



**Childcare  
Sufficiency  
Report – Impact  
of Covid-19**

**Spring  
2021**

## 1.0 Introduction

The aim of this report is to summarise the impact of Covid-19 on the Early Years Sector in Cumbria during the pandemic up to January 2021.

On the 20 March 2020, educational settings were told to close by the Prime Minister, and Hubs were identified across the County to support children of Key workers and Vulnerable children. From the 1st June all early years providers were encouraged to reopen to all children.

## Recommendations

- Continue to support the Early Years Sector to reduce anxiety where possible, particularly around Lateral Flow Testing and the vaccination programme, working closely with Public Health colleagues
- Monitor financial viability of providers and offer support in a measured and sustainable way
- Work with Social Care colleagues to support Vulnerable children in accessing provision during lockdowns
- Continue to signpost providers to national forms of financial support
- Recognise this pandemic is an ever-changing picture and we need to adapt accordingly
- Ensure that Cumbria complies with The Childcare Act 2006 which provides that local authorities secure sufficient childcare, so far as is reasonably practicable, for working parents, or parents who are studying or training for employment, for children aged 0-14 (or up to 18 for disabled children)
- Raising awareness of the Early Years sector contribution to the economic wellbeing and recovery of society after the pandemic

## 2.0 Methodology

Information was collected from: enquiry log from providers, Early Years Reference group, Provider surveys and one to one discussions with Providers.

## 3.0 Summary of lockdowns March 20 until January 21

In Cumbria as of 20 March 2020 there were 480 Early Years providers, outlined below:

Sector	Number of providers
Private, Voluntary and Independent providers (PVI)	140
Childminders	148
Nursery classes, Maintained Nursery Schools	192
Total	480

Across Cumbria the Early Years sector established hubs to ensure, where reasonably practical there was sufficient childcare places for early years children of Key workers and Vulnerable children. School hubs also welcomed early years children where they were able to.

Provision open during lockdown 1	Number of providers
PVI setting who were hubs during lockdown	10
PVI setting who reopened during lockdown	3
Childminders who remained open	15
Childminders who opened again during lockdown	17

The Early Years sector were encouraged to reopen on the 1 June 2020 following easing of Government guidelines. Subsequently, following government guidelines all schools in England were to reopen in September for the Autumn term.

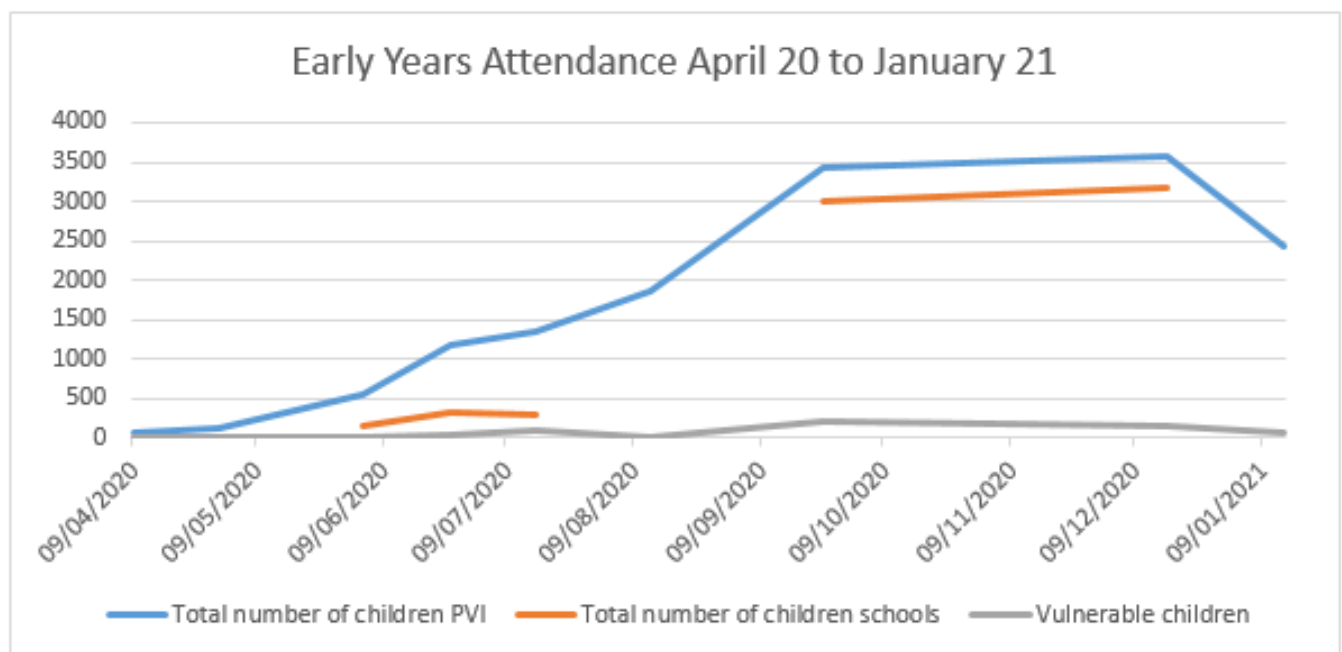
On the 5th January 2021, a third lockdown was announced, with all Early years providers encouraged to remain open, Primary and Secondary schools were to offer places to Key Workers and Vulnerable children only, with their Early Years provision open to all.

Below is a summary of the number of Early Years children who attended provision over the pandemic period. In Cumbria, most children accessed their provision during the Autumn term.

Attendance in the early part of Spring 21 was low, providers are reporting it was due to parental confidence and choosing not to use childcare at present, also parents may already be at home with older children. Some providers have had limited capacity due to risk assessments and availability of staff who have covid-19 or are self-isolating.

### Child attendance in Early Years provision

	09/04/2020	30/04/2020	04/06/2020	25/06/2020	16/07/2020	13/08/2020	24/09/2020	17/12/2020	14/01/2021
Total number of children in PVI provision	77	115	555	1184	1346	1874	3418	3574	2419
Total number of children in schools			143	316	287		*3013	*3187	
Vulnerable children	4	8	15	43	88	24	197	162	74
*Data collected from early years funding claims									



## 4.0 Free Entitlement funding for 2, 3 and 4 year olds

Free Entitlement funding for 2, 3 and 4 year olds continued during the Summer 20 term, in addition Cumbria funded children who attended another provider, if their original provider was closed.

In July the government announced that Early Years free entitlement funding for Autumn 20 term would be broadly based on Autumn 19.

In Cumbria it was agreed to fund providers if they had more children than in Autumn 19. However, if funding claims in the Autumn term were not affected by Covid 19, then funding would be based on actual claims. Spring 21 term funding will be based on expected children, to ensure providers have security of funding to aid cash flow concerns and secure early years provision throughout the 3rd lockdown and beyond.

## 5.0 Support for childcare providers offered by Cumbria County Council

Childcare providers have been offered support by the Early Years Team during the pandemic, with the early introduction of a daily and then weekly briefing which included the latest guidelines and support materials:

- Summaries of Government guidelines, including links to relevant sites
- The Council developed a risk assessment pro-forma for providers to aid them to ensure they were compliant with appropriate Government Guidance which is regularly updated as guidelines changed
- Link Advisers have been allocated to each Provider, regular contacts are made from the Local Authority and providers are encouraged to contact their Link Adviser or the Early Years Finance Officers
- Working in partnership with providers and Social Care to support vulnerable children
- Signposting providers to Government business financial help schemes – see Appendix 1
- Support for families with home learning, including daily activities posted on Facebook: [www.facebook.com/ChildrenandFamiliesInformationService](https://www.facebook.com/ChildrenandFamiliesInformationService)
- Work completed with Council for Voluntary Services to identify possible sources of funding to support voluntary providers with sustainability
- Top tips circulated outlining marketing strategies during the pandemic
- Brokerage of early years and school places for Key Workers and Vulnerable children
- Encouragement of demand for childcare of funded 2 year old places by writing to potentially eligible families

## 6.0 Provider Feedback

### 6.1 Provider concerns April 2020

Following consultation with providers the following concerns were identified:

- Providers who are open have additional costs for PPE
- Providers who have high overheads, for example: rent, loan commitments
- Companies where Director receives dividends rather than paying by PAYE
- Childminders reliant on fee income. The majority of providers closed by 20 March 2020 – not viable to continue to be open – very low numbers

### 6.2 Provider survey September 2020

#### Introduction

Early Years providers in the Private, Voluntary and Independent (PVI) sectors were asked at the beginning of September to complete a survey to indicate when they were open in the autumn term. They were also asked to share their experiences following the lockdown between March and the end of April.

#### Number of registered childcare providers – September 2020

Sector	Number of providers
Private, Voluntary and Independent	136
Childminders	149
School nurseries	202
Total	487

Survey responses were received from 76% of PVI providers and 55% of Childminders.

100% of the PVI providers were open on or before the 7th September 2020, with 97% of childminders open by the 11th September.



Reduction in demand for Free Entitlement places, 50% of PVI providers experienced a drop in demand for free entitlement places

#### Comments from PVI Providers:

- More schools now offering 3 year old places
- Children accessing one provider (as per Government guidelines) has seen some children choosing schools over PVI provision.
- Parental confidence and parents still being at home has impacted on recruitment of new children.
- Some parents who are working from home are not accessing their entitlement.
- Due to Covid 19, they have not been able to advertise or show round parents.
- Usually experience a drop in occupancy in the Autumn term.
- Some parents have lost jobs, therefore may not be eligible for 30 hours free childcare.
- Some providers reporting their occupancy is back to normal or higher than last Autumn
- Some Early Years providers reported they felt undervalued and were treated differently to schools

Reduction in demand for fee paying places, 63% of PVI providers are experiencing a drop in demand for fee paying places.

#### Comments from providers:

- Parents not purchasing extra hours as they have lost their jobs/ on reduced hours or are furloughed
- Low numbers
- Reduced number of enquires for younger children
- Parents confidence in sending children to nursery
- Childminders in particular are reporting a drop in occupancy as children not going to more than one provision

#### Challenges being experienced

- Adapting to changing situation and keeping up to date
- Drop in income
- Maintaining staffing levels, working with bubbles
- Managing staffing due to Covid 19 isolations and the usual winter illnesses
- Additional cleaning costs associated with maintain Covid 19 requirements – Staff time and products
- Managing anxiety about doing the right thing for families and staff
- Staff having to finish early to collect children as their school is not offering after school provision
- Staff hours being reduced to meet demand for childcare
- Having enough children to cover staff costs when furlough ends

#### Other comments

- Mentally draining
- Concerns about drop in income and impact on sustainability
- Home learning activities post by Early Years team were invaluable for keeping in touch with parents
- Most parents have been supportive
- Children have settled well and seem to be pleased to be back in provision
- Free entitlement funding does not match fees charged
- Providers who stayed open during lockdown disappointed they were not financially supported

## 7.0 Information and support for parents

- Facebook activities
- CFIS brokerage of childcare places

## 8.0 Sustainability/closures

The childcare market in Cumbria, along with providers nationally are concerned about long term sustainability, particularly if free entitlement funding is not maintained and when the Coronavirus Job Retention Scheme (CJRS, Furlough) comes to an end.

Cumbria has seen a small number of closures attributed directly to the pandemic and as a team we continually monitoring the potential impact on childcare sustainability and childcare sufficiency.



## Appendix 1 – Government financial support schemes

**Coronavirus Job Retention Scheme - CJRS** (Furlough) was available to the childcare sector for the percentage of income they received in addition to free entitlement funding. for example, if their income for free entitlement places was 70%, they could apply for CJRS for 30% of staff costs.

The government will pay 80% of employees' usual wages for hours they do not work, up to a maximum of £2,500 per month. The scheme is open until 31 March 2021.

### Statutory Sick Pay rebate

Providers can reclaim Statutory Sick Pay paid for employees who are off sick, self-isolating or shielding because of coronavirus. This scheme will cover up to 2 weeks of SSP for every eligible employee.

### Support for nursery businesses that pay business rates

Nurseries in England do not have to pay business rates for the 2020 to 2021 tax year. You're eligible if your business is on Ofsted's Early Years Register and provides care and education for children up to 5 years old (early years foundation stage).

### Coronavirus Business Interruption Loan Scheme

Providers can get loans and other kinds of finance of up to £5 million for small or medium-sized enterprises or if you're self-employed.

Providers need to show their business:

- Would be considered viable by a lender, if not for the current pandemic
- Has been negatively affected by coronavirus

The scheme is open until 31 January 2021.

### Coronavirus Bounce Back Loan

Providers might be able to borrow between £2,000 and £50,000 for a small or medium-sized enterprise, or if they are self-employed.

The government will guarantee 100% of the loan and for the first 12 months providers will not have to pay any fees or interest or make repayments. If a provider already had a Bounce Back Loan but borrowed less than you were entitled to, they can top up their existing loan to the maximum amount. The scheme is open until 31 January 2021.

Eligibility for this scheme if the business:

- Is based in the UK
- Was established before 1 March 2020
- Has been negatively affected by coronavirus

### Support for businesses paying tax: Time To Pay Service

If providers cannot pay their tax bill on time because of coronavirus, they may be able to delay it without penalty using HMRC's Time to Pay service.

You might be eligible if your UK business:

Pays tax to the UK government  
Has outstanding tax liabilities

### Self-Employment Income Support Scheme Grant Extension

Providers can get 2 one off taxable payments. The first payment will cover 1 November 2020 to 31 January 2021. Providers get 80% of their average monthly trading profits or £7,500 (whichever is lower).

The second payment will cover 1 February 2021 to 30 April 2021. The amount has not been announced yet.

Providers can claim if both the following apply:

- Self-employed - including a member of a partnership
- Eligible for the Self-Employment Income Support Scheme first and second grant - even if not claimed

Providers must also plan to continue working and either:

- Currently actively trading and coronavirus has reduced demand for your business
- Were previously trading but temporarily cannot trade because of coronavirus

Providers cannot claim the grant if you trade through a limited company or a trust.

Source: <https://www.gov.uk/business-coronavirus-support-finder>

### Additional restrictions grant – from January 2021

Local authorities have been allocated a sum of money to support businesses who are suffering as a result of national and local restrictions and that fall outside of the main grant schemes. Local authorities have been given the discretion to develop their own grant schemes.

