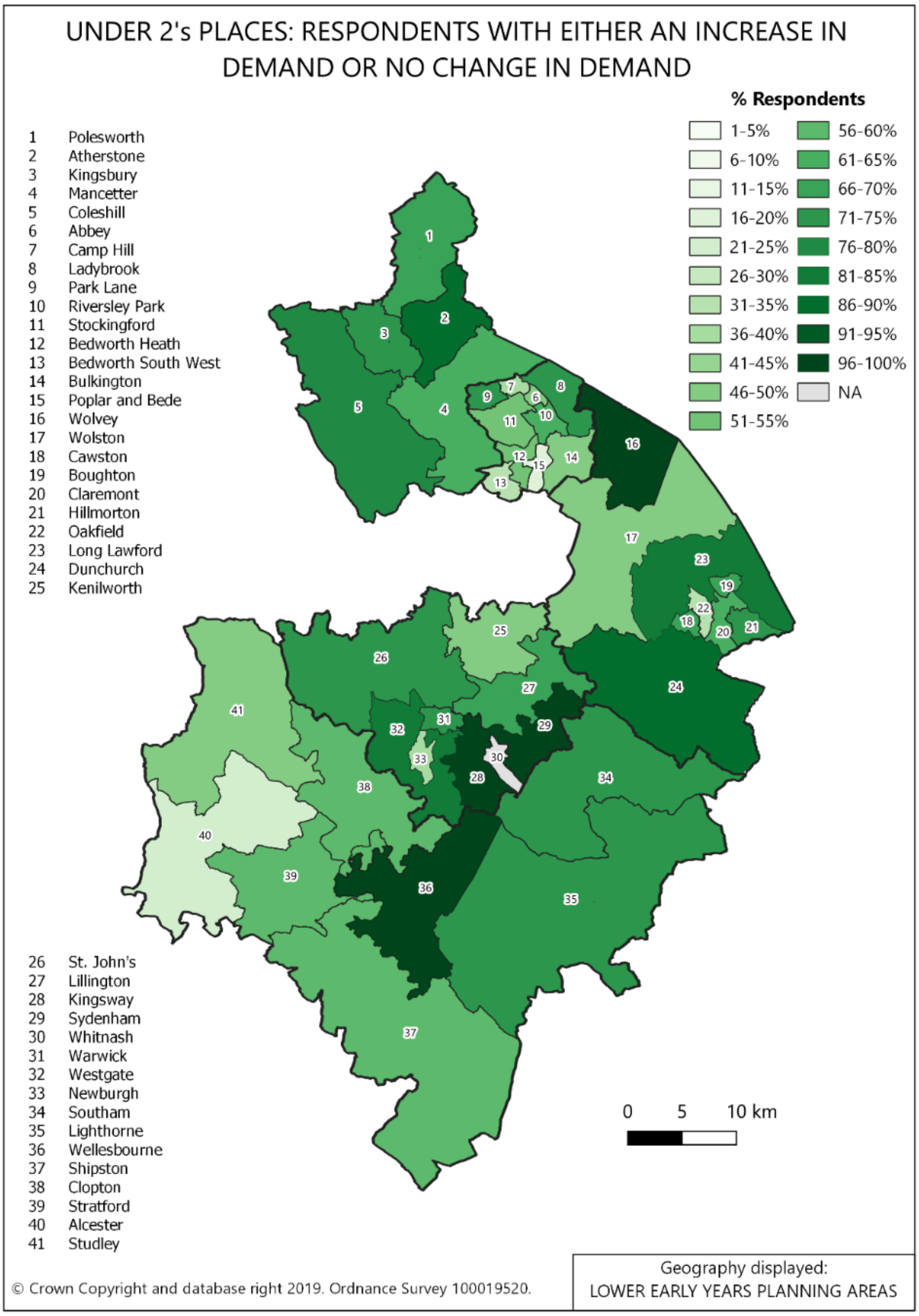
PROVISION TYPE	% SUSTAINABLE LONG TERM
Holiday Scheme	**100.0%**
Nursery Units of Independent Schools	**100.0%**
Private Nursery School	**100.0%**
Day Nursery	**86.4%**
Maintained Nursery Class/School	**81.6%**
Childminder(s)	**80.3%**
Pre-School	**77.6%**
Out of School Care	**60.0%**



Demand for Under 2's places

65.9% of applicable respondents have seen either an increase in demand for under 2's places or no change in demand.

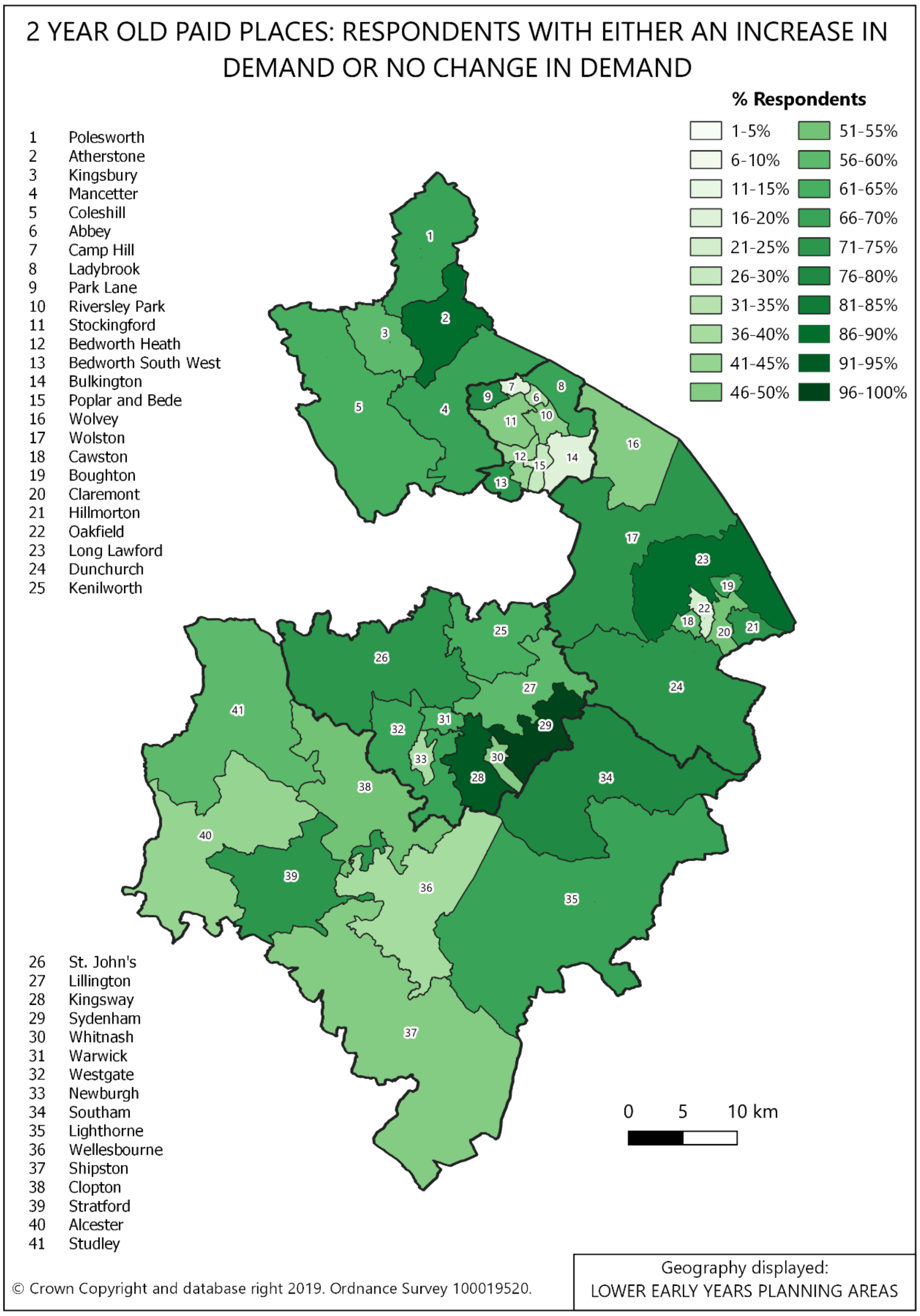
PROVISION TYPE	% INCREASE OR NO CHANGE IN DEMAND
Maintained Nursery Class/School	**100.0%**
Day Nursery	**68.3%**
Pre-School	**66.7%**
Childminder(s)	**64.9%**



Demand for 2 year old paid places

63.1% of applicable respondents have seen either an increase in demand for 2 year old paid places or no change in demand.

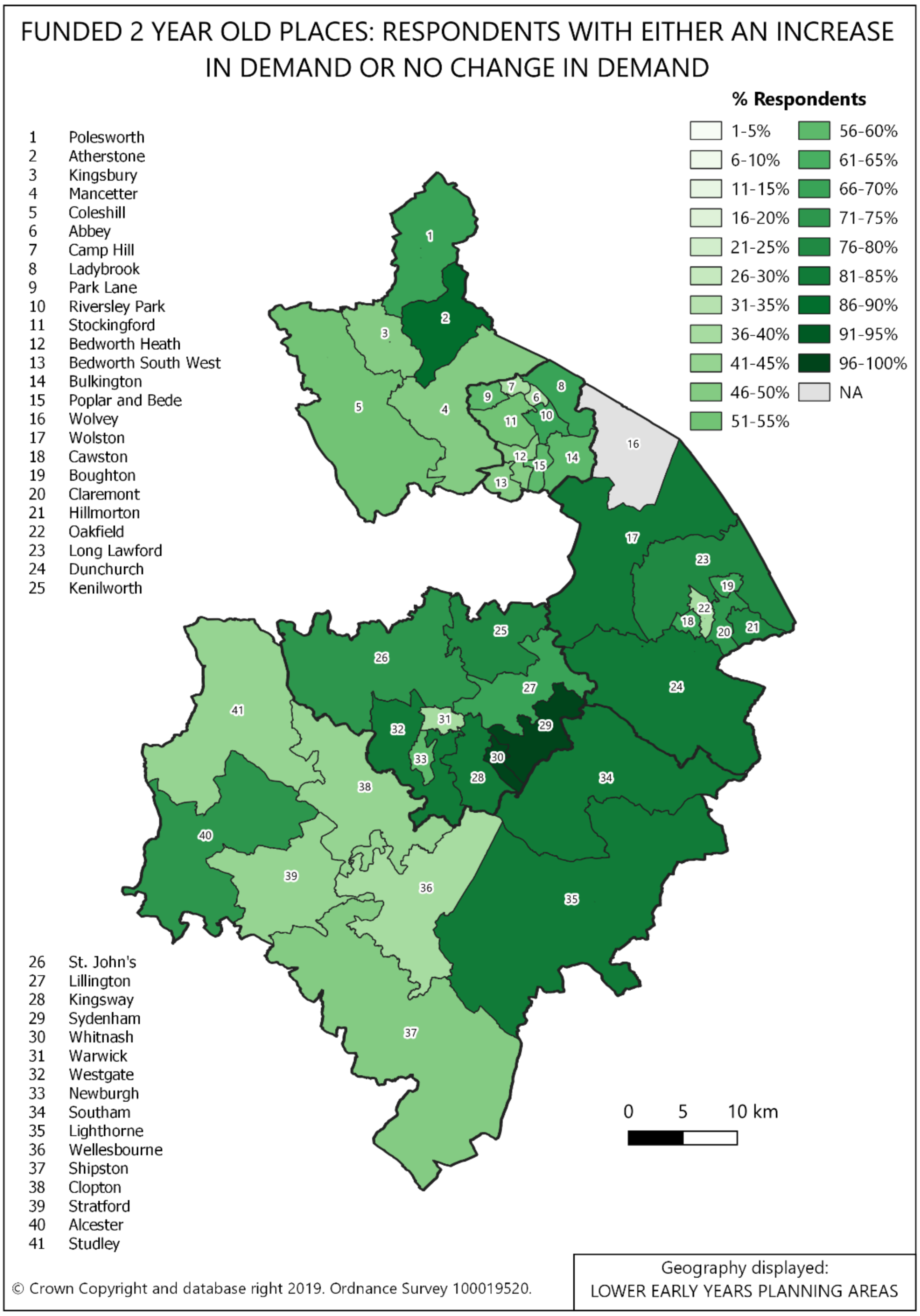
PROVISION TYPE	% INCREASE OR NO CHANGE IN DEMAND
Maintained Nursery Class/School	**77.8%**
Nursery Units of Independent Schools	**66.7%**
Day Nursery	**66.0%**
Childminder(s)	**63.2%**
Pre-School	**56.6%**
Private Nursery School	**33.3%**



Demand for funded 2 year old places

65.1% of applicable respondents have seen either an increase in demand for funded 2 year old places or no change in demand.

PROVISION TYPE	% INCREASE OR NO CHANGE IN DEMAND
Maintained Nursery Class/School	**90.9%**
Pre-School	**75.9%**
Day Nursery	**70.3%**
Childminder(s)	**57.1%**
Private Nursery School	**33.3%**

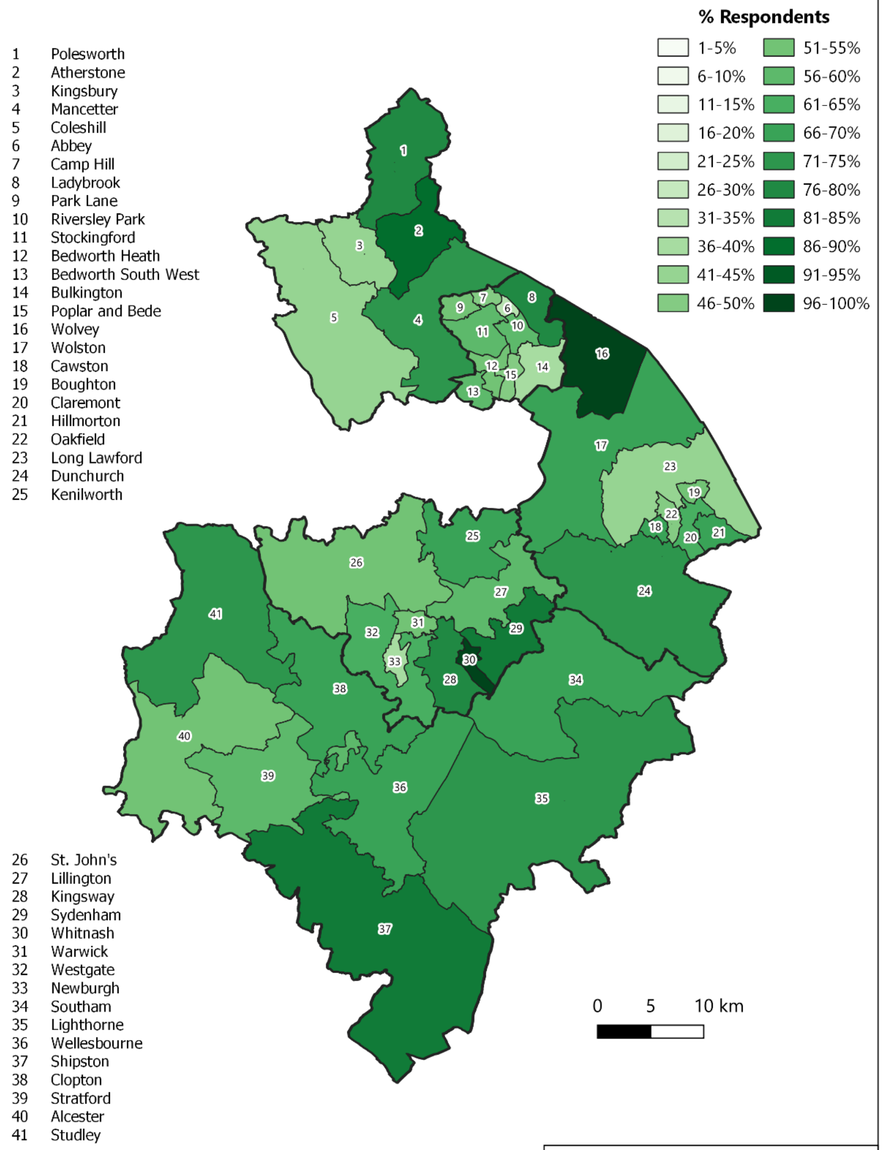


Demand for funded 3 & 4 year old universal entitlement places (15 hours)

63.4% of applicable respondents have seen either an increase in demand for funded 3 & 4 year old universal entitlement places or no change in demand.

PROVISION TYPE	% INCREASE OR NO CHANGE IN DEMAND
Nursery Units of Independent Schools	**75.0%**
Day Nursery	**65.3%**
Maintained Nursery Class/School	**65.3%**
Childminder(s)	**63.3%**
Pre-School	**58.9%**
Out of School Care	**50.0%**
Private Nursery School	**33.3%**

FUNDED 3 & 4 YEAR OLD UNIVERSAL ENTITLEMENT PLACES: RESPONDENTS WITH EITHER AN INCREASE IN DEMAND OR NO CHANGE IN DEMAND

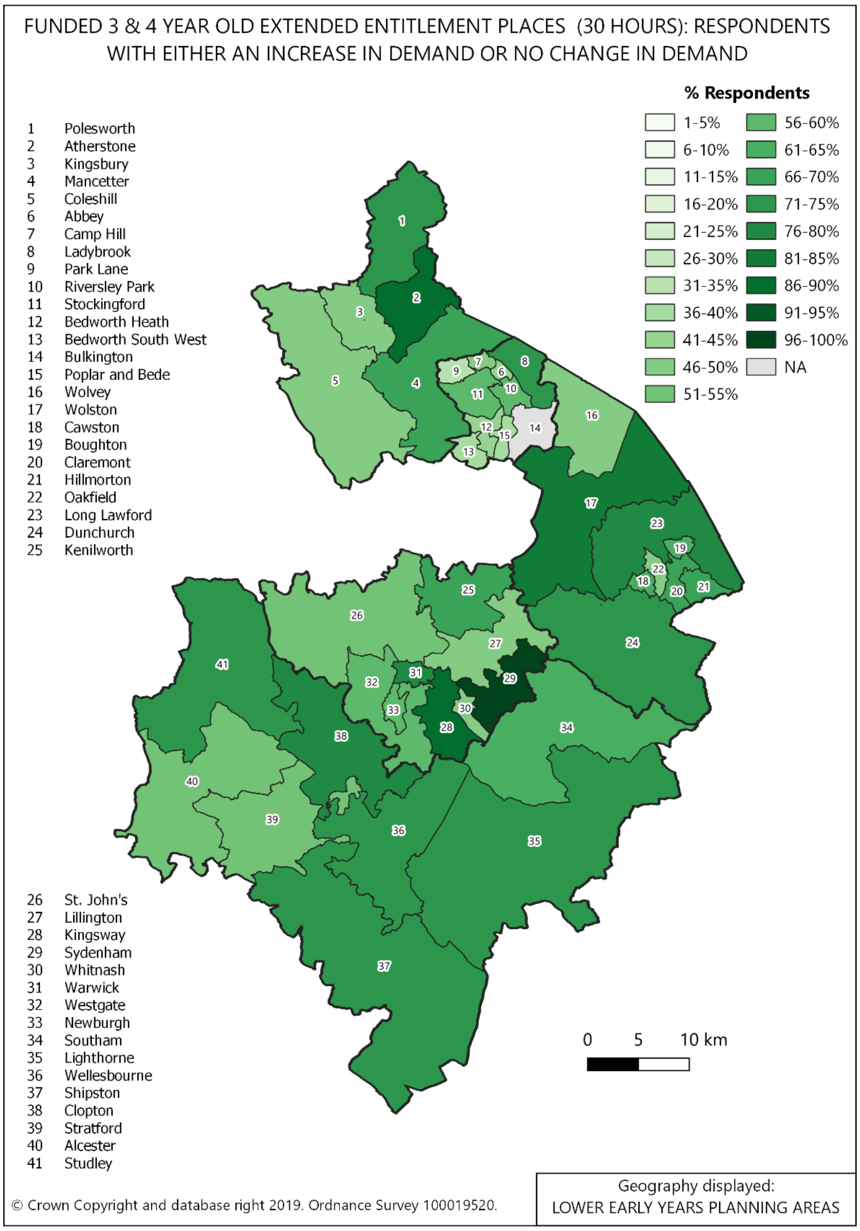


Geography displayed:
LOWER EARLY YEARS PLANNING AREAS

Demand for funded 3 & 4 year old extended entitlement places (30 hours)

62.9% of applicable respondents have seen either an increase in demand for funded 3 & 4 year old extended entitlement places or no change in demand.

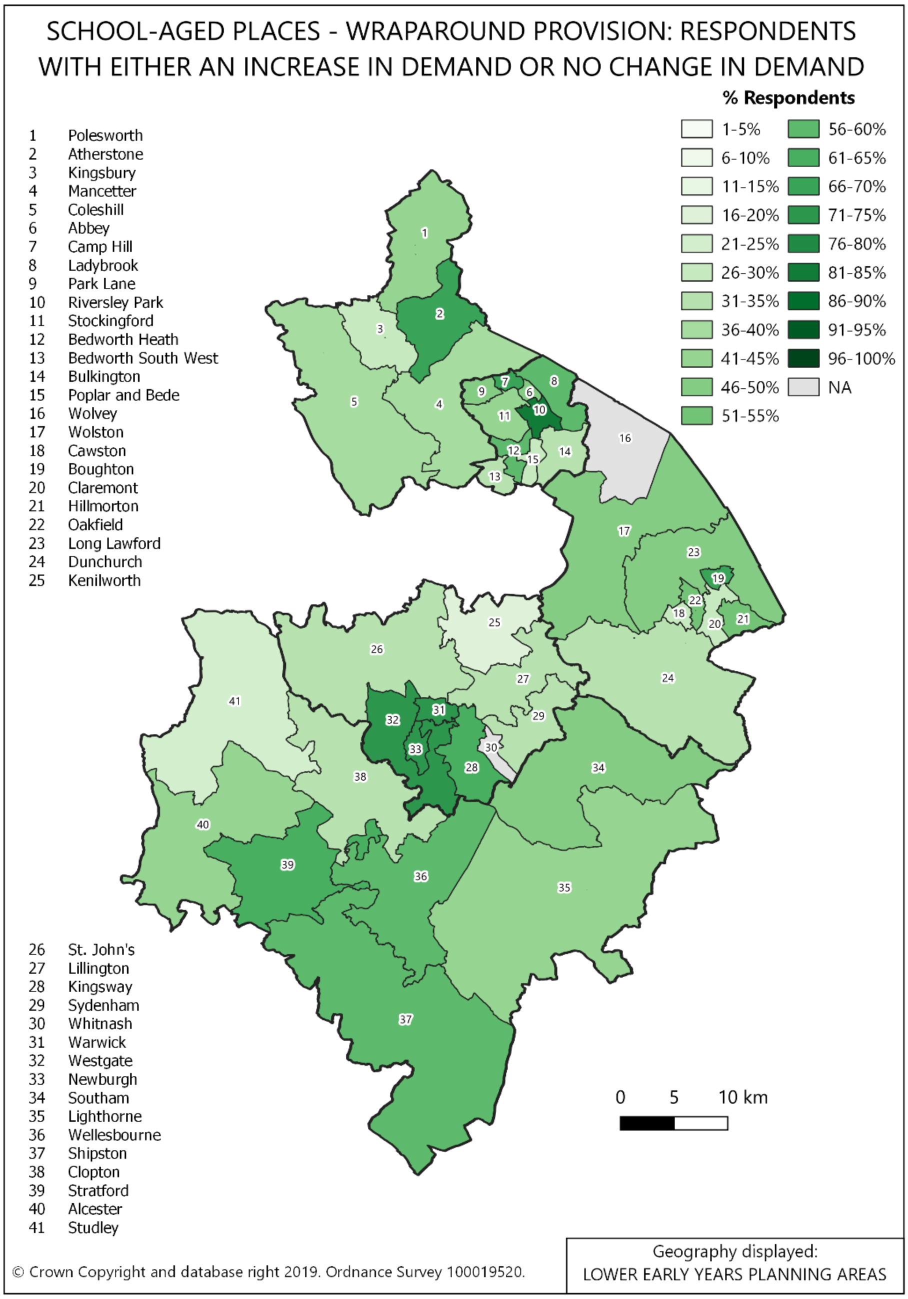
PROVISION TYPE	% INCREASE OR NO CHANGE IN DEMAND
Nursery Units of Independent Schools	**100.0%**
Maintained Nursery Class/School	**70.3%**
Day Nursery	**66.7%**
Childminder(s)	**60.3%**
Pre-School	**58.2%**
Out of School Care	**50.0%**
Private Nursery School	**33.3%**



Demand for school-aged places - wraparound provision

46.7% of applicable respondents have seen either an increase in demand for school-aged places – wraparound provision or no change in demand.

PROVISION TYPE	% INCREASE OR NO CHANGE IN DEMAND	
Maintained Nursery Class/School	**68.0%**	
Nursery Units of Independent Schools	**66.7%**	
Childminder(s)	**51.2%**	
Pre-School	**34.4%**	
Day Nursery	**32.0%**	
Out of School Care	**20.0%**	



Summary

The overall returns provided a positive engagement from the sector to the request for this survey to be completed and gives a benchmark of data to allow ongoing monitoring going forwards.

Alongside the impact of the pandemic it is essential to consider usual patterns of place take up for providers, which sees many providers with lower or reduced occupancy levels in the Autumn Term as children will have left nursery provision to take up a full time school place. Ongoing monitoring of take up will be undertaken to establish if providers are seeing new patterns of reduced demand going forwards or whether for most reduced occupancy for Autumn Term 2020 is their 'norm'.

Returns indicate that across the county, at the time of undertaking the survey, provision is in the main stable with indications of some risk being linked to reduced take up of places and long term impact to financial viability of some services.

Place occupancy reduction in some of the very rural areas of Stratford, Rugby and Warwick districts were reported as being greater than in other areas. At the current time this cannot be directly linked to the impact of COVID-19 but must be monitored going forwards as this could reflect demographic changes within these localities as well as workforce changes due to pandemic restrictions e.g. service closures, parents furloughed and no need for places.

Key aspects identified are different for those providers offering services for early years children compared to those providing services for school age children. This is reflective of the reduced access to places linked to the COVID-19 restrictions at the time and the impact of home working for many families of school aged children which has seen an overall reduced demand for this type of service. Long term impact on financial sustainability for out of school service must be monitored closely.

Parent / carer confidence is a factor for take up of early years places that at the current time cannot be quantified due to the financial impact of reduced place take up being protected by early education funding payments made to providers being based on attendance information from Autumn Term 2019.

Staffing and recruitment challenges, although in some situations has been impacted due to COVID-19, overall reflects what has been identified nationally prior to the pandemic as an emerging challenge and potential risk for the sector.

A high percentage of providers had been able to access some levels of financial support to aid their ongoing sustainability and the service will continue to ensure robust and regular signposting continues for the sector to support with this.

Information supplied does indicate that it is likely that many services across the county will need to flex and change their delivery models in response to changes in customer demands. This is not unexpected based on the impact that the pandemic is likely to have upon commerce and new ways of working.

Overall, the information supplied indicates that the market force remains fairly stable at the current time however longer term monitoring must continue as recovery from pandemic restrictions establishes. At the current time a long term view of place sufficiency and sustainability alongside demand is not possible to predict.