REVIEW OF CHILDCARE SERVICES IN NORTHERN IRELAND – FINAL REPORT

Department of Education (DE)

8 February 2023

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ACKNOWLEDGEMENTS

This review of childcare services in Northern Ireland was commissioned by the Department of Education to inform the development of the Executive's Early Learning and Childcare Strategy. The research team, RSM UK Consulting LLP, along with LucidTalk, National Children's Bureau and Dr Glenda Walsh of Stranmillis University College, greatly appreciate and acknowledge the valuable contributions and engagement from stakeholders, providers, parents and representatives across the childcare sector. This included taking part in interviews, focus groups and surveys as well as sharing information about the review and links to the online surveys to help make sure the consultation reached as many people as possible.

EXECUTIVE SUMMARY

Background

The Department of Education commissioned this independent review of childcare services to inform the development of the Executive's Early Learning and Childcare Strategy. It involved:

- Desk-based review of relevant research and secondary data;
- Interviews with 40 stakeholders in the childcare sector;
- A survey of childcare providers (880 responses);
- Interviews with 20 group childcare providers and six childminders;
- A survey of parents/carers of 0-14 year olds (4,751 responses); and,
- Five focus groups with 18 parents/carers.

Supply and demand

There were almost 60,000 registered childcare places across more than 3,600 providers in Northern Ireland (NI) in March 2022. The closure of 275 providers (mainly childminders) and recruitment difficulties in group settings[1] have led to a 3% decline in the number of registered places since 2020.[2]

Findings from the primary research indicated that, on average, parents used 23 hours of formal childcare per week. This suggested a decline in demand compared to 2020.[3] However, many of the providers surveyed (58%) said demand had increased beyond their capacity, particularly self-employed providers (66%). At the same time, many providers also had spare capacity (45% of respondents reported that at least a fifth of their registered places were unfilled).

This combination of excess demand and spare capacity may be due, in part, to changes in the profile of demand. The primary research indicated that demand for baby and toddler places was high, but there had been a noticeable decrease in demand for after-school care (83% of registered places for 0-2 year olds and 80% of places for 3-4 year olds were occupied, compared to 72% of registered places for 4-11 year olds). Similarly, in the parent survey, 24% of respondents with 5-11 year olds and 12% with 12-14 year olds used formal childcare, compared to 31% with 0-2 year olds and 34% with 3-4 year olds. This may be

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[1] Byrne, B. et al. (2021) The Impact of Covid-19 on the Planning and Delivery of Children's Services: A Rights Review; Employers for Childcare (2021) Northern Ireland Childcare Survey; and National Day Nurseries Association and Education Policy Institute (2021) The Covid-19 Pandemic and the early years workforce

[2] Data provided by Family Support NI on Registered Early Years Provision as of 30th September 2020 and 31st March 2022.

[3] Employers for Childcare (2021) Northern Ireland Childcare Survey

partly caused by more people working from home. Around half of respondents who had school aged children and were working from home said it meant they needed less childcare (54% of respondents with 12-14 year olds and 43% with 5-11 year olds). Some of the parents surveyed also noted a preference for **school based wrap-round care for school aged children**. This would reduce demand for school aged childcare outside of school settings.

Over half of the parents surveyed (51%) said that there was not enough information about childcare provision. This was supported by most focus group participants who would welcome more **information on what childcare was available in their area and how to enrol their children**.

A minority of parent survey respondents (15%) who did not use formal childcare (or used less than they would like) said this was because formal childcare was not available when they needed it. 41% of respondents used informal childcare because it was more convenient. Location was also identified as an issue by a minority of respondents, particularly for those in rural locations (6%) or without private transport (5%).

Accessibility and inclusion

Findings from the provider survey indicated that the proportion of children with disabilities, special needs and additional needs in formal childcare services was broadly in line with the proportion of pupils with special educational needs (18%),[4] suggesting that there was sufficient provision for children with additional support needs. However, the parent survey indicated that parents of children with disabilities, special needs and additional needs were less likely to use childcare (41% looked after their children themselves, compared to 25% of parents whose children had no additional needs). Focus group participants said that **limited information about what provision was available** made it even more challenging to access suitable care for children with disabilities, special needs and additional needs.

Parents whose main language was not English were also less likely to use childcare (44% of respondents whose main language was not English did not use childcare, compared to 27% with English as their main language). The main challenges they identified through the survey also related to a **lack of accessible information**.

[4] Department of Education (2022) NI School Census 2021/22

Some providers reported challenges in caring for children who need additional support, including balancing the needs of all children in their care (64%), additional costs[5] (41%) and lack of confidence (16% of providers surveyed did not think they had the skills and capacity to provide places for children with disabilities, special needs or additional needs, a further 16% answered, 'Don't know'). Many of the providers interviewed felt that having **access to multidisciplinary teams would help them to better support children with a wider range of needs.** Some stakeholders noted that there had been a focus on training staff to cater for particular needs, such as autism or behavioural challenges. However, the primary research with stakeholders, providers and parents identified **concerns about the adequacy of training on a range of disabilities, special needs and other additional needs.**

Workforce challenges

In 2021/22 there were over 2,000 childcare staff vacancies in NI.[6] The majority of stakeholders and providers interviewed were concerned about difficulties in recruitment and retention,[7] particularly for larger, groups settings. This stemmed from **relatively low salaries** across the sector,[8] which were not considered to be commensurate with the **responsibilities,**[9] and **qualification requirements** for their roles.[10] There was a perception amongst the majority of stakeholders, providers and parents interviewed that the **sector was undervalued**. Findings from the provider survey indicated that this created capacity issues for providers generally and negatively impacted staff training due to the lack of staff cover.

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[5] This finding is supported by a survey of childcare and early years providers in England (Cattoretti, G. et al. (2019, revised 2022) Providers' finances: Survey of Childcare and Early Years Providers Research Report)
[6] Department for Communities (2022) Standard Occupational Classifications (SOC), Childcare and Related Personal Services
[7] Department for Communities (2022) Standard Occupational Classifications (SOC), Childcare and Related Personal Services; Byrne, B. et al. (2021) The Impact of Covid-19 on the Planning and Delivery of Children's Services: A Rights Review; Employers for Childcare (2021) Northern Ireland Childcare Survey; and National Day Nurseries Association and Education Policy Institute (2021) The Covid-19 Pandemic and the early years workforce
[8] Office for National Statistics (2021) Employee earnings in the UK: 2021; and, Welsh Government (2018) Review of the Childcare Sector in Wales
[9] NatCen (2020) Understanding the Early Years Workforce – Qualitative research findings; and, The Sutton Trust (2020) Early Years Workforce Review, Revisiting the Nutbrown Review – Policy and Impact.
[10] NISRA (2020) Qualifications in the Childcare Sector in NI 2018 to 2020, Labour Force Survey (LFS).

Some stakeholders suggested that **an increase in practical time and work-based training could help reduce some of this pressure**.

Some of the provider and stakeholder interviewees expressed frustration about the **time taken to complete the staff vetting process**, particularly when staff move from one provider to another within the sector. This was said to cause delays in recruitment and make the sector less attractive. Others stressed its importance in safeguarding children and providing reassurance to parents. However, some stakeholders raised **concerns about whether parents were aware of the difference between registered and unregistered childcare** in terms of quality, safety and eligibility for government financial support.

Financial health of providers

Care should be taken when interpreting findings on the financial health of the sector as they are largely based on self-reported data. There was some evidence of declining profitability across the UK childcare sector.[11] This was supported by the findings of the provider survey. In 2022, just 18% of providers reported making a profit, compared to 29% in the Employers for Childcare, NI Childcare Survey 2021.[12] It should be noted that these figures included voluntary/community providers that often have social objectives as their primary goal, rather than profit. If these providers were excluded from the analysis the proportion of private sector respondents to who were making a profit in 2022 would increase to 23%. Many providers expected their financial position to persist over the next three years. Around half of providers surveyed had increased their fees in the last three years and half planned to increase them in the next year. However, the majority of providers interviewed were **reluctant to do so because this had a negative impact on demand in the past**. While a range of government financial support was available to the sector, the desk-based research and stakeholder consultations found that **publicly available information about eligibility requirements for many of the schemes was limited**. There was also a perception amongst providers and stakeholders that this support was mainly for voluntary/community providers.

[11] Blanden, J. et al. (2020) Many Childcare Providers Face Big Financial Problems as a Result of the Pandemic; and, Scottish Government (2021) Financial Sustainability Health Check of the Childcare Sector in Scotland

[12] Employers for Childcare (2021) The Northern Ireland Childcare Survey

Financial support and affordability for parents

The UK has one of the most expensive childcare sectors in the world.[13] Results from the parent survey indicate that parents were spending, on average, £542 per month on formal childcare. This was equivalent to a quarter of the average NI household income in 2019/20 (before housing costs).[14] However, there was some variation in the average monthly spend on different types of childcare. Parents who used nannies or au-pairs spent more than twice as much per month, on average, when compared to parents who used school based after-school childcare.

Over half of respondents to the parent survey said that cost prevented them from accessing formal childcare (56%). Parents with babies and toddlers were more likely to report using less formal childcare than they would like because it was too expensive (64% of respondents with 0-4 year olds). Analysis of the average cost of childcare by age group showed that while there was little difference in the cost per hour of childcare by age, parents of 0-4 year olds tended to use more hours of childcare (26 hours per week, compared to 15 hours for 12-14 year olds). This meant they were spending more in an average week than respondents with older children (£152 for 3-4 year olds, compared to £80 for 12-14 year olds). The majority of respondents who used informal childcare did so because it was cheaper than formal childcare (71%). This was more common among parents of younger children. Most parents said they would use more formal childcare if it was free (77% of respondents, rising to 82% of medium-income households and 83% of low-income households).

Tax and benefit schemes are available to help parents pay for childcare. The majority of parent survey respondents, who used formal childcare, accessed at least one of these supports (71%). However, a substantial number of stakeholders and parents felt there was **a lack of awareness about who can access these schemes and how**.

[13] OECD (2021) Net childcare costs for parents using childcare facilities; Centre for Progressive Policy (2021) Women in the labour market – Boosting mothers' employment and earnings through accessible childcare; and Lloyd, E. (2018) Underpaid and undervalued: the reality of childcare work in the UK.

[14] Note: Data is not available for 2020/21 due to changes in fieldwork activity that impacted on both the size and composition of the achieved sample (Department for Communities (2021) Households Below Average Income Northern Ireland 2019/20)

Barriers to employment

Data from the Office for National Statistics showed that the majority of parents in NI with dependent children were employed (64% full time and 19% part time in 2021). However, this varied by age of child. Parents were more likely to be economically inactive and looking after the family home in the first two years of their child's life (10%, compared to 7% on average). Parents were also more likely to work part time when their child was pre-school or primary school aged (23% and 22% respectively, compared to 19% on average).[15] This was supported by the primary research. Survey respondents with children aged 0-2 years old were more likely to report that they wanted to be at home with their children (32%, compared to 17% of parents aged 5-11 years).

A minority of survey respondents were unemployed (5% from one parent families and less than 1% from two parent families). They reported the main barriers to employment as:

- Being unable to find a suitable job (59% of one parent families and 17% of two parent families);
- Balancing work and parental responsibilities (51% of one parent and 19% of two parent families); and,
- Affordability of childcare (29% of one parent and 16% of two parent families).

Additionally, around half of the parents surveyed said that a lack of access to formal childcare had prevented them or their partner from increasing their hours of work (49%, rising to 77% for very low-income households). Almost a third of respondents said lack of access to formal childcare had prevented them from working full time (31%, rising to 66% for very low-income households).

The majority of parents whose children had disabilities, special needs or additional needs said that challenges in accessing childcare had impacted on their employment opportunities (78%). Even, where these parents were employed, a lack of accessible childcare provision often led them to require flexible working hours.

[15] Office for National Statistics (2022) Families and the labour market, Northern Ireland

These barriers to employment disproportionately impact women,[16] one-parent families and low-income households.[17] This exacerbates existing inequalities.[18] It also generates market failures through inequality in the access to employment opportunities[19] and unrealised positive externalities of tax revenue which could be generated by parents when supported into employment through access to affordable childcare.[20]

Conclusions

The review identified nine areas for improvement:

1. Centralised childcare data for parents;
2. Alternative models of wrap-around care for school aged children;
3. Professionalising the sector;
4. Pay and conditions;
5. Access to multidisciplinary support;
6. More training on a range of needs;
7. More work-based learning;
8. Centralised register for childcare professionals;
9. Centralised information on financial support for providers.

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[16] Borkowska, M. et al. (2019) Employment pathways and occupational change after childbirth, Government Equalities Office; Browne, J. and Neumann, D. (2017) Childcare costs in 2015, OECD Tax wedge and effective tax rates on labour, OECD, Paris.; and, Ladge, J. et al. (2020) The Importance Of Childcare in Re-opening the Economy

[17] Ipsos MORI (2011) Childcare Affordability Pilots (CAP09) – 100% Costs Pilot: the importance of cost as a driver of family decisions about work and childcare – a data analysis report

[18] Browne, J. and Neumann, D. (2017) Childcare costs in 2015, OECD Tax wedge and effective tax rates on labour, OECD, Paris; and Borkowska, M. et al. (2019) Employment pathways and occupational change after childbirth, Government Equalities Office.

[19] OECD (2018) “Poor Children In Rich Countries: Why We Need Policy Action”, OECD Policy Brief on Child Well-Being

[20] Borkowska, M. et al. (2019) Employment pathways and occupational change after childbirth, Government Equalities Office.

CONTENTS

GLOSSARY

Advisor Discretion Fund – A non-repayable grant award of up to £1,500 available through a work coach in Jobs and Benefits offices.[21]

Approved Home Childcarers – A formal, registered provider who cares for children in the child's own home.[22]

Childminder – A formal, registered provider who cares for children in their own home.[23]

Creche – A formal, registered provider which operates throughout the day but may only look after individual children for short periods of time, enabling parents to take part in education, training, work or social activities.[24]

Day nursery – A formal, registered setting which offers day care to groups of children. These can be privately owned or a voluntary/community providers.[25]

External childcare – Care provided by someone other than the child's parents or primary carers, including formal and informal childcare (see below).

Formal childcare – Care services for children under 12 years old and run for at least two hours a day (as defined in the Children (NI) Order 1995).[26] This includes nurseries, playgroups, creches, out of school clubs and holiday schemes. This type of childcare is regulated and made up of registered providers.

Informal childcare – Childcare arrangements that parents/carers make for their children whereby care is provided by people within their social network such as family members, friends, babysitters or neighbours. This type of childcare is unregistered, unregulated and does not make use of formal contracts.

Out of school care – Childcare provided around school opening hours such as breakfast clubs, after-school clubs and holiday clubs. They can be run by the school itself, private business or voluntary/community groups.[27]

Private group childcare setting – A formal, privately owned business that provides care to groups of children and has profit making as an objective, e.g. private nursery or out of school club.

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[21] NI Direct. Adviser Discretion Fund [Accessed: 20/12/22].
[22] Family Support NI. The Different Types of Childcare. [Accessed: 20/12/22].
[23] Ibid
[24] Ibid
[25] Ibid
[26] The National Archives. The Children (Northern Ireland) Order 1995.
[27] Family Support NI. The Different Types of Childcare. [Accessed: 20/12/22].

Self-employed provider – A formal childcare provider who works for themselves. These include registered childminders (carers who are based in their own home) and Approved Home Childcarers (registered carers who work in the child's home).

Sessional care – Formal, registered provision offering places for children who need to be looked after for short periods of time.[28]

Social enterprise – A business that has social objectives as their primary goal. They typically reinvest any profits that they make to further their social objectives.[29]

Unregistered Childcare – The provision of childcare by groups or individuals who are not registered or formally recognised by the regional Health and Social Care Trusts and Family Support NI. This can be informal arrangements by family or friends, or it can be arranged for financial gain, which in itself is illegal.[30]

Voluntary/community provider – A formal childcare provider with a social objectives, e.g. a social enterprise nursery or not-for-profit playgroup.

[28] Department of Health (2018). Childminding and Day Care for Children Under Age 12. Minimum Standards.
[29] Social Enterprise NI. What is a social enterprise? [Accessed: 20/12/22].
[30] Factcheck NI (2021). Childcare Provision in Northern Ireland

1. INTRODUCTION

1.1 Context

Following restoration of the Assembly and institutions in January 2020, the New Decade New Approach Deal (NDNA) included the following commitment:

"The Executive will publish a Childcare Strategy and will give immediate priority to developing arrangements to deliver extended, affordable, responsive, high quality provision of early education and care initiatives for families with children aged 3-4" (Northern Ireland Office (2020), New Decade, New Approach, 9 January 2020, p. 40).

The landscape for childcare has changed significantly since the publication of the draft Executive Childcare Strategy in 2015. To inform the development of a new Executive Early Learning and Childcare Strategy, the Department of Education (DE) commissioned RSM UK Consulting LLP (RSM) and subcontractors LucidTalk, National Children's Bureau (NCB) and Dr Glenda Walsh of Stranmillis University College to conduct an independent review of childcare services in NI. This review provides detailed analysis of the childcare sector and the needs of families who use it.

1.2 Terms of Reference

The aim of this review is to provide a current, comprehensive, evidence-based assessment of the childcare sector in NI. This includes:

1. An analysis of supply and demand for childcare provision in NI and identification of gaps in provision by geographical area and age range;
2. An assessment of accessibility of childcare for children with disabilities, special needs or other additional needs;
3. An assessment of the workforce challenges, including consideration of recruitment and retention issues, qualifications, experience and quality;
4. A financial health assessment of the childcare sector;
5. An assessment of affordability challenges for parents based on income, and what, if any, government financial support is available;
6. An assessment of the extent to which accessibility or affordability of childcare is a barrier to employment; what parents need and want in terms of childcare provision to facilitate employment; the identification of any gaps in childcare that prevents these needs and wants from being met; and,
7. The dissemination of the study's findings in the form of a final report, academic journal articles and conference presentations.

1.3 Methodology

To address the above terms of reference, the following research methodology was used:

- **Desk-based review** of relevant research and documents relating to: the supply and demand of childcare provision; the financial health of childcare services (including analysis of reports on financial health from England, Scotland and the Republic of Ireland for comparison against NI); the affordability of childcare for families; workforce challenges; and informal childcare.
- **Collation and analysis of secondary data** including data on: population; socio-economic data; health and social care needs/benefits; number of childcare services; workforce data; and financial data.
- **30 in-depth interviews** were conducted with a total of **40 stakeholders**[31] to understand the current state of the childcare sector. These included policy representatives, Health and Social Care Trusts (HSCTs), provider representatives, parent and family representatives and training providers.
- **Survey of childcare providers:** An online survey was sent to all registered providers by Family Support NI**.** 644 out of the 3,606 registered childcare providers in NI completed the survey in full. A further 236 providers completed over a third of the survey. This resulted in a total of 880 useable responses and a response rate of 24% (see Appendix A for details).
- **Interviews with childcare providers:** To assess the financial health of providers across different types of childcare services in NI, including a group interview with six childminders, with at least one childminder from each HSCT, a mix of profitability (2 loss making, 3 breaking even and one making a profit) and an even split between rural and urban (3 rural and 3 urban) and 19 one-to-one interviews with managers of group settings. Multiple characteristics were used to develop a representative sample of managers, ensuring a diverse range of perspectives were accounted for. These characteristics included profitability (5 making a loss, 10 breaking even and 4 making a profit), provider type (10 voluntary/community and 9 private), childcare type (3 sessional care, 5 private day nursery, 2 creche, 4 out of school care and 5 social enterprise day care), HSCT (7 from

[31] Group interviews were organised with some stakeholders, where appropriate, to support richer data collection.

Belfast, 4 Southern, 2 Western, 3 Northern and 3 South Eastern) and Registered places (6 small and 13 large). Each interview lasted approximately one hour. The demand for services, costs, fees and the impact of the COVID-19 pandemic were discussed.

- **Parent/carer survey:** An online panel survey targeting parents and carers of children aged 0-14 years olds in NI was undertaken to understand issues preventing the use of childcare services by geo-demographic and socio-economic characteristics of users. 4,751 responses were received (see Appendix B for details).
- **Five focus groups with 18 parents/carers** to understand the availability, accessibility and affordability of childcare along with the extent to which childcare provision meets the needs of children with disabilities, special needs or additional needs.

1.4 Limitations

1.4.1 Involvement of parents whose main language is not English

English is not the main language spoken by almost 5% of the NI population (aged 3 years old and over).[32] It was acknowledged at the outset of this review that an online survey would be unlikely to be representative of those whose main language is not English. Indeed, only 2% of parent survey respondents reported that English was not their children's main language. To compensate for this limitation, stakeholder and provider interviewees and parent focus group participants were asked about the views and experiences of parents who do not speak English as their main language. The focus group participants included one person who did not speak English as their main language, and two stakeholder interviewees were chosen specifically because they work with migrants and newcomer families. Other stakeholder and provider interviewees were also able to comment on their work with parents and children who do not speak English as their main language.

1.4.2 'Drill down' analysis

Analysis of the parent survey findings by age group of child is based on unweighted survey data and should therefore be treated as indicative rather than representative of the NI population (see Appendix B: Parent survey for more details).

[32] NISRA (2022) Census 2021: Main statistics language tables

1.4.3 Analysis of financial health of providers

There is a lack of independent evidence on the financial health of the sector, therefore, care should be taken when interpreting these findings. Analysis of the financial health of childcare providers is largely based on self-reported data collected through the provider survey. This has been supplemented by follow up interviews with the managers of group settings (20 one-to-one interviews) and childminders (one group interview with six childminders). Analysis of group childcare provider accounts was conducted, where these were available, to verify the information shared by interviewees (accounts and/or financial statements were reviewed for 13 of the 20 providers interviewed). It should be noted that this is a very small proportion of the overall provider population, therefore, care should be taken when interpreting the findings.

1.5 Structure

The remainder of this report is structured as follows:

- Sector overview
- Supply and demand
- Accessibility and inclusion
- Childcare workforce
- Financial health of providers
- Financial support and affordability
- Impact on parents' employment
- Key findings and conclusions
- Appendix A: Provider survey
- Appendix B: Parent survey

2. SECTOR OVERVIEW

2.1 Introduction

The section provides a brief overview of the childcare sector in NI, including the types of registered childcare and current profile of provision.

DE has policy responsibility for childcare. The Department of Health (DoH) has statutory responsibility for the registration and inspection of childcare provision for children under the age of 12 years old against the Minimum Standards for Childminding and Day Care.[33] The Minimum Standards set out the statutory requirements for childcare provision in terms of quality, care and physical environment, including staff-child ratios, qualification requirements by role and physical space.

2.2 Types of provision

The registered childcare sector includes a variety of provider types, categorised by the Minimum Standards[34] as:

- **Full day care** - For children under 12 years old for a continuous period of four hours or more, outside of the domestic setting. This includes group childcare settings such as nurseries run by private and voluntary/community organisations.
- **Sessional day care** - Day care provided for less than a continuous period of four hours in a day, outside of the domestic setting. This includes creches, out of school care and wrap-around care.
- **Home-based providers** - Childcare provided in domestic settings. This includes childminders, who operate in their own homes normally on a self-employed basis, and Approved Home Childcarers, who operate in the child's home and may be employed by the child's family or self-employed if they look after children from more than one family.

In addition, the DE-funded Pre-School Education Programme (PSEP) provides a funded pre-school education place for every child in the year before they join primary school, that is, between the ages of 3 and 4 years old. Pre-school education is provided through a mixed model of statutory (nursery schools and nursery units in primary schools) and non-statutory (private, community and

[33] Department of Health, (2012, amended in 2018). Childminding and Day Care for Children Under Age 12: Minimum Standards
[34] Ibid

voluntary sector) provisions and ranges from 12.5 hrs (part-time) to 22.5 hrs (full-time) per week. PSEP is administered by the Education Authority and inspected by the Education and Training Inspectorate. Whilst some parents may incorporate this into their childcare arrangements, its primary aim is to prepare children to learn.[35] In the academic year 2022/23, 742 pre-school settings received funding from the PSEP, including: 393 school based settings, such as primary schools with pre-school provision and standalone pre-schools; and 349 private and voluntary providers, such as nurseries.[36] Together they provided 22,711 PSEP funded places, which is equivalent to around 97% of all children aged 3 years old.[37]

2.3 Profile of provision

In March 2022 there were over 59,000 registered childcare places across 3,606 registered childcare providers in NI.[38] As shown in Table 2.1 these were mainly private sector organisations or individuals (such as childminders or Approved Home Carers). Voluntary/community organisations accounted for a fifth of all providers. This includes childcare provision in the 14 Women's Centres supported by the Department for Communities (DfC) Women's Centres Childcare Fund.

Table 2.1: Ownership of childcare provision

Type of Provider	Voluntary/community (%)	Private (%)
Day Nursery	25%	75%
Out of School	42%	58%
Creche	96%	4%
Childminder	0%	100%
Approved Home Childminder	0%	100%
Summer Scheme	100%	0%
2 Year Old Programme	98%	2%
All Childcare	**20%**	**80%**

Source: Data provided by Family Support NI on Registered Early Years Provision as of 12th January 2023

35 Department of Education, (2004). Consultation Paper for the Review of Pre-School Education
36 Department of Education and NISRA, (2022). Annual enrolments at grant-aided schools in Northern Ireland, 2022/23.
37 NISRA (2022). 2021 Mid Year Population Estimates for Northern Ireland. File name: "All areas – Population by sex and single year of age"
38 Data provided by Family Support NI on Registered Early Years Provision as of 31st March 2022

Table 2.2 shows the breakdown of provision by HSCT and type of provider. The 880 providers who responded to the provider survey are broadly representative of the total provider population in terms of provider type and location (see Appendix A). Together they represent around 18,500 registered childcare places, or 31% of all registered childcare places in NI.

Table 2.2 overleaf shows, over two-thirds of providers are childminders or Approved Home Childcarers (accounting for 63% and 5% of services respectively). Childminders or Approved Home Childcarers are typically self-employed.

Although there are more childminders and Approved Home Childcarers than group settings, childminders account for just 23% of total registered places.[39] Day nurseries offer the most places (27%, with out of school places within day nurseries representing a further 10%), followed by play groups (22%) and stand-alone out of school care (12%).

The Northern and Southern Trusts have the largest proportions of childcare places and, according to 2020 mid-year population estimates, they are also the Trusts with the largest proportions of 0-14 year olds living in them. However, the Trusts with less than a fifth of children aged 0-14 years old living in them (Belfast, Western and South-Eastern) have relatively more places (see Section 3 for further discussion):[40]

- 30% of children aged 0-14 years old live in the Northern Trust and 26% of all registered childcare places are in the Northern Trust;
- 23% live in the Southern Trust, which has 20% of places;
- 17% live in the Belfast Trust, which has 20% of all registered childcare places;
- 15% live in the Western Trust, which has 20% of places; and,
- 15% live in the South-Eastern Trust, which has 19% of places.

There is also some variation in the types of provision by Trust, for example, Belfast has a higher number of day nurseries and fewer childminders compared to the other Trusts.

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[39] Data on the number of registered places provided by Approved Home Childcarers is not available

[40] NISRA (2022) Census 2021 population and Household estimates for Northern Ireland

Table 2.2: Registered childcare providers by type and Trust area in March 2022

Type of Provider	Belfast		Northern		South Eastern		Southern		Western		Total (n)		Total (%)	
	Services	Places	Services	Places	Services	Places	Services	Places	Services	Places	Services	Places	Services	Places
Day Nursery	101	4,401	61	3,216	64	2,970	58	3,259	39	2,381	**323**	**16,227**	**9%**	**27%**
Out of School places within day nurseries	*	1,511	*	1,336	*	1,422	*	1,304	*	640	*	**6,213**	**0%**	**10%**
Creche	14	192	22	393	2	47	6	100	31	494	**75**	**1,226**	**2%**	**2%**
Playgroup	47	1,361	104	3,811	76	2,649	99	3,114	77	2,134	**403**	**13,069**	**11%**	**22%**
Stand-alone Out of School	61	1,888	52	1,806	47	1,560	38	1,140	23	650	**221**	**7,044**	**6%**	**12%**
Childminder	235	1,410	727	4,372	490	2,939	388	2,303	448	2,489	**2,288**	**13,513**	**63%**	**23%**
Approved Home Childcarers	58		35		59		15		6		**173**		**5%**	
Summer Scheme	7	216	1	24	2	101	0	0	0	0	**10**	**341**	**0%**	**1%**
2-Year-Old Programme	23	300	28	360	11	132	22	408	29	380	**113**	**1,580**	**3%**	**3%**
Total (n)	**546**	**11,279**	**1,030**	**15,318**	**751**	**11,820**	**626**	**11,628**	**653**	**9,168**	**3,606**	**59,213**	**100%**	**100%**
Total (%)	**15%**	**20%**	**28%**	**26%**	**21%**	**19%**	**18%**	**20%**	**18%**	**16%**				

Source: Data provided by Family Support NI on Registered Early Years Provision as of 31st March 2022
Note: Out of school services within day nurseries by Trust area: 56 in Belfast; 48 in Northern; 49 in South Eastern; 46 in Southern; and, 23 in Western Trust

3. SUPPLY AND DEMAND

3.1 Introduction

This section provides:

> *An analysis of supply and demand for childcare provision in NI and identification of gaps in provision by geographical area and age range.*

It presents findings from the desk-based research on the issues that influence the supply of and demand for childcare and includes a review of national statistics and existing research on changes in the supply of and demand for childcare. It also presents findings from the primary research on the current supply of and demand for childcare provision in NI as well as the gaps in provision.

3.2 Supply of childcare

As shown earlier in Table 2.2, in March 2022 there were 59,213 registered places across 3,606 registered childcare providers, including day nurseries, out of school places, creches, playgroups, childminders, Approved Home Childcarers, summer schemes and 2-year-old programmes. To give some sense of the scale of the sector compared to the NI population, Table 3.1 compares Census 2021 data on the number of children aged 0-14 years old to the number of registered childcare places across NI. On average there is approximately one childcare place for every six children in NI, but there is some variation by Trust with relatively more places in the South-Eastern Trust (five children per place), than in the Southern and Northern Trusts (seven children per place). While this is considerably lower than the take up of PSEP places (which cover 97% of the eligible population),[41] it is important to note that not all parents need or want formal, registered childcare and many of those who do use registered places access them on a part time basis, therefore, one would not expect there to be a childcare place for every child. Demand for childcare is described later in Section 3.3.

[41] NISRA (2022). 2021 Mid Year Population Estimates for Northern Ireland. File name: “All areas – Population by single year of age”

Table 3.1: Number of children per registered childcare place by HSCT

HSCT	No. of children aged 0-14	No. of registered childcare places	No. of children per childcare place
South-Eastern	56,161	11,820	5
Belfast	62,329	11,279	6
Western	53,214	9,168	6
Southern	83,244	11,628	7
Northern	110,265	15,318	7
Total	**365,213**	**59,213**	**6**

Source: RSM analysis of NISRA (2022) Census 2021 population and Household estimates for Northern Ireland; and, data provided by Family Support NI on Registered Early Years Provision as of 31st March 2022

3.2.1 Closures

Data provided by Family Support NI shows that the total number of registered childcare providers and places has decreased from 3,881 providers offering 60,798 places in 2020 to 3,696 providers offering 59,213 places in 2022 (see Table 3.2). This represents a 7% reduction in the number of registered providers, largely driven by a decrease in the number of childminders (-11%), who have fewer places per provider (six, or eight if they have an assistant), compared to group childcare providers (who provided 40 places on average per provider in 2022).[42] As Figure 3.1 shows, the total number of group settings, such as day nurseries and out of school care, has remained more stable from 2020 to 2022. The decrease in the number of places resulting from the loss of 15 group providers has been largely offset by an increase in the total number of places provided by day nurseries between 2020 and 2022. There is some variation by Trust area, with Belfast experiencing the biggest overall loss (8% of providers and 6% of places). It is interesting to note that while the South Eastern Trust has fewer providers now than in 2020, the number of registered places has increased during that time (by 3%). It is the only Trust with more places now than in 2020.

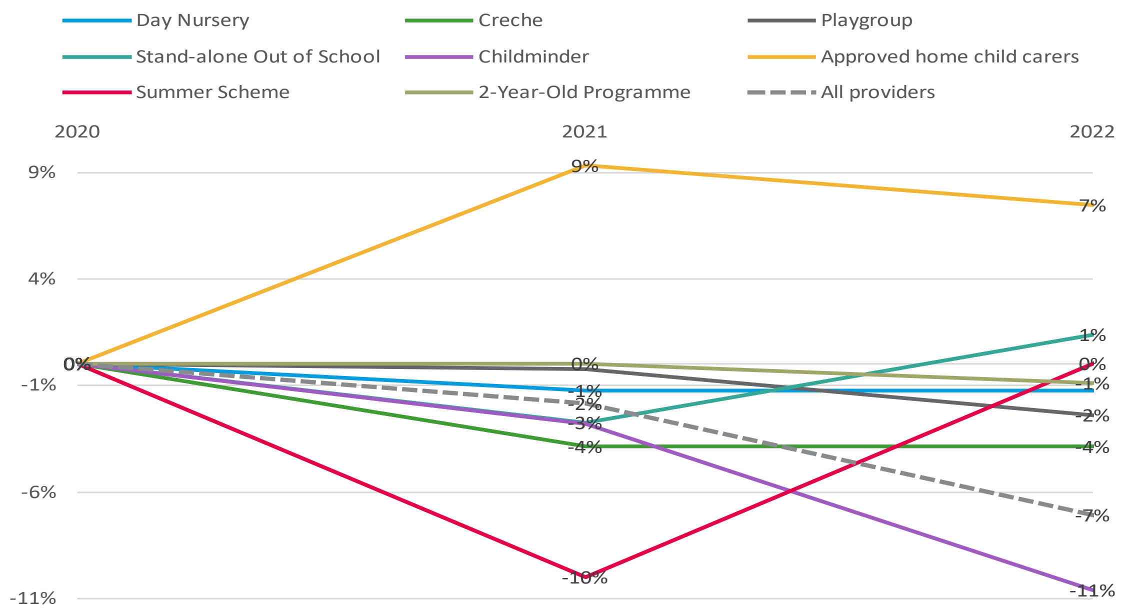
[42] Data provided by Family Support NI on Registered Early Years Provision as of 31st March 2022

Table 3.2: Change in registered provision from 2020 to 2022

Type of Provider	Belfast		Northern		South Eastern		Southern		Western		Total (n)		Total (%)	
	Services	Places	Services	Places	Services	Places	Services	Places	Services	Places	Services	Places	Services	Places
Day Nursery	-2	-156	2	107	-1	190	0	47	-3	151	-4	339	**-1%**	**2%**
Out of School places within day nurseries		-86		-27		18		70		-86		-111		**-2%**
Creche	-1	-15	0	4	-2	-67	0	0	0	0	-3	-78	**-4%**	**-6%**
Playgroup	-3	-101	-5	-154	-1	244	-1	-23	0	-24	-10	-58	**-2%**	**0%**
Stand-alone Out of School	2	-125	0	9	5	300	0	-69	-4	-186	3	-71	**1%**	**-1%**
Childminder	-48	-230	-75	-466	-56	-348	-57	-369	-36	-152	-272	-1565	**-11%**	**-10%**
Approved Home Childcarers	4		4		9		1		-6		12		**7%**	
Summer Scheme	-1	-50	0	0	1	21	0	0	0	0	0	-29	**0%**	**-8%**
2-Year-Old Programme	-1	-12	-1	-12	0	0	1	12	0	0	-1	-12	**-1%**	**-1%**
Total (n)	-50	-775	-75	-539	-45	358	-56	-332	-49	-297	-275	-1585	**-7%**	**-3%**
Total (%)	**-8%**	**-6%**	**-7%**	**-3%**	**-6%**	**3%**	**-8%**	**-3%**	**-7%**	**-3%**				

Source: RSM analysis of data provided by Family Support NI on Registered Early Years Provision as of 30th September 2020 and 31st March 2022

Figure 3.1: Percentage change in registered providers from 2020 to 2022



Source: RSM analysis of data provided by Family Support NI on Registered Early Years Provision as of 30th September 2020 and 31st March 2022

A 2021 report by Queen's University Belfast for the NI Commissioner for Children and Young People, highlighted concerns about the capacity of organisations, institutions and charities to deliver children's services following the pandemic.[43] Some of these concerns are based on the market's inability to hire and retain staff in statutory and voluntary sectors. This was supported by the findings of the Employers for Childcare, NI Childcare survey 2021, which explores the views and experiences of 2,950 parents and 714 childcare providers, and reported an estimated net loss of 2,500 workers[44] due to the responsibilities of the role, pay and working conditions[45] (discussed later in Section 5. Childcare workforce). It also found a growing perception amongst parents that this has led to insufficient provision of one or more types of childcare where they live (increasing from 61% of respondents in 2020 to 69% in 2021). When considered at a council level, 89% of parents from Mid Ulster, 67% of parents in Belfast City and 63% of

[43] Byrne, B. et al. (2021) The Impact of Covid-19 on the Planning and Delivery of Children's Services: A Rights Review
[44] Employers for Childcare (2021) Northern Ireland Childcare Survey
[45] National Day Nurseries Association and Education Policy Institute (2021) The Covid-19 Pandemic and the early years workforce

parents in Mid and East Antrim believe there is insufficient childcare provision in their area.[46]

Some of the stakeholders interviewed in the primary research for this review also noted that: *“there's an under provision of childcare across the board” (Stakeholder interviewee)*. The reasons they gave for the reduction in childcare provision included:

- Increased costs of doing business (e.g. heating, electricity and food);
- Staff moving into the primary education sector due to greater perceived benefits (e.g. sick pay) and fixed hours;
- Burn-out due to working through the COVID-19 pandemic; and,
- Reduced numbers of people entering the workforce.

Providers agreed that COVID-19 had an impact on the supply of childcare. Many of the childcare providers interviewed noted that a number of providers closed during the pandemic, and when COVID-19 restrictions were lifted the supply was not in place to accommodate it:

“The problem is that everybody's been told to go back to work and the childcare just is not as available as it used to be… in this current area alone, three childcare settings have closed since COVID-19.” (Provider interviewee).

Childminders also explained that many childminders left the workforce due to the pandemic:

“Because of the pandemic and everything that went on there, which was a disaster for childminders in lots of ways, people just packed it in and had to go and get another job” (Childminder interviewee).

Some parents who took part in the focus groups were also aware of a decrease in childcare provision post COVID-19:

“Since COVID-19, a lot of childcare providers have gone out of business… childminders took other work…I know of people who are putting their children down for nursery places when they're three months pregnant and they still can't get a place for nearly two years” (Parent focus group).

A minority of the childcare providers who were interviewed felt that the rate of closure of providers would increase in the coming years. They commented that with an aging population of private owners set to retire in the near future, many

[46] Employers for Childcare (2021) Northern Ireland Childcare Survey

do not think it is viable for the setting to remain in business and are considering closure:

“And it's because XYZ has decided that [they have] just had enough and I've seen so many sets of accounts over the last five years and they [the provider] are just not worth anything. But they're people [who] have been in the business for 15 or 20 years. They've managed to pay off a commercial mortgage and the building they're in is domestic housing stock that could easily turn back into houses.” (Provider interviewee).

3.2.2 Operating hours

Figure 3.2 and Figure 3.3 show the start and finish times of the providers surveyed. Most provision starts between 7.00am and 9.30am, and ends at 6.00pm. Private day nurseries, social enterprise day nurseries, out of school clubs and Approved Home Childcarers were more likely to start before 8.00am. There was less variation in closing times with most provision ending by 6.00pm. Only 20 providers indicated that they were able to provide childcare on Saturdays and 13 on Sundays. While the majority of providers continue to operate during school holidays, a minority (17%) provide childcare during term time only. These were mainly small and voluntary/community providers.

Some of the parents who took part in focus group sessions spoke of facilities that only open when there was sufficient demand:

“if they don't think they have enough people interested then they don't open. Over Halloween, I had no childcare” (Parent focus group).

Parents said this was more likely to occur with school based provision than group childcare settings and resulted in parents having to find alternative childcare at the last minute.

Figure 3.2: Provider start times

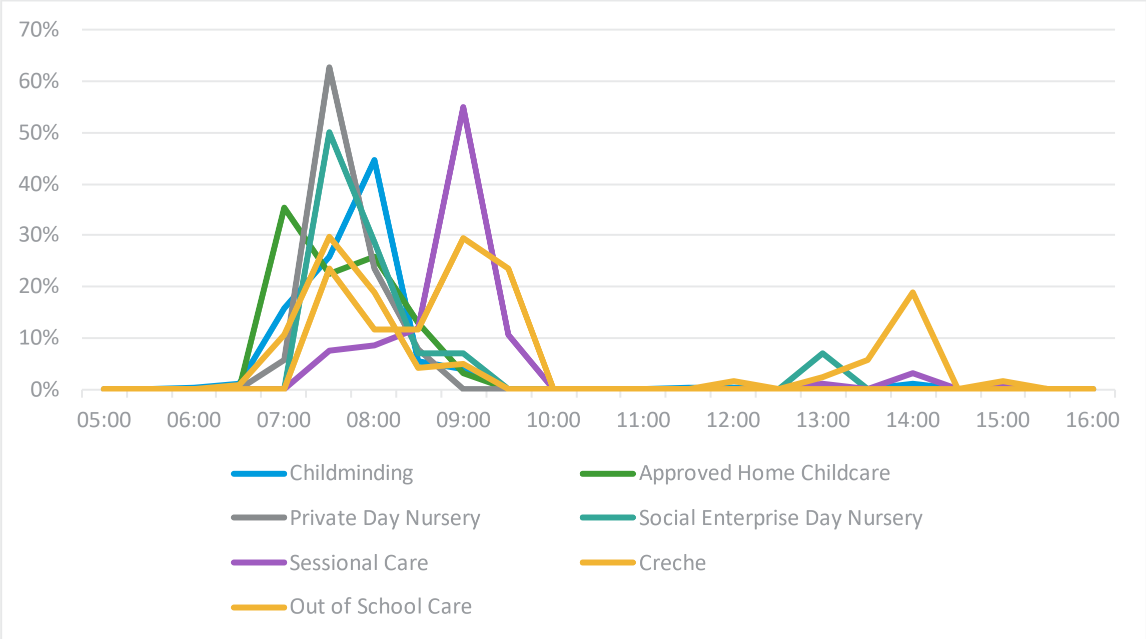
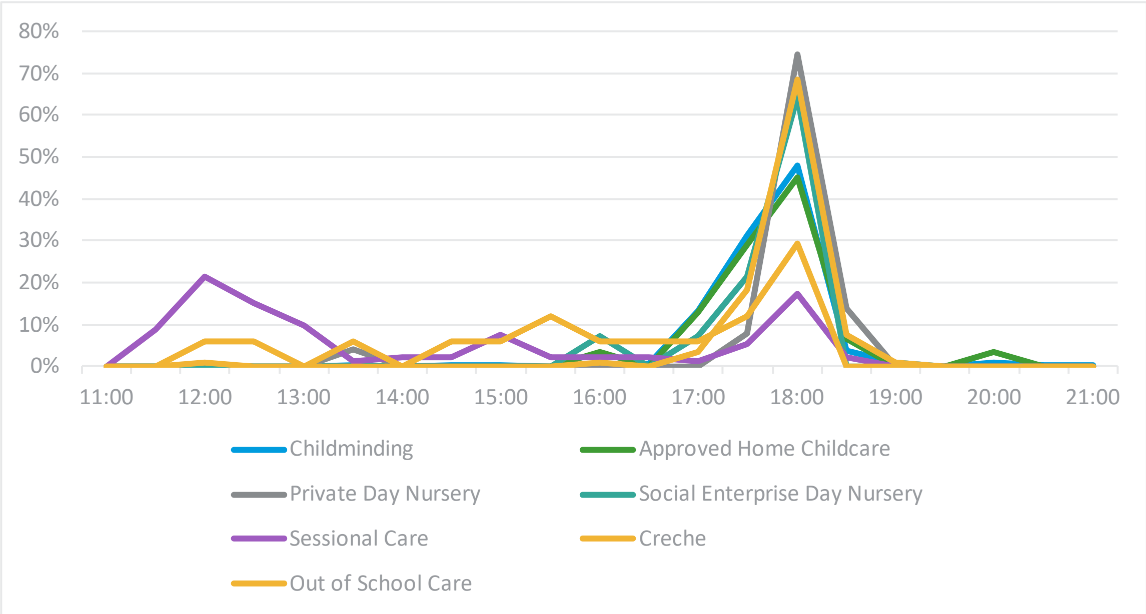


Figure 3.3: Provider finish times



Source: RSM survey of childcare providers Q.57
Base: 628

3.2.3 Quality of provision

Childcare providers are registered, inspected, monitored and supported by the HSCT Early Years Teams to make sure that they meet the DoH Minimum Standards requirements, which sets out the statutory requirements for childcare provision in NI. The majority of parents who took part in the parent survey described the quality of formal childcare in NI as high (89%).[47] 71% were also positive about the quality of learning opportunities provided. The majority of stakeholders, including the HSCT Early Years Teams, agreed that childcare provision within NI was of a high quality, in part due to the standards imposed through the registration and inspection policies, and also due to the commitment of the workforce (discussed later in Section 5. Childcare workforce):

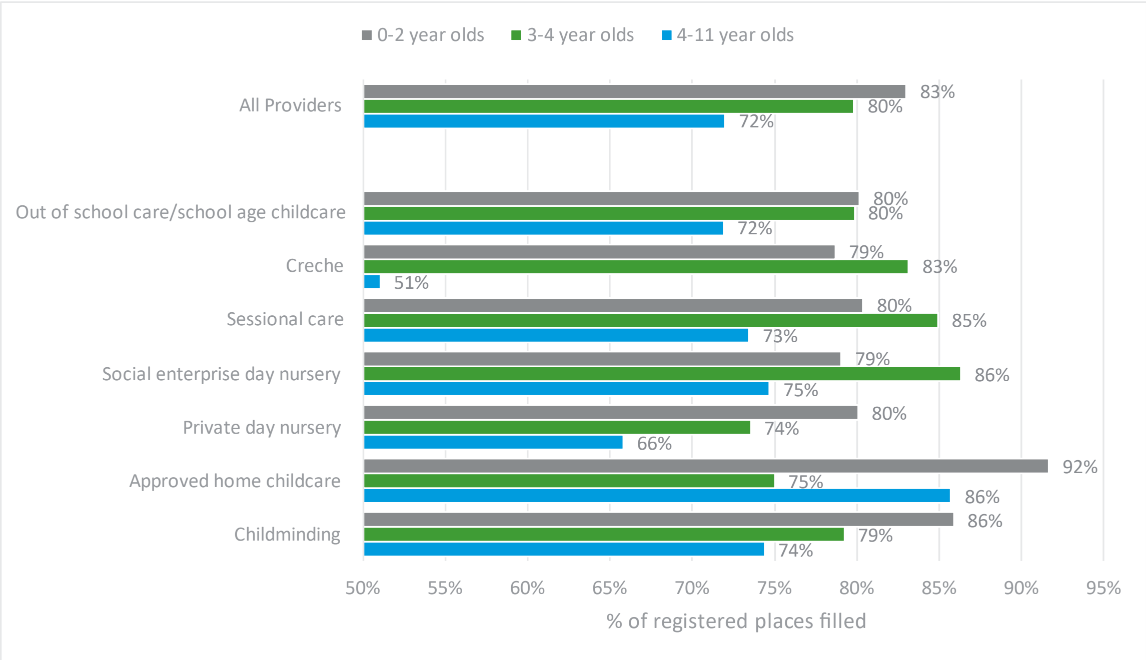
"In terms of quality, we utilise the Minimum Standards… There have been no closures or no deregistration in [the Trust], due to poor practise, in 10 years. The rest are meeting the Minimum Standards, but the quality varies. We do not score them like in England, but you have certain providers that are above [Minimum Standards]"(Stakeholder interviewee).

3.2.4 Occupancy

The primary research showed that, on average, 78% of registered places were occupied by children, with 153 out of 880 respondents (or 17%) operating at full capacity. Figure 3.4 shows that occupancy levels were typically higher for younger children (83% of registered places for 0-2 year olds and 80% of places for 3-4 year olds were occupied, compared to 72% of registered places for 4-11 year olds). However, there is some variation by type of provision with social enterprise day nurseries, sessional care and creches all reporting higher than average occupancy for 3-4 year olds.

[47] 67% of respondents scored the quality of childcare as 5 (highest), 22% scored it as 4, 8% neutral, 2% don't know and only 1% low.

Figure 3.4: Percentage of registered places filled, by provider type and age



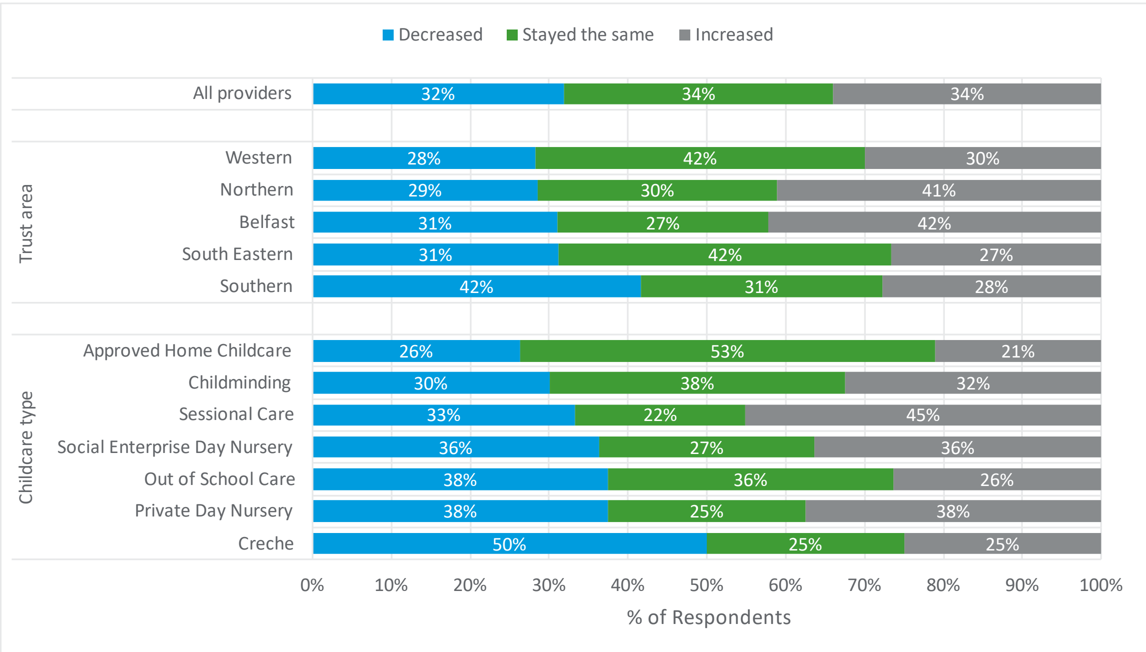
Source: RSM survey of childcare providers Q.5 and Q.6
Base: 688
Note: Type of provision was a multiple choice question. Some out of school care/ school age childcare providers were also providing day nursery places and/ or sessional care for younger children

Many of the childcare providers surveyed (45% of respondents) have spare capacity (defined here as 20% or more registered places unfilled). Those who were making a loss were more likely to have spare capacity (53%) than those who were making a profit (25%). Providers in Belfast (47%), Western (48%) and South Eastern Trusts (52%) were more likely to have spare capacity than providers in the Southern (35%) or Northern Trusts (36%). These differences were statistically significant.

On average self-employed providers (childminders and Approved Home Childcarers) said that around a quarter of their total registered places were unfilled (1.5 unfilled places per childminder), compared to 19% in private settings (10 unfilled places per setting) and 17% in voluntary/community providers (6 unfilled places per setting). There was also some geographical variation, with providers in the Western HSCT having the highest average proportion of unfilled places (22%) whilst those in the Northern Trust had the lowest proportion of unfilled places (13%). The other three HSCTs all had between 18% and 20% spare capacity on average.

Overall findings on the extent to which this had changed over time were mixed (see Figure 3.5). However, some differences emerge by provider characteristics. Whilst loss-making providers had more spare capacity overall, they were also more likely to report a decrease in unfilled places (40%) since September 2021, which has reduced the difference compared to providers who were breaking even (29%) or making a profit (20%). Providers of sessional care were more likely to have experienced an increase in unfilled places (45%) than any other type of provider, whilst private day nurseries (38%) and social enterprise day nurseries (36%) were more likely to report a decrease in unfilled places. Geographically, providers in the Northern and Belfast Trusts were more likely to report an increase in unfilled places since September 2021, whereas South Eastern and Southern Trusts were least likely.

Figure 3.5: Change in number of unfilled places from September 2021 to September 2022



Source: RSM survey of childcare providers Q.9
Base: 446

Interviews with providers identified issues that restricted their ability to fill that spare capacity and increase the supply of childcare. Some providers reported that while they are over-subscribed for places on certain days of the week, staff ratios or the square footage of their building (for group settings) mean that they are unable to take on more children without considerable investment:

"We are having a little bit of an interest in particularly younger places for babies at the minute, so while I would love to be able to take more babies on, I don't have the staff to do that" (Provider interviewee).

Issues relating to recruitment and retention are discussed later in Section 5.4.

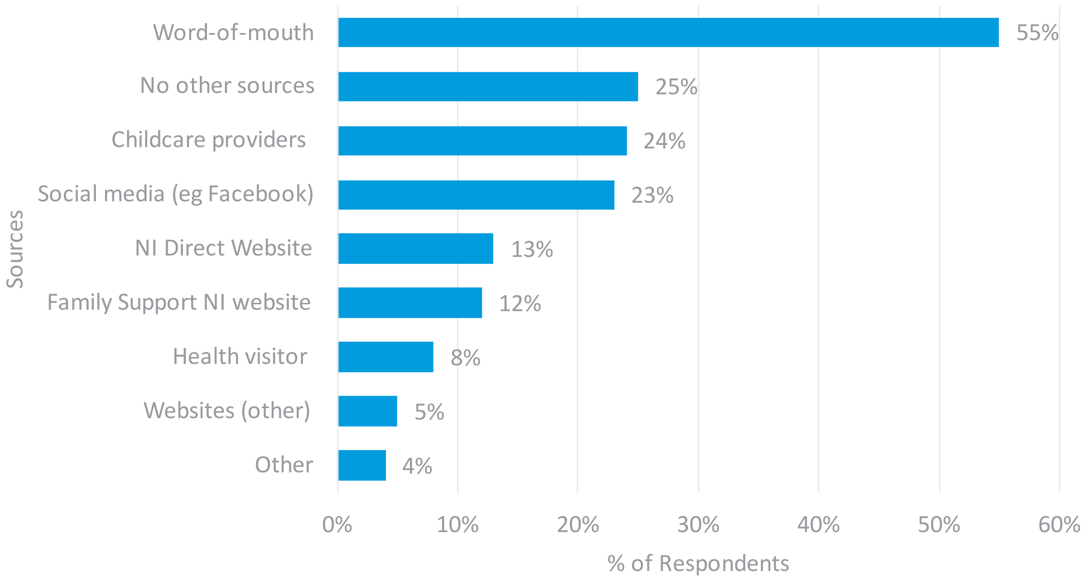
3.2.5 Information about childcare provision

Some parents spoke of difficulties in finding information about childcare availability and suggested that there should be more centralised information. 51% of parent survey respondents said that there was not enough information about childcare provision in their local area. None said that there was too much information. This did not vary significantly by Trust area, ranging from a low of 47% in the Northern Trust to a peak of 54% of parent survey respondents in the Western Trust who said that there was not enough information about childcare provision in their local area. Younger parents were generally more likely to report a lack of information (60% of parents aged 18-34 said that there was not enough information about childcare provision). One parent described what they felt to be a drawn-out process of finding information about local childcare places:

"We're obtaining numbers from Family Support NI then having to ring around for vacancies - It's all very old school" (Parent survey).

As shown in Figure 3.6, over half of respondents to the parent survey got information on childcare through word-of-mouth (55%).

Figure 3.6: Sources of information about childcare provision



Source: LucidTalk survey of parents/carers Q.89
Base: 4,751

3.3 Demand for childcare

Data from the Office for National Statistics shows that there are around 240,000 families in NI with dependent children, although this varies year on year (see Table 3.3).

Table 3.3: NI families with dependent children (thousands)

Families	2019 Estimate	2020 Estimate	2021 Estimate
Married couple family	152	164	168
Civil partner couple family	[u]	[u]	[u]
Opposite sex cohabiting couple family	21	22	17
Same sex cohabiting couple family	[u]	[w]	[w]
Lone parent family	58	66	55
Lone mother family	52	59	49
Lone father family	6	7	7
All families	232	252	241

Source: Office for National Statistics (2022) Families by family type, regions of England and UK constituent countries

Notes: [w] = No people are estimated to be in this category, either because there were not any recorded by the survey or because none exist in the population; [u] = Low reliability/unreliable. The estimate has been based on a sample of less than 3.

According to 2021 Census data these include over 365,000 children aged between 0 and 14 years old (see Table 3.4).

Table 3.4: Total NI population of 0-14 year olds

HSCT	0 – 4 (n)	0 – 4 (%)	5 –14 (n)	5 – 14 (%)	0 – 14 (n)	0 – 14 (%)
Belfast	19,788	5%	42,541	12%	62,329	17%
Northern	34,429	9%	75,836	21%	110,265	30%
South-Eastern	17,084	5%	39,077	11%	56,161	15%
Southern	25,897	7%	57,347	16%	83,244	23%
Western	16,622	5%	36,592	10%	53,214	15%
Total	113,820	31%	251,393	69%	365,213	100%

Source: NISRA (2022) Census 2021 population and Household estimates for Northern Ireland

Demand for childcare usually stems from parents who are unable to provide all-round care for their children due to work or other commitments. Around 40% of all workers in NI have dependent children.[48] Table 3.5 shows that the majority of parents with children aged 0-15 years old in NI were employed (64% full time and 19% part time) with around 7% economically inactive and looking after the family home.[49] However, the number of economically inactive parents looking after the family home increased to 10% of parents of 0-2 year olds and 8% of parents with primary school aged children. Similar patterns were observed for part time employment, which was more common for parents of pre-school (23%) and primary school aged children (22%). This indicated that parents were more likely to 'stay at home' or work part time during these periods of a child's life.

Table 3.5: Employment status of parents with dependent children in 2021

Economic activity and employment type	All parents with dependent children aged 0-15	Parents with children aged 0 - 2	Parents with dependent children aged 3 - 4	Parents with dependent children aged 5 - 10	Parents with dependent children aged 11 - 15
Employed	85%	83%	88%	87%	83%
Full time	64%	66%	64%	62%	62%
Part time	19%	17%	23%	22%	18%
Unemployed	2%	2%	[c]	2%	1%
Economically inactive	13%	15%	11%	12%	16%
Economically inactive: looking after family home	7%	10%	7%	8%	5%

Source: Office for National Statistics (2022) Families and the labour market, Northern Ireland

Note: Employed is the sum of full time and part time workers plus those who have not stated if they work full time or part time.

A 2017 study by the OECD found that use of childcare often varied by income group. Children from low-income families in the UK were less likely to participate in early years education and care compared to high-income families between the

[48] Nevin Economic Research Institute (2020) Employment and access to childcare during the Covid-19 crisis

[49] The Office for National Statistics defines economic inactivity as people not in employment who have not been seeking work within the last 4 weeks and/or are unable to start work within the next 2 weeks, one of the reasons for economic inactivity is 'looking after family home.'

ages of 0-2 years old.[50] The UK Government provides a range of financial support to parents such as Tax-Free Childcare, Child Tax Credits and Childcare Vouchers, that are entirely directed towards registered providers. These supports aim to make childcare more affordable and reduce differences in participation across income levels. However, it is important to note that there are some differences in the early learning and childcare models adopted across the UK. In NI, DE funds 12.5 hours to 22.5 hours of pre-school provision for 3-4 year olds per week through the PSEP. The Sure Start programme also supports children in disadvantaged families. Whilst these programmes can be used by parents as a source of childcare, their primary purpose is to support early learning and development, unlike support models in England and Scotland, which provide up to 30 hours of free childcare for 3-4 year olds (only during term time for Scotland).[51]

Overall, the UK has experienced declining demand for childcare since the COVID-19 pandemic, largely due to an increase in the number of parents working from home.[52] The Employers for Childcare, NI Childcare Survey 2021, identified a post-pandemic decrease in the demand for childcare from an average of 42 hours a week in 2020 to 39 hours in 2021, with 34% of parents using less formal childcare and 22% using less informal childcare as well.[53]

The findings of the LucidTalk parent survey, undertaken for this review, indicate that demand had decreased even further to an average of 23 hours of formal childcare per week in 2022. As shown in Table 3.6, some respondents to the parent survey did not use any childcare (29%), others used informal childcare (26%, 89% of which used grandparents), formal childcare (24%) or a mix of both informal and formal childcare (20%).[54] Further details about the profile of survey respondents can be found in Table B.1

- Respondents in the Belfast Trust were more likely to use formal childcare (30%) and less likely to use informal childcare (20%), than the average respondent (24% and 26% respectively);
- Respondents in the Northern Trust were more likely to use informal childcare (30%) and less likely to use formal childcare (20%);

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[50] OECD (2020) Is Childcare Affordable?
[51] Centre for Research in Early Childhood (2021). What do we know about the 30 hour entitlement?
[52] Hobbs, A. and Bernard, R. (2021) Rapid response: Impact of COVID-19 on Early Childhood Education & Care
[53] Employers for Childcare (2021) Northern Ireland Childcare Survey
[54] Totals do not sum to 100% due to rounding

- Respondents in the Southern Trust were slightly more likely to not use external childcare (32%) than the average respondent.

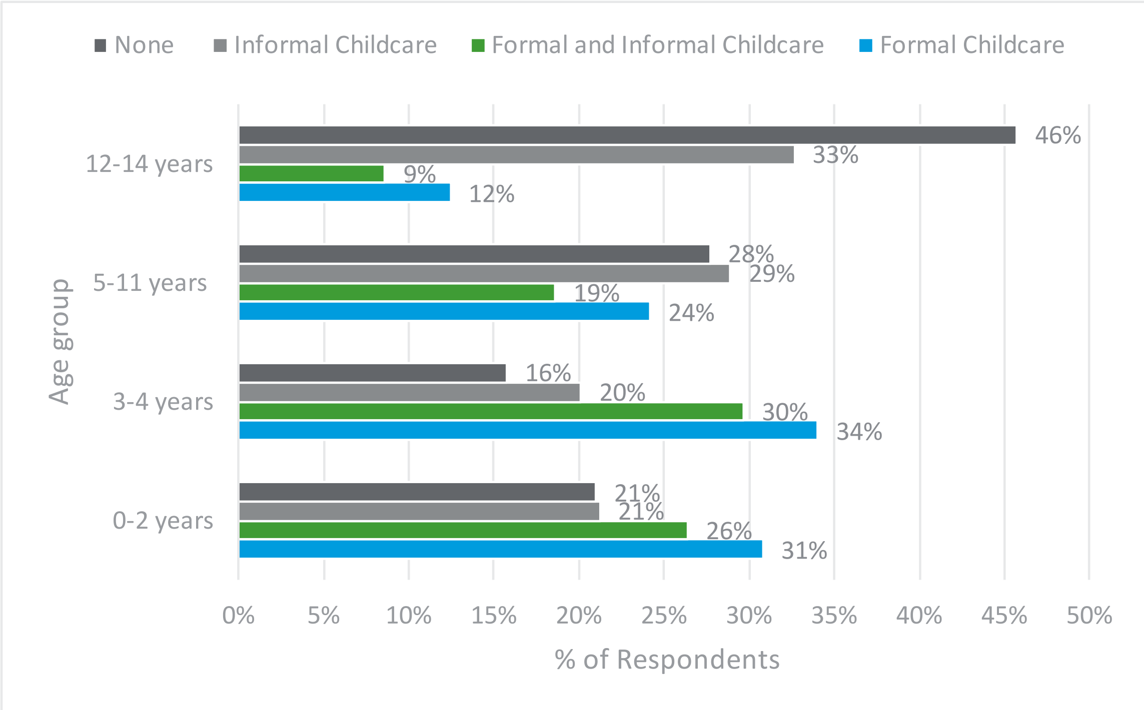
Table 3.6: Use of childcare as reported in the parent survey

Type of childcare	Total % of respondents	Belfast	Northern	South Eastern	Southern	Western	Unknown
None	29%	**28%**	**31%**	**26%**	**32%**	**29%**	**27%**
Informal	26%	20%	30%	26%	26%	28%	29%
Formal	24%	30%	20%	25%	21%	24%	25%
Mix of formal & informal	20%	21%	18%	22%	20%	18%	19%

Source: LucidTalk survey of parents/carers Q.38.
Base:4751

Figure 3.7 shows a breakdown of the types of childcare respondents to the parent survey used by the child's age group. This indicated that the use of formal childcare was highest amongst 3-4 year olds (34%) and 0-2 year olds (31%). It is important to note that respondents were counted in multiple age groups if they had children of different age groups. This may reduce the observable differences between the age groups.

Figure 3.7: Usage of childcare by age group of children



Source: LucidTalk survey of parents/carers Q.38
Base: 4,751
Note: Analysis by age group is based on unweighted survey data and should therefore be treated as indicative rather than representative of the NI population

Those from high-income households were more likely to use formal childcare (33%) compared to very low-income households (16%).[55] Parents aged 35-44 years were more likely to use formal childcare (27%), while parents aged 18-34 years were most likely to use a mixture of formal and informal childcare (31%). Those aged 45 years or over were most likely to not use any form of childcare (44% of respondents aged 45-54 and 66% of respondents aged 55+ years). There was little difference in childcare usage between parents in rural and urban areas:[56]

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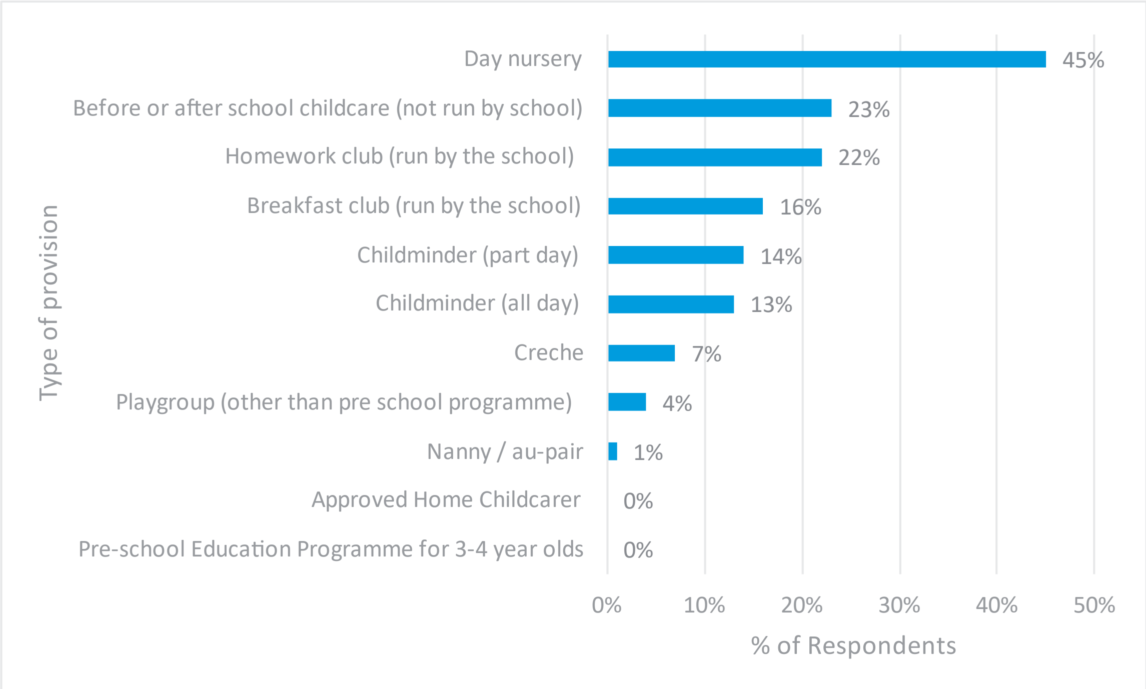
[55] Income bands per household per annum have been classified in the survey as: high (£70,000 to £150,000+), medium (£40,000 to £69,000), medium-low (£20,000 to £40,000), low (£10,000 to £20,000) and very low (less than £10,000)
[56] 28% of respondents' location could not be classified as either urban or rural because they either declined to give their postcode or they provided a partial postcode which covered a mix of both urban and rural areas.

- 23% of parents in rural areas used formal childcare only compared to 24% in urban areas; and,
- 27% of those in rural locations used informal childcare, compared to 24% in urban areas.

Figure 3.8 illustrates the type of childcare provision accessed by the respondents who used formal childcare. This shows that day nurseries were the most common type of childcare used by respondents (45%) followed by before or after-school childcare, not run by the school (23%) and then school based homework clubs (22%) and breakfast clubs (16%).

Figure 3.8: Types of formal childcare provision



Source: LucidTalk survey of parents/carers Q.40
Base: 2,075

3.3.1 Changes in demand

It is interesting to note that, despite the discussion about spare capacity in the previous section (45% of providers currently had spare capacity of 20% or more), many respondents to the provider survey said that demand for places had increased beyond their capacity (58% of respondents). While these findings may appear contradictory there are several reasons why this might be the case. For example, if a provider had a long waiting list for 0-2 year olds but was unable to fill its registered places for school aged children, or if they were oversubscribed on certain days of the week, whilst having unfilled places on other days.

Analysis of responses by provider characteristics showed:

- Self-employed providers (childminders and Approved Home Childcarers) (66%) and those in urban locations (61%) were most likely to be experiencing excess demand;
- Voluntary/community providers (42%) and those in rural areas (59%) were less likely to be experiencing excess demand; and,
- Those making a profit (80%) were more likely to have excess demand than those who were making a loss (48%).

These differences were statistically significant.

Table 3.7 shows that the Southern (66%) and Northern Trusts (66%) were more likely to have excess demand (and less likely to have spare capacity, with 35% and 36% respectively). Providers in the South Eastern (50%) and Belfast Trusts (55%) were less likely to have excess demand, and more likely to have spare capacity (52% and 47% of respondents respectively). However, more providers than average from the Western Trust reported: excess demand (65%); and spare capacity (48%).

Table 3.7: Providers who reported excess demand, by location

HSCT	% of respondents	Count
Southern	66%	104
Northern	66%	152
Western	65%	126
Belfast	55%	96
South Eastern	50%	124
Total		**602**
Rurality	**% of respondents**	**Count**
Urban	61%	292
Rural	59%	228
Total		**520**

Source: RSM survey of childcare providers Q.12

Note: Some respondents declined to give their postcode, or provided a partial postcode which covered more than one Trust or both urban and rural classifications, therefore, their location could not be determined.

In terms of the type of childcare provision, Approved Home Childcarers and childminders were the most likely to report excess demand (81% and 66% respectively). Although it is important to note that both of these types of provision offer fewer places per provider than group settings. Social enterprise day nurseries and providers of sessional care were less likely to report excess demand (see Table 3.8).

Table 3.8: Providers who reported excess demand, by childcare type

Type of provision	% of respondents	Count
Approved Home Childcare	81%	42
Childminding	66%	553
Creche	65%	26
Out of School Care	52%	154
Private Day Nursery	48%	73
Sessional Care	39%	135
Social Enterprise Day Nursery	38%	16
Total		875

Source: RSM survey of childcare providers Q.12
Base: 875

While the survey did not specifically ask providers to breakdown excess demand by age group, a minority of respondents provided childcare for just one particular age group (229 respondents). Analysis of survey data from these respondents indicated that those who cared for 0-2 year olds only (21 respondents) were more likely to be experiencing excess demand, than those who cared for school aged children (4-11 year olds) or 3-4 year olds (see Table 3.9). It is important to note that this analysis was based on a relatively small sample and therefore should not be generalised to represent the whole population.

Table 3.9: Providers who reported excess demand, by age group

Age group	% of respondents	Count
0 – 2	67%	21
3 – 4	37%	133
4 - 11	45%	75

Source: RSM survey of childcare providers Q.12
Base: 229
Note: This analysis is based on respondents who had registered places for one age group only. The resulting sample size is relatively small because most providers offer places to multiple age groups

Figure 3.10 provides a comparison of the data on the average number of children per childcare place by Trust, presented earlier in Table 3.1, with data on spare capacity and excess demand. This shows that the Trusts that had relatively fewer children on average per childcare place (i.e. the South-Eastern Trust), were more likely to have spare capacity and less likely to have excess demand, when compared to the Trusts with more children on average per childcare place (such as the Northern and Southern Trusts).

Table 3.10: Comparison of supply, occupancy and excess demand by HSCT

HSCT	No. of children per childcare place	% of respondents reporting spare capacity	% of respondents reporting excess demand
South-Eastern	5	52%	50%
Belfast	6	47%	55%
Western	6	48%	65%
Southern	7	35%	66%
Northern	7	36%	66%
Total	**6**	**45%**	**58%**

Source: RSM analysis of NISRA (2022) Census 2021 population and Household estimates for Northern Ireland; data provided by Family Support NI on Registered Early Years Provision as of 31st March 2022; and RSM survey of childcare providers Q.7 and Q.12

Findings from interviews with providers were mixed in relation to current demand. All of the childminders interviewed, which included at least one childminder per Trust, said they were at full capacity: *"I'm completely full and I'm turning work down on a regular basis." (Childminder interviewee).* Similarly, the majority of group providers interviewed reported that demand has broadly recovered since COVID-19. They said that this was largely driven by some parents coming out of furlough and a return to pre-COVID working practices, with more parents returning to office working and fewer working from home: *"coming out of furlough, we noticed a big increase of people who were needing childcare quite urgently. Within the last 18 months we've seen a big increase [in demand]" (Provider interviewee).* In some cases, demand for childcare has increased beyond pre-COVID levels: *"The demand for childcare in the area of Belfast that we're based is significantly higher than I could have anticipated" (Provider interviewee).*

However, despite increases in demand, some providers were currently not operating their full capacity: *“Let's say we're about 70% occupation at the moment.” (Provider interviewee).* They said that this was driven by staffing difficulties as well as varying demand across different age groups. Provider interviewees said that since the COVID-19 pandemic, baby room and pre-school demand has increased and is currently high. However, they said there was a noticeable fall in demand for older age groups, particularly around after-school care:

“We are in a position where our baby room is full and strong, but that is where we have our biggest intensity in terms of staffing costs, our other rooms are slightly quiet”

(Provider interviewee)

“At the pre-school we are around full capacity, whilst we have spare capacity at the after-school clubs”

(Provider interviewee)

All of the childminders interviewed echoed this finding, reporting that most of their excess demand currently comes from younger age groups, with reduced demand from school aged children:

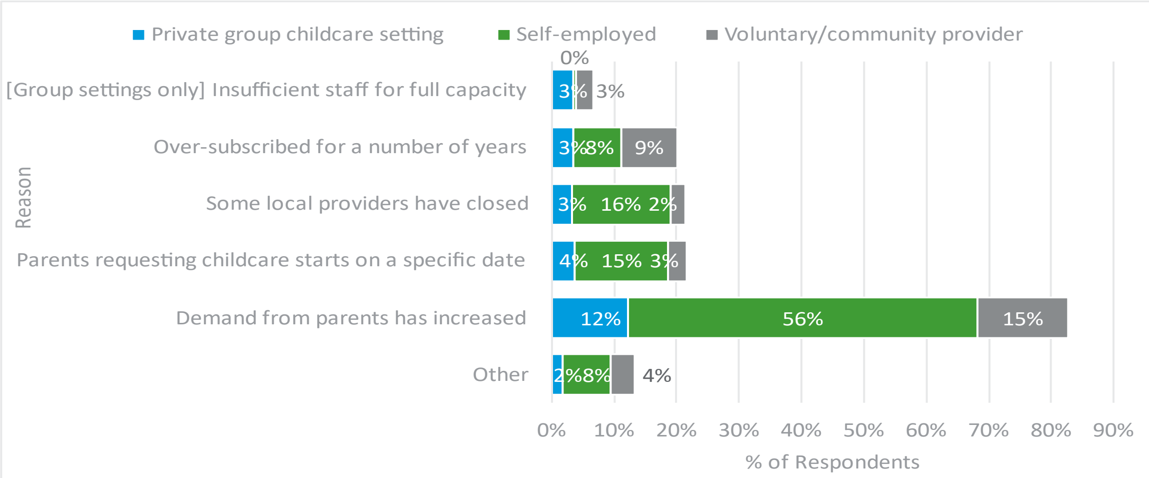
“it's a lot of babies looking for places or pre-school children and they can't take them” (Childminder interviewee).

The providers interviewed though that hybrid working practices were one of the main drivers behind a fall in the demand for school aged children, as well as increasing use of after-school clubs:

“We think the reason behind more capacity for after-school care is that more parents are working from home and that we are uncompetitive compared to school services. We have to maintain a minimum of two staff for sessions whilst this does not need to be maintained for school clubs.” (Provider interviewee).

The majority of providers surveyed (76%) said that they currently had a waiting list. This was higher among group settings (92% of private group settings and 90% of voluntary/community providers) than childminders (70% of self-employed providers). Geographically, providers were more likely to have waiting lists in the Southern (91%) and Belfast (85%) Trusts, and least likely in the Western (65%) and South Eastern (66%) Trusts. As Figure 3.9 shows, increased demand from parents was the most common reason for having a waiting list, followed by being over subscribed for a number of years, parents requesting childcare start on a specific date, and other childcare closing in the area. A minority of group settings did not have enough staff to operate at full capacity.

Figure 3.9: Reasons for having a waiting list



Source: RSM survey of childcare providers Q.14
Base: 620

Notably some of the providers interviewed indicated that waiting lists were only needed on certain days of the week, whilst other days may not be fully booked, with parents increasingly looking for part time childcare:

"We are at full occupancy in both our settings with a waiting list for high demand days which would be Tuesday, Wednesday, Thursday" (Provider interviewee).

"On a Friday we have six spaces" (Provider interviewee).

Whilst over half of providers were experiencing demand beyond their capacity, just 14% said they were planning to expand their provision in the next 12 months. These results were consistent across different provider characteristics. The most popular reasons for not expanding provision were that they were already at maximum capacity (56% of respondents) or that it's too costly to expand (26%) for reasons such as the need for more staff (26%) or larger premises (31%). Around 24% of respondents, mostly childminders, were content with their current provision, whilst another 24% (all group settings) cited recruitment difficulties.

Table 3.11: Reasons for not planning to expand provision

Reasons	Child-minder	Approved Home Childcarer	Private Day Nursery	Social Enterprise Day Nursery	Sessional Care	Creche	Out of School	% of respondents
Already at maximum capacity	32%	2%	4%	0%	9%	2%	6%	56%
Would need larger premises	7%	0%	6%	1%	8%	2%	8%	31%
Too costly to expand	8%	1%	4%	1%	6%	1%	5%	26%
Would need more staff	2%	0%	5%	1%	9%	2%	7%	26%
Content with the current provision	15%	1%	1%	1%	1%	0%	4%	24%
Difficulties recruiting suitable staff	0%	0%	6%	1%	7%	1%	8%	24%
Insufficient demand for extra places	5%	0%	2%	0%	4%	0%	4%	16%
Too much competition from other providers	2%	0%	1%	0%	2%	0%	1%	6%

Source: RSM survey of childcare providers Q.17
Base: 534 respondents

The 16% of respondents who said there was insufficient demand for extra places were asked why they thought this was the case. The most popular responses were the increased cost of living (76% of respondents), increased working from home (70%) and flexible working arrangements (57%). 55% of respondents also said that more parents were using informal childcare. No significant differences in responses were detected across different provider characteristics.

The most popular reason, given by the 34% of providers that reported an increase in unfilled places in September 2022 compared to September 2021, was an increase in the number of parents working from home (63% of respondents). This was followed by parents having more flexible working arrangements (56%). Both of these reasons were likely to stem from the systemic changes to the way people work following the COVID-19 pandemic, when working from home became more commonplace. A number of stakeholders also agreed that demand had decreased to due to increased homeworking: *"there is a huge percentage of vacancies, due to people's working patterns" (Stakeholder interviewee).* In addition, affordability was selected by 56% of provider respondents, whilst parents using more informal childcare made up 43% of responses. This indicated that many parents who previously used formal childcare were now using more informal arrangements.

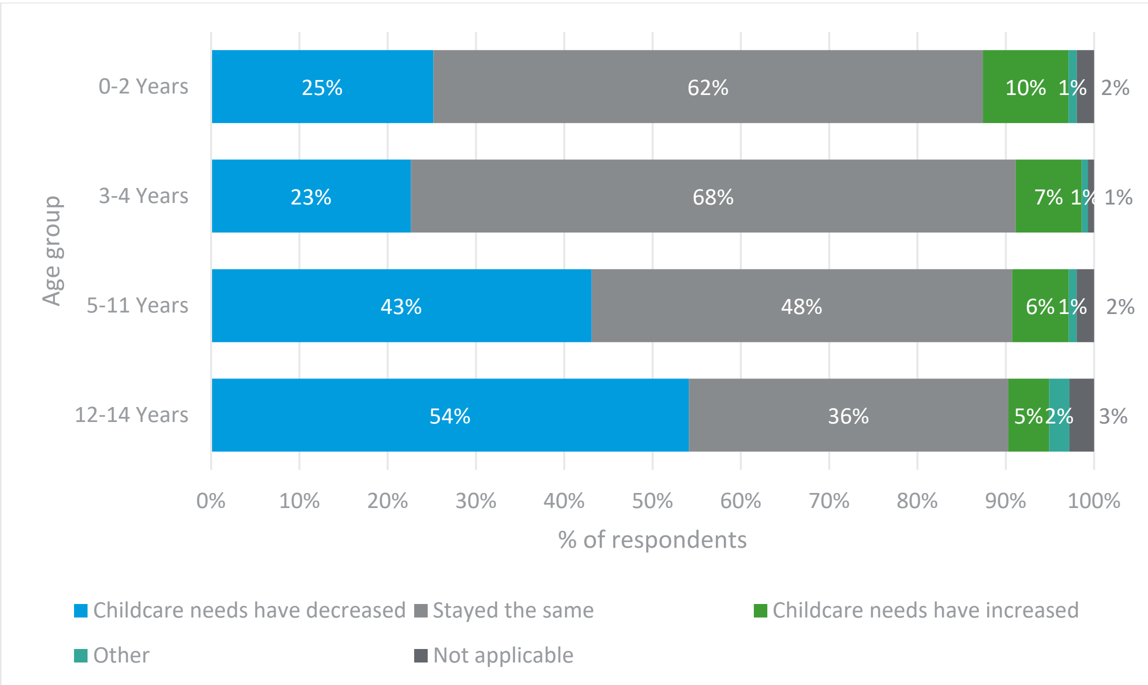
Table 3.12: Reasons given by providers for an increase in unfilled places

Reasons for an increase in unfilled places	% of respondents
Parents working from home	63%
Parents cannot afford childcare and the associated costs	56%
More flexible working arrangements	56%
Parents using more informal childcare	43%
Fewer parents accessing financial supports	24%
Parents leaving education, employment or training	14%
Childcare provision opening in the area	13%
Parents going on paternity/maternity leave	11%
Parents moving house, out of the area	5%

Source: RSM survey of childcare providers Q.10
Base: 198 respondents

These findings were supported by the parent survey. Many respondents reported that their childcare needs were lower due to working from home. Although the effect of this on the market seemed to be lower than implied in the provider survey results above. Parents of 12-14 year olds were most likely to state that their childcare needs had decreased due to working from home (54% of respondents) and parents of 3-4 year olds were least likely to state this was the case (23%). In open text comments, one parent stated *"I used formal childcare when my children were younger but I am more able to work from home now. Now that they are older and can fend for themselves while I work" (Parent survey).* Interestingly, 68% of respondents with 3-4 year olds and 62% with 0-2 year olds and almost half of those with 5-11 year olds indicated that their childcare needs had stayed the same, despite home working.

Figure 3.10: Impact of working from home on childcare needs by children's age group



Source: LucidTalk survey of parents/carers Q.22,26,30,35
Base: 1,965
Note: Analysis by age group is based on unweighted survey data and should therefore be treated as indicative rather than representative of the NI population

3.4 Gaps in provision

The primary research identified a number of gaps in the provision of childcare in NI, which were contributing to the use of informal and unregistered provision by some parents. These are discussed below.

3.4.1 Operating hours

The majority of parents surveyed were able to access childcare when they needed it. However, a minority of respondents to the parent survey, said that formal childcare was not available when they needed it (15%). This was slightly higher amongst respondents with at least one child aged 3-4 years old or 5-11 years old (both with 16%), than those with at least one child aged 0-2 (13%) or 12-14 years old (15%). This may be linked to the issues discussed below about wrap-around care.

The survey also showed that 41% of the respondents who used informal childcare instead of formal childcare did so because it was more convenient and flexible:

- This was consistent between parents from different household income bands, rural/urban locations and one/two parent families.
- More parents aged 55 years and above deemed informal childcare more convenient (51%) than parents aged 18-34 years (38%).
- There was little variation by age of child.

These survey findings were supported by many of the parents who attended the focus groups and spoke of challenges around accessing flexible childcare, saying that there was often a mismatch between current provision and their working hours. For example, parents who worked changing shift patterns (such as nurses) were unable to find childcare to fit around their shifts, resulting in them either paying retainer fees or using informal childcare. One parent stated:

"I work for the NHS, mostly on shift patterns that finish at 8pm.There is no provision for evenings and weekends childcare. You have to depend on friends and family" (Parent focus group).

27% of survey respondents in one parent families and 32% of respondents in two parent families reported working outside of 8am-6pm weekdays at least some of the time, with a further 42% of respondents from two parent families saying that their partner worked outside those hours at least some of the time. Furthermore, 21% of one parent families, compared to 14% of two parent families, stated that formal childcare was not available when they needed it. This indicated the scale of the issue and the disproportionate impact on employment opportunities for the 55,000 one parent families, who represent around a quarter of all families with dependent children in NI.[57]

3.4.2 Wrap-around care for school aged children

In open text comments, parents who responded to the survey indicated that it was often challenging to access wrap-around care for school age children:

> *"It may only be an hour each side of school but would make work much easier for working parents" (Parent survey).*

Overall, in open text comments, parents would welcome more school based wrap-around care, particularly after-school clubs:

> *"I think schools should offer better availability of breakfast and after-school [clubs]. The demand is there but my child's school won't extend the breakfast/after-school club hours. This would help me and my partner out greatly" (Parent survey).*

However, a small number of stakeholders acknowledged that an expansion of school based, after-school provision may have a negative impact on demand for formal childcare provision for school aged children, as these clubs were often able to offer cheaper places to parents:

> *"So you have the childcare sector, but then you also have the schools that are offering after-school [clubs] and things like that at a much cheaper rate that are not subject to the same inspection protocols as childcare" (Stakeholder interviewee).*

This view was supported by some of the providers interviewed, who felt that whilst the provision of after-school clubs in schools (for example including homework clubs and sports clubs) may be cheaper and more convenient for parents, they were unable to provide the same overall quality of care as formal childcare providers due lower staff-child ratios.

3.4.3 Flexibility

Some focus group participants felt that the current high demand for childcare further reduced parents' ability to request greater flexibility:

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[57] Office for National Statistics (2022) Families by family type, regions of England and UK constituent countries

“So many [childcare providers] are at capacity and the problem is that if you tried to do anything out of the ordinary right now, you risk losing that place and not being able to secure another” (Parent focus group).

Retainer fees were also discussed by some of the parents who attended a focus group or completed the survey:

“Whenever I wanted to take a bit of time off with the kids, I had to pay the retainer to secure that place as well…it's just money after money” (Parent focus group).

This was flagged as a particular challenge for those with pre-school age children:

“We still have to pay full price for 5 hours of childcare to our provider even though he is in pre-school for 2.5 hours of that time each day” (Parent survey).

Some of the parent focus group participants and survey respondents who were not currently using formal childcare suggested that if there was greater flexibility they would avail of half-day slots to spend time with friends and family:

“We’d go out for a coffee or a meal together… it would be lovely to have access to that” (Parent survey).

However, it should be noted that 15% of respondents to the provider survey said they offered sessional care (i.e. formal, registered childcare places for children who need to be looked after for short periods of time).

3.4.4 Location and transport

Whilst it is important to note that location was not an issue for the majority of parent survey respondents, a small minority (4%) said they do not use formal childcare (or use less than they would like) because it was too far away to be convenient. There was a slight variation in response between those in a rural location (6%), compared to those in an urban location (2%). Focus group participants living in rural areas suggested that while demand for childcare was high, provision was often limited to a small number of oversubscribed childminders. One parent stated, *“In the village we have one nursery. Whenever I fell pregnant with my daughter, I immediately had to put her name down on the waiting list as I didn't know if I was going secure a place for her not” (Parent focus group).* A small number of focus group participants in rural locations argued that, even when childcare places were secured, the distance to childcare facilities was sometimes a challenge: *“I drive half an hour to drive back half an* *hour to drive back [a few hours later]. I'm just constantly in the car…that doesn't give me any time to work" (Parent focus group).*

Similarly, while transportation was not an issue for the majority of parents, it does appear to be more of an issue for a minority of parents in rural locations and one parent families. 6% of rural respondents to the parent survey said that a lack of transport was a deterrent to using formal childcare, compared to 4% of urban parents: *"I don't drive I had no way of getting him to a farther away nursery as a taxi was too expensive" (Parent survey)*.

Stakeholders indicated that the fuel required to travel greater distances to access childcare in rural areas had a cost implication for parents.

There were differences in the responses of one and two parent families: 8% of one parent families indicated that a lack of transport impacted their ability to access formal childcare, compared to 4% of two parent families. Where distance was identified as an issue, parents who took part in the focus groups described how they were often reliant on family members to pick up and drop off their children at childcare settings: *"My husband drives, but if he was away, I can't physically get to them… there's a lack of public transport" (Parent focus group).* Stakeholders, who worked with newcomer families, also indicated that these families often lacked access to private transportation, which was a barrier to accessing formal childcare.

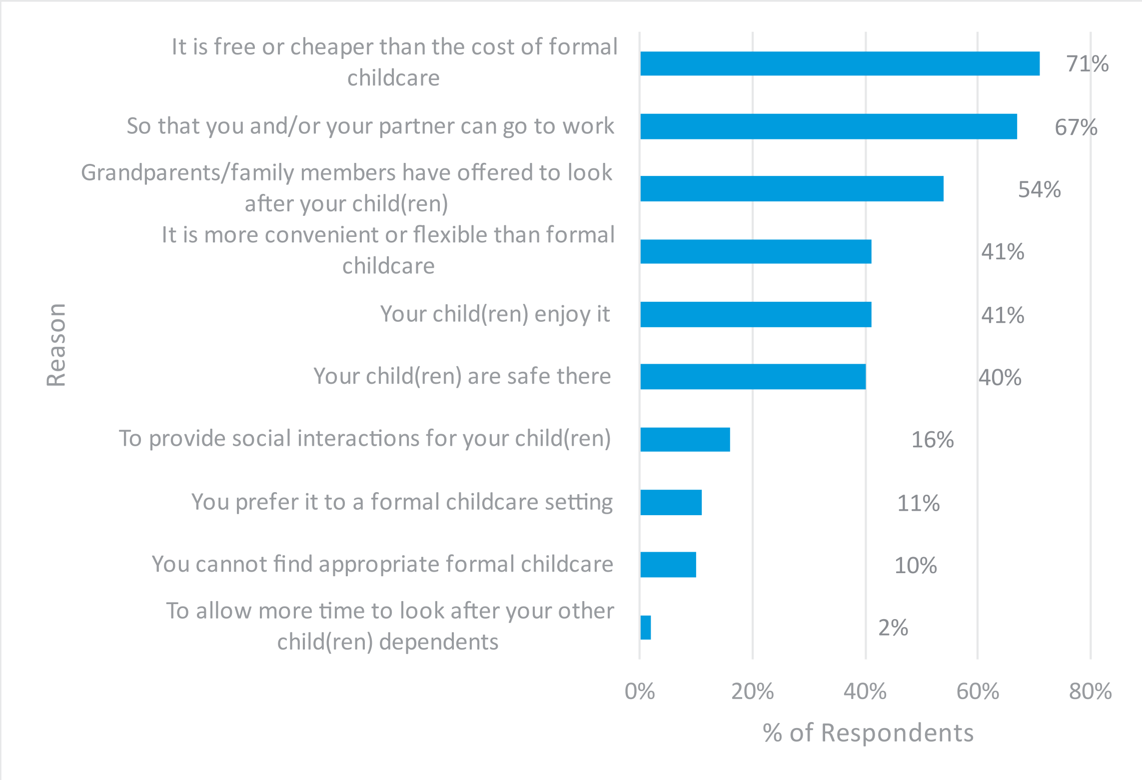
There were no discernible differences in access challenges noted in the parent survey by age of child.

3.4.5 Use of informal or unregistered childcare

According to the parent focus groups, increasing difficulty in accessing formal childcare caused by the return in demand for childcare since the COVID-19 pandemic meant that many parents were more reliant on informal childcare than they would have been before the COVID-19 pandemic.

Respondents to the parent survey who only used informal childcare were asked why (see Figure 3.11Figure 3.11). The majority of respondents (71%) said it was because it was free or cheaper than formal childcare, 41% said informal childcare was more convenient or flexible and 10% of respondents said that they used informal childcare due to a lack of appropriate formal childcare. This finding was consistent across one and two parent families, respondents' age groups, household income, number of children and age of children.

Figure 3.11: Reasons parents only use informal childcare



Source: LucidTalk survey of parents/carers Q.43
Base: 2,196

Around one third of stakeholders suggested there was increased use of unregistered childminders due to unmet demand:

"[Unregistered childcare] will just get more prevalent, as the options will be either parents stop working or keep working but use an unregistered childminder" (Stakeholder interviewee).

In the parent survey, 40% of respondents use a childminder, including 4% who stated that their childminder was unregistered. The minority of respondents (4%) who reported using an unregistered childminder were more likely to be aged 55 years or older (14%, compared to 3% of 18-34 year-olds) and from very low-income households (10%, compared to 3% of high-income households). In open text comments, six parents spoke of using unregistered childminders due to unmet demand, increased flexibility and reduced costs, with another respondent commenting:

"I used to mind children and still have a lot of people asking me to mind their kids, they are all desperate for help" (Parent survey).

The use of unregistered childminders was a concern raised by all six of the childminders interviewed. There was also a perception that unregistered childminders did not face any consequences for offering unregistered childcare: *"Children are at risk because there is no insurance... There is no consequence to it." (Childminder interviewee).* The childminders interviewed believe that there has been a rise in the number of unregistered childminders due rising costs of provision, a shortfall in the supply of registered places and the fact that unregistered childminders may be able to charge less than registered providers: *"I think it's gotten more prevalent now because there really does seem to be a shortage of spaces. (Childminder interviewee).*

Data presented earlier in this report showed that in March 2022 there were 2,288 registered childminders providing 13,513 places across NI. This represented an 11% reduction in the number of childminders and a 10% reduction in the number of childcare places they provided, when compared to September 2020.[58] The Belfast and Southern Trusts experienced the biggest reductions in the number of places provided by childminders both decreasing by 14% during this time. The findings from the provider survey were mixed. On average, self-employed providers (childminders and Approved Home Childcarers) reported that they were operating at about 75% occupancy (4.5 of their six registered places were occupied). However, the majority of self-employed respondents (66%) reported that demand for places had increased beyond their capacity.

3.5 Summary

- In March 2022, almost 60,000 registered childcare places were provided by more than 3,600 registered providers in NI (including self-employed, private and voluntary/community providers).[59]
- This represents a 3% reduction in total places and a 7% reduction in the number of services since 2020. Whilst the vast majority of the reduction in service providers can be accounted for by a 11% fall in registered childminders (272 providers),[60] recruitment and retention issues

[58] Data provided by Family Support NI on Registered Early Years Provision as of 30th September 2020 and 31st March 2022.
[59] Ibid
[60] Ibid

(discussed later in Section 5) have also made it challenging for some group settings to maintain or expand their current provision.[61]

- The provider survey found that overall, 78% of registered places were occupied, with occupation levels decreasing as the age group increases. 45% of providers have capacity of at least 20%, most notably in Belfast, Western and South Eastern Trusts.
- Around half of respondents to the parent survey said there is not enough information about childcare provision (51%). No one thinks that there is too much information. There may be merit in signposting parents to a single source of childcare information (either a website or an app), which is updated regularly and contains all the latest information on availability and financial support for parents.
- Findings from the parent survey showed that, on average, respondents used 23 hours of formal childcare per week. Those with higher incomes were most likely to use formal childcare (33%, compared to 24% of all respondents). There was little difference in childcare usage between parents in rural and urban areas.
- Many providers surveyed (58%) indicated that the demand for places had increased beyond their current capacity, however only 14% planned to expand their provision in the next 12 months.
- Evidence suggests more excess demand was experienced in early years care. Interviews with providers showed an increased demand for baby and toddler places, whilst data from the survey showed that providers who cared for 0-2 year olds only were more likely to be experiencing excess demand. According to the parent survey, 31% of respondents with 0-2 year olds and 34% with 3-4 year olds used formal childcare only, compared to 24% with 5-11 year olds and 12% with 12-14 year olds.
- Although 45% of all providers surveyed have spare capacity (typically for school aged children), many parents in focus groups suggested that they had found it challenging to access childcare due to limited availability.
- The spare capacity noted by some providers may be due to a preference for school based wrap-round care for school aged children. However, some parents also flagged in focus groups that school based provision could be less reliable than formal childcare provision (i.e. closing in the school holidays if there was not enough demand).
- Some stakeholders noted that any expansion of school based after-school provision could have a negative impact on demand for formal childcare provision, as these clubs were often cheaper.

[61] Byrne, B. et al. (2021) The Impact of Covid-19 on the Planning and Delivery of Children's Services: A Rights Review; Employers for Childcare (2021) Northern Ireland Childcare Survey; and National Day Nurseries Association and Education Policy Institute (2021) The Covid-19 Pandemic and the early years workforce

- A lack of available formal childcare was flagged by a minority of parents (15%) in the survey, however in focus groups, parents discussed extensively challenges around securing places.
- A minority of parents surveyed (4%) said that the location of provision was an issue, particularly those without private transportation. 6% of parents in rural locations noted this as a challenge, compared to 2% in urban locations.

4. ACCESSIBILITY AND INCLUSION

4.1 Introduction

This section provides:

> *An assessment of the accessibility of childcare for children with disabilities, special needs or other additional needs.*

It covers accessibility of childcare for children with disabilities, special needs and other additional needs, including having English as a second language. It is based on a combination of desk research and primary research activities.

4.2 Accessibility of provision

The 2021/22 School Census reported that almost 65,000 pupils (or 18%) in NI have Special Educational Needs (SEN).[62] While this represents a slight decline in the overall number of children with SEN (from almost 79,000 pupils in 2018/19) both the number and proportion of children with a statement of SEN has risen year on year from 23% in 2018/19[63] to 34% in 2021/22,[64] indicating an increase in the complexity and severity of need.

Research indicated that the pandemic was likely to have had a negative impact on overall provision for children with disabilities, special needs or other additional needs. A 2017 study found that children with SEN in England were generally able to find a suitable early years provider easily and did not have to join a waiting list for a space.[65] Whereas a 2021 study[66] found that the pandemic had negative effects on support for children with SEN in England, as multi-agency support (such as occupational, speech and language therapy, and physiotherapists), which was available before the pandemic, had not returned to schools by Autumn 2020. This was supported by the findings of the Employers for Childcare, NI Childcare Survey 2021, in which parents of a child with a disability were more likely to report that there was insufficient supply of childcare in their area (87%, compared to 69% of all parents surveyed).[67] They were also more likely to not use childcare (15% of parents who have a child with a

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[62] Department of Education (2022) NI School Census 2021/22
[63] Department of Education (2019) NI School Census 2018/19
[64] Department of Education (2022) NI School Census 2021/22
[65] Griggs, J. and Bussard, L. (2017) Study of Early Education and Development (SEED): Meeting the Needs of Children with Special Educational Needs and Disabilities in the Early Years
[66] Department for Education (2021) SEND: Old Issues, New Issues
[67] Employers for Childcare (2021) Northern Ireland Childcare Survey

disability, compared to just 9% of all parents).[68] Looking beyond childcare, a 2020 report on SEN provision in Northern Irish schools states that, *"the scale of unmet need is currently unknown"*.[69] Accessibility for children with SEN was a growing concern, given that the number of children with SEN in NI schools has risen by 48% since 2004/05.[70]

Whilst literature on the accessibility of childcare services for children with English as a second language in NI is scarce, it is recognised that families with additional needs usually find suitable childcare harder to access, given that many local providers may be unable to cater for their specific needs (due to additional costs associated with extra resources, staff training and, often, a higher payroll for one-to-one care).

The primary research undertaken for this review indicated that children with disabilities, special needs and other additional needs make up a substantial proportion of filled childcare places. When asked how many children with disabilities, special needs or other additional needs they currently catered for:

- Voluntary/community providers averaged around 10 children with disabilities, special needs and/or other additional needs, making up 24% of their average filled places;
- Private group childcare settings averaged around 7 children, or 11% of their average filled places; and,
- Self-employed providers averaged around 1 child or 19% of their average filled places.

These figures were comparable to the 18% of pupils with SEN. This suggested that there were sufficient childcare places for children with disabilities, special needs and other additional needs. Respondents to the provider survey described how they tailor their care to the needs of the individual child. For example, the majority of providers who cared for children with physical disabilities did this by ensuring their premises were accessible (disabled toilets, access ramps etc.). Most providers who cared for children with learning difficulties offered additional one-to-one support, adjusted daily plans or both.

[68] Employers for Childcare (2021) Northern Ireland Childcare Survey
[69] NICCY (2020) 'Too Little Too Late': A Rights Based Review of Special Educational Needs Provision in Mainstream Schools
[70] Ibid

However, 46% of parent survey respondents whose children had disabilities, special needs or other additional needs[71] said that they had experienced challenges in accessing childcare: *“all the other settings around where we live have basically refused to take [my daughter]” (Parent focus group).* The majority of focus group participants said that this was compounded by limited information about provision. There was some variation in response by location, parents in rural locations were more likely to have experienced challenges in accessing childcare for children with a psychological condition,[72] physical disability or sensory disability, whereas parents in urban areas were more likely to have experienced challenges in accessing care for children with a learning difficulty or long-term limiting illness.

This was supported by some stakeholders who said that both childminders and group settings rarely have the additional staff, equipment and/or training required to cater for children with disabilities, special needs and other additional needs which has knock-on impacts on parents: *"they don't have the additional resource that it would take. So they [parents] find that they aren't able to access childcare and therefore a parent has to stay at home with the child" (Stakeholder interviewee).*

Flexibility was also highlighted as a challenge for parents of children with disabilities, special needs and other additional needs. For example, one parent spoke of difficulties finding childminders able to be flexible around special school transport, which can be unpredictable in terms of timings due to the nature of the children’s needs: *“pick up can be anything between 8.30am and 9.10am... how can you plan around that?” (Parent focus group).* In addition, the limited availability of half day slots was a challenge when children had regular reoccurring medical appointments.

Although specialist day care settings do exist, focus group participants who wished to access these services said that places were often oversubscribed, resulting in parents taking annual leave for childcare: *“we didn't spend any time together as a family this year because we just had to use our annual leave to cover childcare” (Parent focus group).* Parents with school aged children with disabilities, special needs and other additional needs suggested that they often struggled to find suitable childcare during school holidays. One survey respondent reported: *“there is nothing out there for my child with special needs,*

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[71] This includes physical disabilities, sensory disabilities, psychological conditions, learning difficulties and long-term or limiting illnesses.
[72] such as, anxiety disorders and obsessive-compulsive disorder

especially during the summertime. I have searched our local area and there is nothing…summertime is a difficult time for me" (Parent survey). This was supported by some of the stakeholders interviewed*:*

"Parents are reliant on trying to find specialist support and this extends across the board. You are talking about after-schools club, summer schemes, etc" (Stakeholder Interviewee).

"I was chatting to a parent and they were telling me that their child has quite severe additional needs. They said this summer they couldn't even find even a summer scheme, never mind a childcare place in their local area. So they had nothing" (Stakeholder Interviewee).

A number of parents spoke about their reliance on grandparents and family members to provide childcare: *"My daughter requires one-to-one support and has never been able to access formal childcare because the staff cannot meet her needs. She is now 12 and we rely on grandparents to help out" (Parent survey).* Some parents raised concerns in the focus groups about if and how older relatives would manage to care for children with disabilities, special needs and other additional needs as they grow older: *"My mum's getting older and she has…medical needs that will eventually impact on looking after [my son]" (Parent focus group).*

Almost half of parent survey respondents whose children have disabilities, special needs and other additional needs indicated that they had experienced challenges in accessing childcare (46%), with 43% reporting that this had a negative impact on their child's development. This was supported by some stakeholders who felt that these challenges often reduced opportunities for children to interact with other children: *"There is a lack of provision for disabled children in mainstream provision. That means if a parent really wants a disabled child to be with other children in a day care setting it's often not possible" (Stakeholder interviewee).* Another stakeholder described the negative impacts associated*: "the child doesn't have the same access to socialisation, opportunities and learning as other children" (Stakeholder interviewee).*

The majority of providers interviewed said that the childcare sector as a whole, tries to be as accessible as possible for children with disabilities, special needs and other additional needs. No providers said they would turn away any child without at least trying to accommodate their needs, if they had the capacity to do so: *"We tried, we would definitely say that we are an inclusive setting and we tried to facilitate that" (Provider interviewee)*. However, some providers interviewed also reported that while there is a willingness to try and accommodate children who need additional support, they often lack the resources to be able to cater for them. The main challenge that providers reported was the difficulty in financing the additional staff needed to look after children with disabilities, special needs and other additional needs:

"I would say that there are various organisations, childcare businesses, like myself, who would struggle to afford that care and attention that those children would need because the current workforce demands are so great and … for those with children … with English as a second language, where would you source staff who could support that" (Provider interviewee).

Providers also consistently reported that the demand from children with disabilities, special needs and other additional needs was increasing, leading to concerns that providing services for these children will become increasingly difficult: *"But it has become increasingly challenging over the last number of years and we've seen an increase in the number of children presenting with SEN" (Provider interviewee).*

Some of the providers interviewed felt that there is a lack of clarity about what support is available to help accommodate children with disabilities, special needs and other additional needs. Although, the majority of providers felt that the childcare sector was not receiving enough support to meet this demand: *"I would say they're accessible, but they're not well supported" (Provider interviewee).* The private sector was highlighted as particularly lacking in support: "*I think personally for us it's not too bad because we're a registered charity, there's lots of grants that we can tap into, but I think if you were a private sector [organisation, it] would be more difficult." (Provider interviewee).* Childminders echoed this concern, reporting that whilst they would like to take more children with disabilities, special needs and other additional needs, it would be in very limited numbers due to child to adult ratios and the additional costs, which could not be passed on to parents: *"We would have to charge more for that child, which would be very unfair because we would only be able to look after them on their own." (Childminder interviewee).*

Some providers interviewed also expressed confusion about which Department to contact for support and advice, with different support and advice coming from DE and DoH: *"The challenge for us too is that we are regulated and receive opposing advice from two departments, so from the Department of Education with some schemes and from the Department of Health with other schemes. So it's true that it can be quite difficult to navigate." (Provider interviewee).* Section

4.4 describes the types of support providers said would be useful (e.g. funding for specialist equipment, resources and additional staff support, advice and training on specific needs).

A minority of the providers interviewed said that this lack of support meant they were often having to turn away parents who have children with disabilities, special needs and other additional needs, despite an unwillingness to do so: *"I had a mummy come to me with a child with disabilities and she said we were the fifth or sixth day care she rang and we were only ones that were going to accept the child." (Provider interviewee).*

Some providers also felt that there was a lack of support from other agencies for children in childcare, often drawing comparisons with the multidisciplinary teams providing support to children with disabilities, special needs and other additional needs in educational settings: *"It can be quite challenging and there doesn't seem to be sufficient enough funding to support those young children. So that's a real challenge for our sector at the minute." (Provider interviewee*). Linked to this, a minority of interviewed providers highlighted the difficulty they faced being able to identify and support children who may require further support, because of a disability, special need or additional need: *"But the problem for us is… there is no early diagnosis. We can maybe suspect but cannot be certain until someone gets a statement at school. That tends to be the first flag this person needs help" (Provider interviewee).* Additionally they felt that the pandemic has led to delays in assessing whether a child has disabilities, special needs and other additional needs, adding to an already lengthy process and causing additional challenges in caring for that child if they arrive at a childcare setting without a statement: *"And then at school age and some children coming in, maybe post-pandemic that maybe hadn't been assessed in time and have joined our setting. So that's a challenge" (Provider interviewee).*

4.2.1 Accessibility by type of need

Findings from the provider survey indicate that providers feel better able to cater for certain needs, with many respondents currently unable to offer places to children with specific needs:

- 54% of providers surveyed currently feel that they have the skills and capacity to provide places for children with learning difficulties;
- 46% of providers could provide places for children with sensory disabilities;
- 37% could provide places for children with English as an additional language;

- 36% could provide places for children with physical disabilities;
- 22% could provide places for children with psychological conditions; and,
- 20% could provide places for children with prolonged illnesses.

Additionally, 16% of providers surveyed do not feel they have the skills and capacity at present to provide places for any children with disabilities, special needs and other additional needs, whilst a further 16% of providers answered, ‘Don’t know.’

More than a third of providers surveyed felt that they did not have the specialist equipment to deal with a range of needs. Interviews with providers supported this finding, with some providers saying that they struggled with the facilities they had available, hindering their ability to provide suitable care for children with physical disabilities. Whilst the majority of providers were able to provide ramped access, other assessable features were not common: *“At the minute, because we are upstairs in our building, we have ramped access to downstairs, but we do not have a lift.” (Provider interviewee).* The cost of maintaining specialist equipment also raised financial barriers to catering for children with physical disabilities: *“I would say our maintenance bill is probably a lot higher than it would be in the mainstream because a lot of our equipment is subjected to a lot more wear and tear.” (Provider interviewee).*

Table 3.10 compares the use of childcare by respondents whose children had disabilities, special needs and/or other additional needs to that of respondents whose children had no disabilities, special needs or other additional needs. This indicates that parents of children with disabilities, special needs and other additional needs were less likely to use formal childcare or a mix of formal and informal childcare and were more likely to look after their children themselves (41% had no external childcare, compared to 25% of parents whose children had no additional needs).

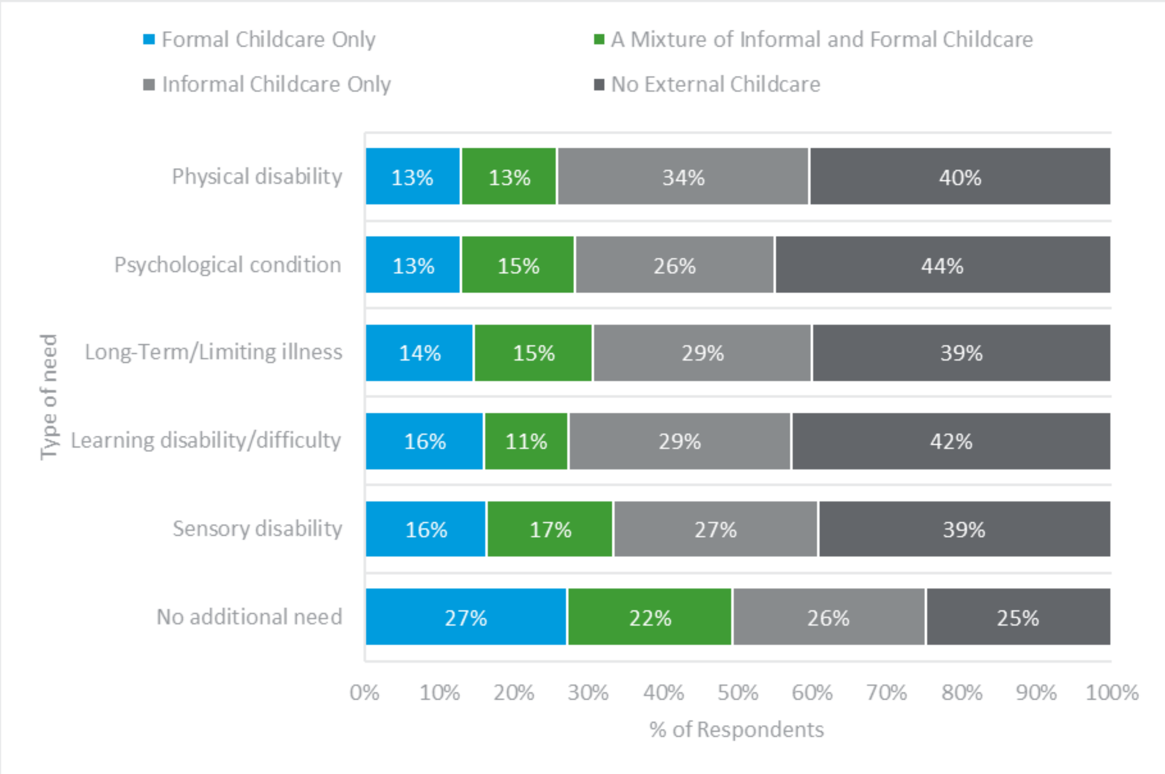
Table 4.1: Use of childcare by parents of children with and without disabilities, special needs and other additional needs

Type of childcare	Children with disabilities, special needs and other additional needs	Children with no additional needs
No external childcare	41%	25%
Informal childcare only	29%	26%
Formal childcare only	15%	27%
Mix of informal and formal	14%	22%

Source: LucidTalk survey of parents/carers Q.38 and Q.93
Base: 4,751
Note: Some totals do not sum to 100% due to rounding

Figure 4.1 breaks down the use of childcare by type of need. This shows that parents of children with psychological conditions were least likely to have external childcare, (44%, compared to 25% of parents with children with no additional needs).

Figure 4.1: Use of childcare by type of need



Source: LucidTalk survey of parents/carers Q.38 and Q.93
Base: 4,751
Note: Some totals do not sum to 100% due to rounding

Respondents to the parent survey said that this was compounded by the lack of provision of breakfast clubs and after-school clubs in the special school sector, with parents outlining how this impacted upon their working hours and increased their reliance on informal childcare: *"The special schools don't do breakfast club or after-schools so we are relying on our family" (Parent survey).* Where parents had more than one child, they noted that siblings were often unable to attend childcare settings together, which was not ideal: *"When my daughter went to primary school, she went to the breakfast or the after-school clubs but they won't take my son [due to his] additional needs" (Parent survey).*

Overall, 88% of parents whose children have disabilities, special needs and additional needs were positive about the quality of childcare their children received. While this is slightly lower than the 91% for parents of children without additional needs there was some variation by type of need (ranging from 85% of parents whose child has a learning difficulty to 95% of parents whose child has a psychological condition). Stakeholders also provided positive, personal examples of the quality of childcare for children with disabilities, special needs and other additional needs: *"Whenever it comes to the care itself, it's really good…my child has some food allergies and they really look through it and are really careful with the with the food they are giving to him" (Stakeholder interviewee).*

4.2.2 Staff training

Some stakeholders noted that there has been a focus on training staff to cater for particular needs such as autistic spectrum disorders, for example, "*there has been an emphasis on autism training. So I would know of a few providers where staff have developed specialisms in working with autism or learning difficulties" (Stakeholder interviewee).* However, stakeholders described how this has created a disproportionate ability to access childcare depending on the child's individual needs: *"Childcare providers that provide places for disabled children usually tend towards children with autism or behavioural challenges rather than a physical disability" (Stakeholder interviewee).*

Findings from both the parent survey and focus groups raised concerns about adequate staff training for looking after children with disabilities, special needs and other additional needs. One focus group participant outlined an experience where, due to their child's needs, they were placed with younger children in a day nursery, which was not conducive to their development: *"He was in a tiny tot room, for one year olds…he was three".* Another stated, *"it's very difficult to access childcare with staff adequately trained to look after our daughter as she has a feeding tube. They also aren't trained to deal with her behaviour, they seem reluctant to take her" (Parent survey).*

Over a quarter of respondents to the provider survey felt that they do not have the appropriate training and/or experience to meet the needs of children with disabilities, special needs and other additional needs. The majority of providers interviewed called for training in behavioural management and sensory support:

"General training, even if it wasn't specifically for a diagnosis, but just maybe like behaviours in general." (Provider interviewee).

"We need specific training in actual behavioural and other relevant training." (Provider interviewee).

"Training and practical support around supporting children with autism which has to be continuously updated, and also things like welcome training or sensory support." (Provider interviewee).

A minority of the providers interviewed were also concerned about initial training for newly qualified staff suggesting that gaining some practical experience of working with children with disabilities, special needs and other additional needs is an area for improvement for initial childcare training and qualifications: *“I would be very concerned in this college childcare sector overall at the minute and seeing the quality of the staff coming in, and the lack of experience.” (Provider interviewee).* Additionally, it was felt that the training staff receive through Level 3 to Level 5 qualifications should include more focus on caring for children with disabilities, special needs and other additional needs: *“People coming in with their Level 3… they're qualified to work here, but they might not necessarily be qualified to work with the child with autism or Down syndrome.” (Provider interviewee).*

A minority of providers also felt that there could be better signposting from DoH to organisations who provide specialist training and sharing of information about good practice: “*You have loads of things that childcare workers don't even know exists or don't even know how to access. So it's probably sharing the information as well and practice as well.” (Provider interviewee).*

The majority of stakeholders highlighted adequate staffing as an issue for the sector generally (see Section 5. Childcare workforce). Finding staff with the appropriate qualifications and experience to care for children with disabilities, special needs and other additional needs was also noted by the majority of stakeholders as being particularly challenging: *"This sector is already struggling with staffing, never mind staff who have that bit extra experience" (Stakeholder interviewee)*. Another stakeholder commented, *"formal childcare settings…the staff just don't have the skill sets to deal with children with additional needs" (Stakeholder interviewee).*

Stakeholders also highlighted that often there is an additional cost associated with recruiting or training staff to ensure care for children with disabilities, special needs and other additional needs is appropriate: *"That experience is going to either cost more money or you're not going to have it. [If you don't have it] you're going to have staff who aren't equipped to deal with these children and then the children potentially won't be looked after as well" (Stakeholder interviewee).*

4.2.3 English as a second language

Only 2% of parent survey respondents reported that English was not their children's first language. This was more common among respondents in the low (7%) or very low (5%) household income bands. This is lower than the overall population (English is not the main language of around 5% of the NI population aged three and over).[73] This is likely to be due to the reluctance to complete an online survey in English if it is not your main language.

Those with English as an additional language were less likely to use external childcare (44% indicated that they did not use external childcare, compared to 27% of those with English as a first language). This indicated that parents with English as an additional language were more likely to care for their children themselves than those with English as a first language. However, where parents reported that they did use some form of childcare, the exclusive use of either informal or formal childcare was consistent between the two groups. In focus groups, those with English as an additional language emphasised the positive impact of formal childcare on their children's development and language skills. Stakeholders also referenced the positive impact of formal childcare on children's language skills: *"children [are sent] to local childcare so that the child [can gain a] richer vocabulary" (Stakeholder interviewee).*

The rationale for and against selecting formal childcare was consistent between parents with and without English as a first language. 30% of parents with English as a first language and 29% of parents without used formal childcare to enable parents to work, while 25% of parents with and 26% of parents without English as a first language did not use formal childcare due to cost.

Similarly, the rationale for selecting informal childcare was consistent between the two groups, with the exception of convenience (48% of parents without English as a first language considered informal childcare to be more flexible and convenient, compared to 40% of parents with English as a first language). In focus groups, parents outlined how, without family networks living locally, they particularly struggled to find childcare provision during school holidays. This was particularly prominent amongst parents who reported that English was not their first language. Some suggested that this lack of a family or social network locally and childcare costs increased the use of unregistered childminders: *"It's cheaper than [registered] childcare. Sometimes you have no choice because there are no places within registered childcare" (Parent focus group participant).*

[73] NISRA (2022) Census 2021: Main statistics language tables

Some stakeholders suggested that these factors also led to children looking after themselves in some instances: *"If they have got a child around 7,8, 9 [years of age] which is quite responsible they just leave them at home on their own because quite often you will pay more for childcare than you are earning" (Stakeholder interviewee).*

Other stakeholders felt they created barriers to employment for parents: *"They will stay at home to look after children, to go with them to school, to collect them from school…how are you supposed to come back to employment after 10 years with no experience?" (Stakeholder interviewee).*

Parent focus group participants and stakeholder interviewees described how accessing information about formal childcare was challenging for parents with English as an additional language, and they were often reliant on word-of-mouth:

"How are we supposed to know? No one tells you" (Parent focus group participant).

"I was not able to communicate properly at the beginning, but I found that my neighbours were very helpful. They were giving me advice and explaining how it worked here" (Parent focus group participant).

In addition, many parents with English as a second language were unaware that they were required to reserve childcare places in advance and were also unaware of what financial support was available for childcare. One stakeholder commented, *"there is actually help in place for people, but they [newcomer families] do not know about it" (Stakeholder interviewee).* Another stakeholder reinforced that view: *"They actually might not be aware of what they are entitled to. Particularly where there are entitlements for childcare, they might not be accessing those" (Stakeholder interviewee).*

One stakeholder suggested that accessibility issues were determined more by family income than language proficiency: *"[For those with English as an additional language] it's about as accessible as it is to families that have a low-income. The vast majority of newcomer families have a low-income. Language is a bit of a barrier, but that's not the real barrier. The real barrier is income, and their ability to afford childcare" (Stakeholder interviewee).* Overall, stakeholders noted: *"There's a whole piece of work to do around reaching more marginalised groups, [including] those from the BME [Black and Minority Ethnic] community and ensuring that people have access to information in other languages and that they get advice and guidance on how to navigate those kind of bureaucratic* *processes and systems that somebody who is a native English speaker or who has experience and navigating similar processes just would not [need]" (Stakeholder interviewee).*

4.2.4 Balancing a range of needs

The challenges associated with accessing childcare for children with disabilities, special needs and other additional needs are wide ranging and vary case-by-case. Once they access childcare, the provider is responsible for meeting their needs. The majority of respondents to the provider survey (64%) said that balancing the differing needs of all the children simultaneously is the main challenge to providing care for children with disabilities, special needs or other additional needs. This relates to staffing concerns, with many settings experiencing recruitment issues resulting in fewer staff to meet all of their children's individual needs.

4.3 Additional costs

A survey of childcare and early years providers in England found that higher unit costs and lower profits were both associated with settings that provided care for a higher proportion of children with SEN or disabilities,[74] indicating that more investment was required to enable providers to deliver childcare for this group. This was supported by over 40% of providers surveyed for this review, who said that additional costs were a key challenge when caring for children with disabilities, special needs and other additional needs. Respondents were asked to estimate the additional costs associated with this care. Overall, providers reported incurring an average annual additional cost per child per year of between £625 (for children with English as an additional language) and £3,444 (for children with physical disabilities). For context, that was an average additional cost of between £52 and £287 a month. Clearly, these figures are substantial and represent additional staff support, purchasing of specialist equipment, specialist training and more. It also shows how, without financial support, providing childcare for a child with a disability, special need or other additional need was less profitable, or simply unprofitable, compared to a child without such needs.

Findings from the provider survey support the view that caring for children with disabilities, special needs and other additional needs was less profitable. Figure 4.2 shows that providers who were making a profit were more likely to be those

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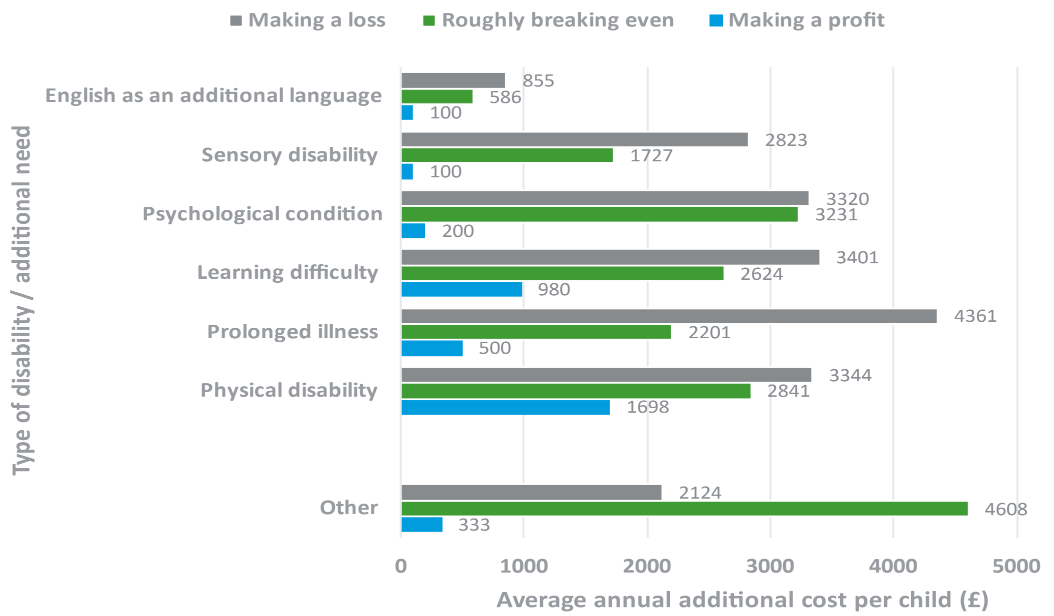
[74] Cattoretti, G. et al. (2019, revised 2022) Providers' finances: Survey of Childcare and Early Years Providers Research Report

reporting lower additional average costs, whilst providers making a loss tended to report higher average additional costs. For example, profit-making providers reported additional costs of £980, on average, to care for a child with learning difficulties, compared to £2,624 a year for those who were breaking even and £3,400 a year for those making a loss. One possible explanation for these findings is that voluntary/community providers, whose primary objectives are social rather than financial, may be able to access alternative funding sources, such as charitable donations, enabling them to allocate more resources to children with disabilities, special needs or other additional needs.

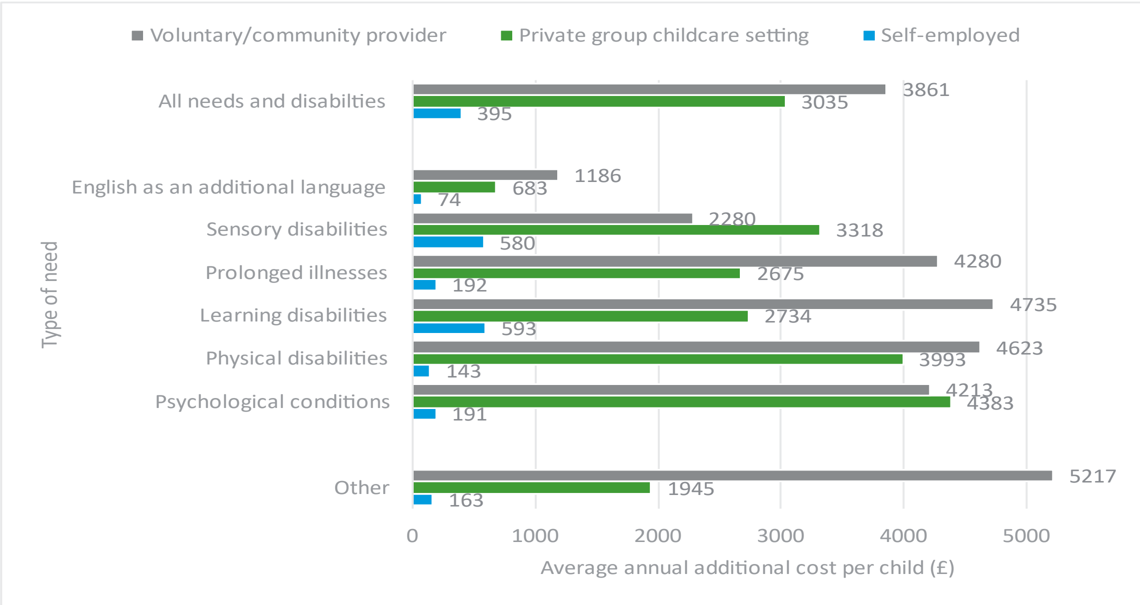
Figure 4.2: Average additional costs per year of looking after a child with specific needs by financial health of provider



Source: RSM survey of childcare providers Q.25
Base: 291

There were also significant differences in additional costs across provider types. Whilst private group settings and voluntary/community providers reported an average additional cost for caring for children with disabilities, special needs or other additional needs to be £3,035 and £3,861 per year respectively, self-employed childcare providers (childminders and Approved Home Child carers), reported considerably lower additional costs at just £395. The childminders interviewed said that when they take on a child with disabilities, special needs and other additional needs, they have to reduce the number of other children they look after at the same time. However, the additional costs reported by childminders in the survey were mainly related to any adjustments they needed to make to their home to accommodate the child's needs rather than reflecting the increased adult-child ratio. They were likely to have considered that to be reduced income rather than an extra cost.

Figure 4.3: Average additional costs per year of looking after a child with specific needs by provider type



Source: RSM survey of childcare providers Q.25
Base: 288

Funding the additional costs of providing care for children with disabilities, special needs and additional needs was considered to be a challenge: *"funding for these groups is also very, very difficult because they need a high staffing ratio. It is much higher [than a mainstream setting] and therefore they are highly dependent on staff" (Stakeholder interviewee).*

Providers were typically unwilling to charge the parents of children with additional support needs more than other parents, due to the disproportionate financial impact on those parents: *"We cannot charge the parent an extra £200 a day for a child, that is wrong in a number of ways" (Provider interviewee).* This is supported by findings from the parent survey, whereby parents of children with disabilities, special needs and other additional needs reported paying the same price per hour for childcare as parents whose children have no additional needs

(£6 per hour). As one parent commented, "*inherently, the challenges of looking after children get passed on to childcare settings" (Parent Survey).*

Despite the additional costs associated, only 13% of providers reported receiving financial support to provide childcare for children with disabilities, special needs and other additional needs. Of those who did receive support, most sourced it from the following three funds:

- **DE Pathway Fund** – A competitive funding programme which supports around 170 providers of services for over 10,000 children aged 0–4 across NI, to deliver high quality, early education and learning for children at risk of not reaching their full educational potential. The budget for the programme in 2022/23 was nearly £4 million.
- **Fair Play Fund** – Awarded £341k funding across 36 successful applications in 2022/23 to provide additional staff capacity to support the inclusion of children with a confirmed disability or those children currently going through an assessment process in registered childcare settings.
- **Bright Start Funding** – Provided approximately £1 million in funding to 51 school aged childcare settings, including approximately £124,000 to support 434 children with additional needs across 12 setting in 2022/23.

Whilst the above funding is available, many providers believe they could provide more places for children with disabilities, special needs and other additional needs if targeted funding was more accessible. The providers interviewed felt that more regular opportunities to access targeted funding would help them better accommodate specific needs and that such opportunities should be open to all settings to allow parents to make decisions based on their individual preferences rather than eligibility for funding: *"If there was to be some sort of money made available to the parents of those children with additional needs, then depending on what childcare they need, funding could then be given over to a nursery, a day care setting, sessional care that would accommodate those needs." (Provider interviewee).*

One provider also suggested funding specialised resources for children with disabilities, special needs and other additional needs through extra tax credits to their parents: *"The tax rate is… a challenge… maybe within that there's something around disability… maybe there's a higher level of credit allowed to family that has a child with disability. It just costs more no matter what… even if it's the basic sensory toy it'll cost more" (Provider interviewee).*

4.4 Enablers that support accessibility

Continuity of care was identified by stakeholders and parents as particularly important for children with disabilities, special needs and other additional needs, both to reassure parents that providers were able to manage the specific needs of their children (for example dietary requirements), and for children to build bonds with staff. In this respect, some parents preferred childminders to group settings, as it was seen as a more of a home-from-home environment. Stakeholders also highlighted the advantages of Approved Home Childcarers in caring for children with disabilities, special needs and other additional needs in their own home with their siblings: *"There's an opportunity for more Approved Home Childcarers and particularly for families with children with disabilities where you might not want to bring your child and all their equipment to your childminder, because that's too cumbersome… it's not just minding the child with a severe disability, but it's trying to narrow the gap of provision for families with children with additional needs across the board" (Stakeholder interviewee).*

The providers interviewed identified several enablers that they felt would improve accessibility for children with disabilities, special needs and other additional needs. In addition to the points raised about staff training and financial supports above, the majority of providers interviewed suggested the possibility of having dedicated health visitors visit providers to help identify and support children who may have specific needs and provide staff with additional training to identify needs, but acknowledged the cost implications of doing this across NI: *"The training is there, it's available and staff are trained and experienced in that, but to be able to provide that care, we need more of it. The child needs a financial support for us to be able to provide that." (Provider interviewee).*

Better integration and more joined up working between childcare providers and health visitors, social workers and healthcare professionals (including occupational therapy) would support the earlier identification of disabilities, special needs and other additional needs in younger children. Providers suggested this would support quicker assessment decisions, allowing appropriate support to be in place earlier:

"Just even accessing the appropriate assessments… there was one [child] in particular with their behaviour and their concentration and their whole development really was being hindered." (Provider interviewee).

“[If] we had those… direct links with professionals like educational psychologists and… people that we can make referrals for the children too. We don't have that resource within the childcare setting.” (Provider interviewee).

To enable them to support more children with disabilities, special needs and other additional needs, childminders suggested being allowed to work with other childminders and combine their resources, but remain as two separate businesses, so that one could look after other children while the other focused on the child with disabilities, special needs or other additional needs: *“I think if we were allowed to work with another childminder it would make the likes of a school run a lot easier. Because one could do the school run and the other one could sit with the child that has a disability that you wouldn't have to drag them out.” (Childminder interviewee).*

4.5 Summary

- Findings from the provider survey indicate that childcare provision for children with disabilities, special needs and other additional needs is broadly in line with School Census data on the proportion of pupils with SEN (18%).[75]
- However, respondents to the parent survey who have children with disabilities, special needs or additional needs reported that they were less likely to use formal or informal childcare than parents of children with no additional needs (41% had no external childcare, compared to 25% of parents with children with no additional needs).
- Almost half of respondents who have children with disabilities, special needs and other additional needs outlined challenges accessing registered childcare (46% of respondents). As a result, many of them relied on grandparents to provide informal care, with some expressing concerns about the longer term viability of this.
- Continuity of care and a good understanding of children’s conditions were identified by all focus group participants as particularly important, with many parents expressing a preference for childminders rather than group settings.
- Accessibility issues identified by the parents and stakeholders who participated in the primary research included staff training on a range of needs and flexibility (in terms of childcare to wrap-around special school transport and availability of half-day slots to fit around regular, reoccurring medical appointments).

[75] Department of Education (2022) NI School Census 2021/22

- Focus group participants said that limited information about what provision was available made it even more challenging to access suitable care.
- Some childcare providers reported challenges in providing childcare for children with disabilities, special needs and other additional needs including balancing the needs of all children in their care (64% of survey respondents), additional costs (41% of respondents) and lack of confidence in their ability to care for those with different needs (16% of providers did not think they currently have the skills and/or capacity to provide places for children with disabilities, special needs and other additional needs, with a further 16% unsure).
- Many of the providers interviewed felt that having access to multidisciplinary teams would help them to better support children with a wider range of needs.
- Parents with English as an additional language were less likely to use external childcare than those with English as a first language (44%, compared to 27%). Focus group participants noted that it was challenging to finding information about childcare, including availability, how to enrol and what financial support is available. Other accessibility issues faced by this group were similar to those of other low-income households or those without an extended family or social network to draw on for informal childcare (such as access to private transportation and irregular shift patterns).
- As noted above, 41% of provider survey respondents said that additional costs created challenges in caring for children who need additional support.[76]
- Although some funding is available from the Pathway fund, the Fair Play fund or Bright Start, only 13% of providers surveyed had received financial support to provide childcare for children with disabilities, special needs and other additional needs.
- Many providers believe they could provide more places for children with disabilities, special needs and other additional needs if targeted funding was more accessible. These issues are likely to be further exacerbated by the increasing number of children presenting complex needs.

[76] This finding is supported by a survey of childcare and early years providers in England (Cattoretti, G. et al. (2019, revised 2022) Providers' finances: Survey of Childcare and Early Years Providers Research Report)

5. CHILDCARE WORKFORCE

5.1 Introduction

This section provides:

> *An assessment of the workforce challenges, including consideration of recruitment and retention issues, qualifications, experience and quality.*

This section focuses on the main issues faced by the childcare workforce in NI. It is based on a combination of desk-based and primary research with providers and stakeholders.

5.2 Overview

While DE has policy responsibility for childcare, DoH has statutory responsibility for the regulation and inspection of childcare settings. In addition, as described in Section 2.2, around a tenth of all childcare settings currently offer PSEP places and are, therefore, also inspected by the Education and Training Inspectorate. A fifth of the childcare providers interviewed discussed the challenges of operating under two departments. They felt this sometimes contributed to the lack of a clear strategic direction and created a silo mentality where care and education were seen as separate, even when they were talking about the same child:

“I said about the need for one department to take ownership. I think that's important. There is this silo mentality at the minute between the statutory and the voluntary independent sector that needs to disappear. At the minute we're inspected by the Department of Health and we’re inspected by the Department of Education. Both of those inspections are completely different. One looks at the outcomes for children, one looks at regulations. There needs to be a marriage between both of those and again, we're being over-inspected and I spoke about the review of the Minimum Standards and the importance of children, regardless of where they attend, being able to access the same support” (Provider interviewee).

The DoH Minimum Standards framework sets out the statutory requirements to make sure that childcare provision in NI is of a satisfactory level in terms of quality and safety.[77] The Minimum Standard requirements, in terms of child-to-

[77] Department of Health (2018) Childminding and Day Care for Children Under Age 12: Minimum Standards

staff ratios, are similar to those in England, but stricter than Scotland and most other developed nations in Europe (see Table 5.1).[78]

Table 5.1: Minimum Standards child-to-staff ratios

	Child-to-staff ratios
Full Day Care	• 0-2 years - 3:1 • 2-3 years - 4:1 • 3-12 years - 8:1 • At least two members of staff in each room when in use
Sessional care	• Non pre-school age - 8:1 • Pre-school age - 4:1 • At least two members of staff in each room when in use
Childminders (without assistants)	• Ratio of 6:1, with a maximum of three children being under school age • No more than one child under 1 year old
Childminders (with assistant)	• The maximum number of children that can be minded by a childminder with an assistant is 8, with a maximum of 6 children under the statutory school age. • Two children under the age of 1 year old

Sources: Department of Health (2018). Childminding and Day Care for Children Under Age 12: Minimum Standards. HSC (2020). Implementation Guidance: Childminding

Table 5.2 shows the median number of full time equivalent (FTE) staff of providers who responded to the survey. This shows that private day nurseries were typically larger than social enterprise day nurseries. Self-employed childcare providers, such as Childminders and Approved Home Childcarers, are typically sole traders with an FTE of 1.

[78] Foley, N. (2022) Staff to child ratios in early years childcare. House of Commons Library.

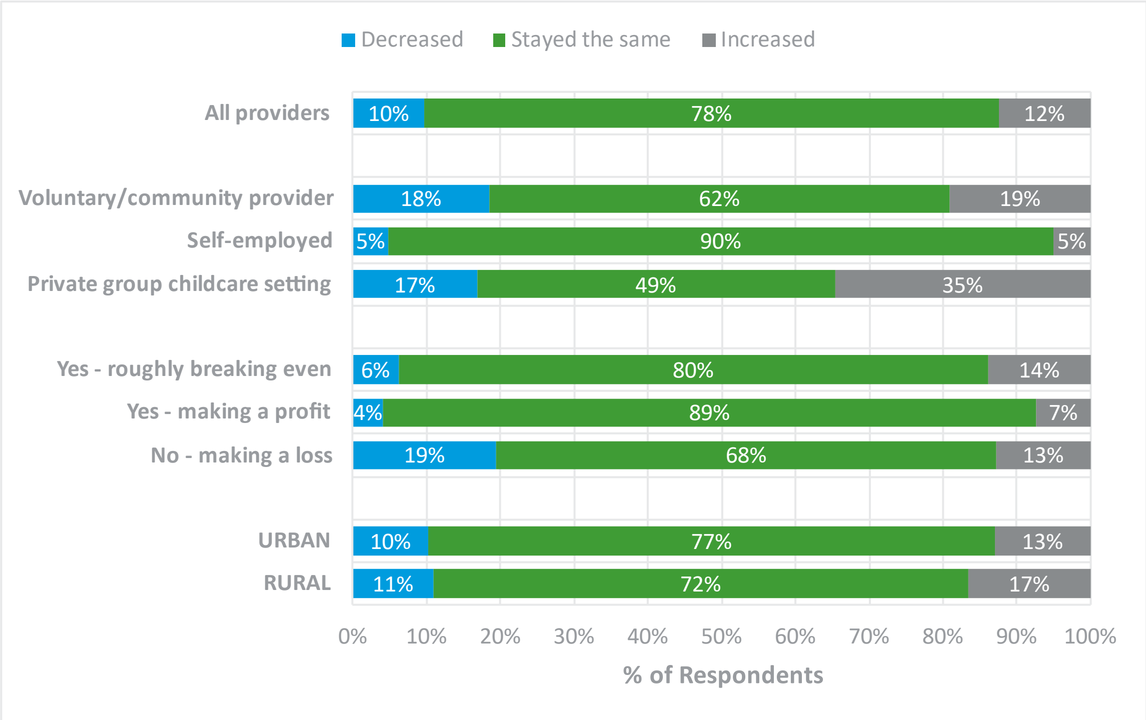
Table 5.2: Median FTE by childcare type

Type of childcare provision	Median FTE
Childminding	1
Approved Home Childcare	1
Private Day Nursery	15
Social Enterprise Day Nursery	12
Sessional Care	3
Creche	5.5
Out of School Club	3.5

Source: RSM survey of childcare providers Q.30
Base: 732
Note: Extreme anomalies were removed before calculations. To mitigate further, the median is presented rather than the mean, reducing the extent to which unrealistic responses affected the average

The vast majority (78%) of providers had not changed their staffing level in the past year (see Figure 5.1). Out of school care, creches and sessional care were slightly more likely to have increased than decreased their staff, but this leaning was negligible. Private day nurseries were more likely to have increased their staff, with roughly half reporting an increase in their FTE in the past year and only 23% reporting a decrease. On the other hand, social enterprise day nurseries were more likely to have decreased their FTE (29%, compared to 21% with increased FTE).

Figure 5.1: Change in staff levels in the last year, by provider type



Source: RSM survey of childcare providers Q.31
Base: 730

When asked about the main strengths of the NI childcare workforce, the most common response from the majority of stakeholders and providers was the workforce's dedication and commitment to providing quality childcare:

> ***"I would say it is their commitment, their dedication. It is a job but it is more than a job. Let's be honest, this salary is not great for them… they forgo a bigger salary, but they enjoy working with children"*** **(Provider interviewee)**

> ***"We are a vocation, we're not a job"*** **(Provider interviewee)**

> ***"If you are qualified you can get a job somewhere else, so generally people working in this sector really enjoy their job and really want to work with children"*** **(Provider interviewee)**

> ***"The only strengths you have at the minute is people like me and people who have worked in the sector a long time… that do not want to let the sector down"*** **(Provider interviewee)**

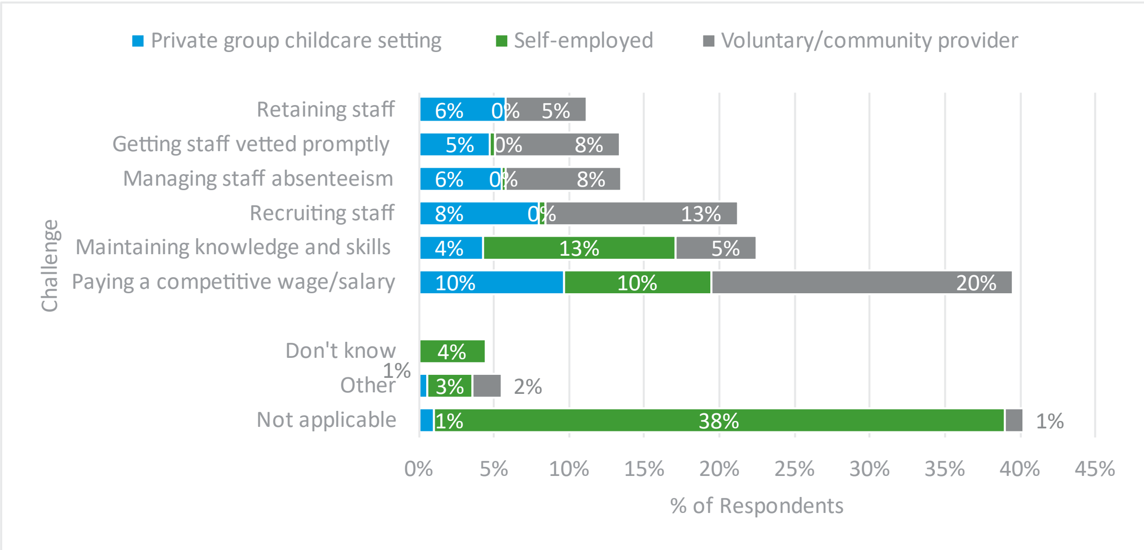
> ***"I think that there's a really can-do attitude… in Northern Ireland about trying to keep services going and making sure that there is a as good as possible service available"*** **(Provider interviewee)**

> ***"I think we have many individuals who are committed and dedicated to the work that they are doing and who want to deliver the highest quality of care"*** **(Stakeholder interviewee)**

> ***"There are many strengths, obviously, but I think the resilience and the commitment to the sector and the children [is the main one]"*** **(Stakeholder interviewee)**

Figure 5.2 shows the main workforce challenges identified by respondents to the provider survey. The figure shows that paying a competitive salary was the most pressing issue (for 40% of respondents), particularly for voluntary/community providers. Maintaining up-to-date knowledge and skills that are appropriate to their children's needs, as well as recruiting staff is also challenging for many. Whilst retaining staff was identified as an issue by some, it was the least selected option, which is consistent with findings presented later in Figure 5.6 that, on average, staff had been with the same provider for 7 years.

Figure 5.2: Main workforce challenges faced by childcare providers



Source: RSM survey of childcare providers Q.33
Base: 726

5.3 Training and qualifications

Research showed that childcare workers can positively affect the early years of a child's development when children attend early years education.[79] There was also evidence to suggest that better qualified early years staff could have a more positive impact on children's outcomes in school and later in life. The Education Policy Institute used regression analysis of administrative data from 2007 to 2018 to find that children in settings in England with a graduate (Level 6 qualification) had a small, but statistically significant (2.5% of a standard deviation, or 0.3 of an Early Years Foundation Stage Profile (EYFSP) point), higher educational attainment at 5 years old, particularly in language, literacy and mathematical development. This finding was based on 38.7% of children with access to a graduate in the classroom.[80] However, despite the positive association, there was still relatively few degree-qualified staff in private, voluntary or independent settings in England (on average one per setting). It should be noted, however, that statutory provision of NI's PSEP is graduate-led, therefore nursery schools and nursery units in primary schools offering PSEP places will have at least one graduate (Level 6). Non-statutory settings providing

[79] Blandon, J. and Bonetti, S. (2018) Early years workforce qualifications and children's outcomes: An analysis using administrative data
[80] Ibid

PSEP in NI are subject to DoH Minimum Standards qualification requirements of at least Level 5 for Managers and Level 3 for Team leaders(see Table 5.3).

There was also evidence to suggest that differences in the quality of early education experiences, as measured by a range of characteristics, such as staff-child ratios and the amount of child and adult interaction were associated with the level and quality of childcare.[81] However, while the improved child outcomes persisted even up until they were 11 years old, the association between degree-qualified childcare workers and educational outcomes for children becomes weaker over time, which was found with respect to Key Stage 1 and Key Stage 2 scores.[82]

The Effective Provision of Pre-School Education (EPPE) project showed that one in three children were 'at risk' of developing learning difficulties at the start of pre-school. This falls to one in five by the time they start school.[83] However, children made more progress in pre-school settings where staff had higher qualifications, particularly if the manager was qualified to degree level or above. Having trained teachers working with children in pre-school settings (for a substantial proportion of time, and most importantly as the curriculum leader) had the greatest impact on quality and was linked specifically with better outcomes in pre-reading and social development at 5 years old.[84]

Further evidence on the link between quality early education and care provision and child outcomes can be drawn from the Study of Early Education and Development (SEED). Findings published in 2021 showed that attending higher quality early childhood education and care between 2 and 4 years old was associated with better academic results in Key Stage 1.[85] Additionally, children from disadvantaged families who used more early childhood education and care (nursery classes, playgroups, childminders etc.) before the age of 2 years old, had better Key Stage 1 outcomes compared to those who did not attend.

To summarise, there was some evidence to suggest that a more qualified workforce has a small, but positive impact on early child development, at least in

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[81] Blandon, J. and Bonetti, S. (2018) Early years workforce qualifications and children's outcomes: An analysis using administrative data
[82] Ibid
[83] Sylva, K., et al. (2004) The Effective Provision of Pre-School Education (EPPE) Project: Findings from Pre-school to end of Key Stage1
[84] Blandon, J. and Bonetti, S. (2018) Early years workforce qualifications and children's outcomes: An analysis using administrative data
[85] Melhuish, E. and Gardiner, J. (2021). Study of early education and development (SEED): Impact study on early education use and child outcomes up to age 7 years research brief

pre-school settings. It should be noted, however, that this research specifically focused on children under the age of 5 years old. The impact of degree qualified staff on other age groups was not assessed. The review of existing research found that degree-qualified staff in pre-school settings resulted in higher children's scores on standardised tests for reading and mathematics when they reached 6 years old. After age 6, the relationship between degree-qualified staff and educational attainment of children was weaker but still evident, while the effect of qualifications on social behavioural development was no longer significant. Importantly, qualified childcare workers had more of an impact on the progress of children from economically deprived households (defined as children who go on to claim free school meals) when they attended a setting for a minimum of 15 hours.

As Table 5.3 shows, in NI, leaders and emerging leaders in both full day care and sessional care are required, by the DoH Minimum Standards, to have at least a Level 5 qualification (Children's Care Learning and Development (CCLD)/QCF at Level 5). Additionally, team leaders, room supervisors and staff who could deputise for the leader, working under supervision of a manager, are required to have at least Level 3 in CCLD or Playwork, and at least 50% of all other childcare staff should have a Level 2 QCF Diploma in Childcare.[86] Recruitment of unqualified staff is permissible if at least 50% of the rest of the staff have a qualification. Registered childminders must complete Health and Safety training, Paediatric First Aid and Child Protection every three years.

[86] Department of Health (2012) Childminding and Day care for Children Under Age 12: Minimum Standards

Table 5.3: Qualification requirements for early years, school age children and childminding sectors

Standard 11	Qualification Requirements
All settings (except childminders)	A suitably qualified person must be in charge and on site at all times; someone that has a level 5 diploma or equivalent (e.g. Degree in Early Childhood Studies).
Full Day Care	**Manager:** At least a qualification at QCF Level 5 Diploma in Child Care, Learning and Development or Playwork; or a relevant occupational qualification in early years education, social work, nursing, teaching or health visiting; and 2 years' experience working with children aged 0-4 years. **Team leaders:** At least a qualification at QCF Level 3 Diploma in Child Care, Learning and Development or Playwork **Other staff:** At least 50% of staff in this category have a Minimum qualification at QCF Level 2 Diploma in either Playwork or Child Care, Learning and Development. The rest should at least be working towards their QCF Level 2 within a reasonable time
Out of School Clubs	**Manager:** At least a qualification at QCF Level 5 Diploma in Child Care, Learning and Development or Playwork; or a relevant occupational qualification in early years education, social work, nursing, teaching or health visiting; and 2 years' experience working in a play, education, youth or day care setting. **Team Leader:** At least a qualification at QCF Level 3 Diploma in either Playwork or Child Care, Learning and Development. **Staff:** Minimum qualification at QCF Level 2 Diploma in Child Care, Learning and Development or Playwork. Level 2, 3 or 5 NVQ qualifications in Early Years Care and Education, is an acceptable alternative to QCF Diplomas.
Pre-School Sessional Care/Creches	**Manager:** At least a qualification at QCF Level 5 Diploma in Child Care, Learning and Development or Playwork; or a relevant occupational qualification in early years education, social work, nursing, teaching or health visiting; and 2 years' experience working in a play, education, youth or day care setting. **Team Leader:** At least a qualification at QCF Level 3 Diploma in Child Care, Learning and Development or Playwork. **Staff:** At least 50% of staff in this category have a Minimum qualification at QCF Level 2 Diploma in either Playwork or Child Care, Learning and Development. The rest should at least be working towards their QCF Level 2 within a reasonable time.

Standard 11	Qualification Requirements
Childminders	Childminders are encouraged to attain QCF Level 2 or 3 Diploma in Child Care, Learning and Development according to previous learning and experience. Childminders are not required to have a minimum qualification; however, they are required as part of these standards to obtain and maintain training in core areas including safeguarding, first aid, health and safety as required by HSCTs.
Standard 12	Those working with children in either a paid or voluntary capacity, or who have substantial access to them, are suitable individuals to do so.
All settings	Appropriate checks must be taken, and all staff working with children must have: an Access NI Enhanced Disclosure Certificate, a letter confirming Trust clearance, pre-employment health assessment, ability to provide warm and consistent care which promotes children's development, integrity and ability to be flexible in their work, knowledge, understanding and commitment to treat all children as individuals and with equal concern, and appropriate knowledge, skills, experience and qualifications.

Source: Family Support NI (2022) Qualification Guidance for the Early Years, School age childcare Childminding Sectors and Home Childcarers in Northern Ireland

Table 5.4 shows the highest qualification level achieved for staff within the NI childcare sector between 2018 and 2020. This shows an increase in Level 3 and Level 6+ qualifications during that time.

Table 5.4: Highest level of qualification in childcare and related personal services in NI

Year	No Qualifi-cations (n)	No Qualifi-cations (%)	Below Level 2 (n)	Below Level 2 (%)	Level 2 (n)	Level 2 (%)	Level 3 (n)	Level 3 (%)	Level 4 to 5 (n)	Level 4 to 5 (%)	Level 6+ (n)	Level 6+ (%)	Total (n)
2018	1000	6%	2000	9%	4000	19%	7000	37%	3000	14%	3000	17%	**20000**
2019	400	2%	1000	5%	5000	21%	8000	37%	3000	13%	5000	23%	**23000**
2020	N/A	N/A	1000	4%	4000	16%	9000	40%	3000	14%	6000	26%	**23000**

Source: NISRA (2020) Qualifications in the Childcare Sector in NI 2018 to 2020, Labour Force Survey (LFS), Standard Occupational Classification 2020 612 Childcare and related personal services.
Note: Data includes the following Standard Occupational Classification (SOC) 2020 occupation codes and occupations 6121-Nursery Nurses and Assistants; 6122-Childminders and related occupations; 6123-Playworkers; 6125-Teaching Assistants; and 6126-Educational Support Assistants. The inclusion of teaching assistants and educational support assistants will lead to an overestimation of the total size of the sector. However, disaggregated data was not available.
Disaggregated data for Level 4 and 5 qualifications was not available.
Data was only available to 2020 as a re-coding of the SOC 2020 occupation codes is being undertaken and more recent information will not be available until Spring 2023. The recoding will also impact what occupational codes are included in the data.

In 2020, most staff (80%) held a Level 3 qualification or above with 26% educated to degree level or above. This is comparable to England where:[87]

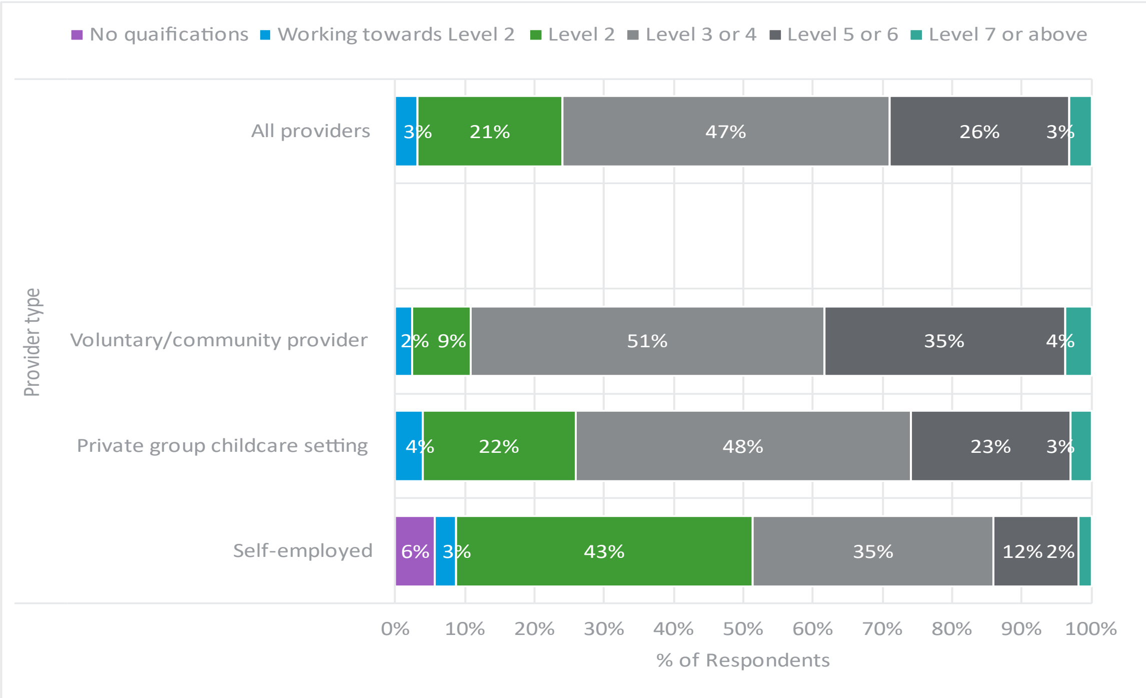
- 82% of staff in school based providers and 80% in group providers were educated to a Level 3 qualification; and,
- 32% of staff in school based providers and 11% in group providers were educated to Level 6 (degree level).

Consistent with the figures presented in Table 5.4, respondents to the provider survey reported that the vast majority of staff were qualified to at least Level 3 (76%). It is important to note that both the NISRA statistics and survey data include some self-employed providers, such as childminders and Approved Home Childcares, who are not subject to the same Minimum Standards qualification requirements as group settings (see Table 5.3). Despite this, 49% of the self-employed providers, who responded to this question, had at least a Level 3 qualification.[88] Voluntary/community providers reported relatively more staff with Level 3 qualifications and above (90%) and Level 5 and above qualifications (39%), compared to private group settings (with 74% and 26% respectively). Whilst qualifications are not the sole determinant of the quality of childcare provision, they play an important role in upskilling the workforce.

[87] Department for Education England (2021) Survey of Childcare and Early Year Providers: Main Summary

[88] Note: This may be an overestimation as around half of self-employed providers declined to answer this question.

Figure 5.3: Distribution of qualifications in the childcare sector by provider type



Source: RSM survey of childcare providers Q.38
Base: 544

The majority of providers interviewed felt that the standard of training and qualifications was very high and should be recognised as successfully contributing to the career development of the professionals working within the sector and developing a high standard of childcare provision: *"It is a very high standard and it's fantastic to see. A lot of money has been invested in getting the Level 5s and the Level 3s all up to date. The training is more relevant to the Minimum Standards and what you actually need to be able to do to provide that high quality childcare environment." (Provider interviewee)*

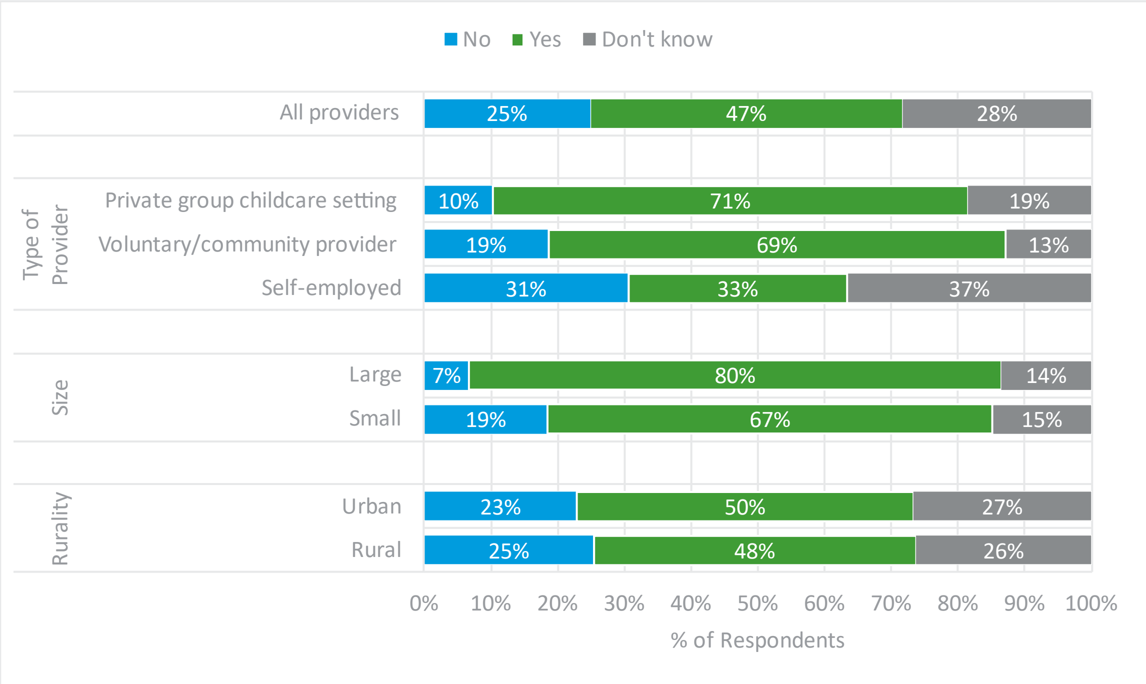
However, a minority of providers felt that the quality of newly qualified childcare staff did not meet their expectations: *"I do think the quality of the childcare staff that are coming from our local colleges is not what it used to be and especially in this [voluntary/community] sector. For some of the recent childcare intakes, the quality hasn't been good." (Provider interviewee)*. This included concerns about the amount of practical experience gained: *"They actually do not know how to do the physical things and they do not have the experience. And knowing how to deal with children, how did you know how you respond to them? They know in* *theory how to do it, but they have no experience of how to do it." (Provider interviewee).*

Some stakeholders suggested that the format of essential qualifications could be changed to help address staff shortages. Rather than being mostly classroom based, some stakeholders recommended that more time spent gaining practical experience in the workplace would be beneficial for both individuals and providers: *"if you're a Level 3, if your course is a slightly different format with more time in your workplace… it could help improve the staffing issue, it could help improve the cost issue" (Stakeholder interviewee).*

A minority of providers interviewed felt that staff members without certain qualifications can face subsequent barriers in the workplace because they would not be counted as a qualified staff member and could be prevented for going for promotions: *"I can't pay them as a qualified staff member and I can't use them within the building as a qualified staff member. . . I do have staff that are currently working for me that have, I would argue, very relevant qualifications, but because they're not in this prescribed list [they aren't qualified]" (Provider interviewee)*. Some providers felt that the Minimum Standards requirements disproportionately impacted experienced staff who did not want to do additional qualifications, resulting in the settings losing that institutional experience: *"there's a lot of people with years and years of experience that, when the Minimum Standards were introduced, didn't want to go and do a qualification and therefore we have lost that experience" (Provider interviewee).*

Findings from the survey show that around half of providers or their staff will be undertaking some new training, education or childcare qualifications in the next 12 months. Private group settings were most likely to report some form of staff training in the next year (71%), which is largely driven by private day nurseries (87%). Similar percentages of voluntary/community providers reported staff training in the year ahead (see Figure 5.4). However, this drops to a third for self-employed providers, with another 37% undecided. Statistically significant results were also found across provider size, with larger settings more likely to report staff training within the next year, and financial health, with providers who were making a profit less likely to be undertaking staff training in the coming year.

Figure 5.4: Providers with staff undertaking training, education or any recognised childcare qualification in the next 12 months



Source: RSM survey of childcare providers Q.40
Base: 704

Common reasons for staff not undertaking training, education or new childcare qualifications in the next 12 months included:

- Staff were already appropriately qualified (46% of providers);
- Insufficient time (34%); and,
- Training too expensive (33%).

Many of the stakeholders and providers interviewed felt that training and qualifications were key to professionalising the childcare sector: *"If our sector wants to be seen and recognised as early educators, I do think it will be important that we have graduate-led employees working in our early years settings" (Provider interviewee).*

The majority of stakeholder interviewees noted, that due to recruitment and retention issues, there has been an increase in demand for training and qualifications amongst the childcare workforce: *"[Demand for training and qualifications in the NI childcare sector has] hugely, hugely increased because we have lost a lot of good, qualified staff" (Stakeholder interviewee).*

However, findings on enrolments in training courses, were mixed. Some of the stakeholders interviewed reported high demand for full time childcare and early years related courses at universities, which often had waiting lists in place. As such university, childcare courses were typically fully enrolled. However, other interviewees said that universities were witnessing year-on-year reductions in the size of those waiting lists, indicating that demand was falling. Some interviewed stakeholders also reported that they were struggling to fill classes, especially among the further education colleges, which suggested a decline in enrolments at this level:

"But at the minute recruitment is very low and we struggle now to get 8 which is our minimum per class." (Stakeholder interviewee).

"In terms of the enrolment process we would have had a huge amount of students on waiting lists [in the past, but they are] diminishing exponentially year on year." (Stakeholder interviewee).

As discussed earlier in Section 4, additional training and qualifications are often required for providers to accommodate children with disabilities, special needs and other additional needs. The need for additional training was echoed by a minority of providers interviewed who felt that more in-depth training is needed to support staff working with children who have additional and special needs, as well as a greater emphasis on wellbeing training: *"I think that there should be some sort of wellbeing training for the staff, like you would hear about in hospital settings and school settings." (Stakeholder interviewee).*

However, the primary research identified a number of barriers to staff achieving the training and qualifications set out in the Minimum Standards. Stakeholders noted that often providers cannot afford to send staff on training, even when it is free, due to the time required away from the setting:

> ***"It is back to the cost of releasing staff to go on training, trying to back fill cover if it is daytime training, repaying people with time in lieu if it is night-time training. There is a cost ramification. So even what appears to be a free training is not really free training. You are not paying for the training, but you are paying for the staff to attend the training"*** **(Stakeholder interviewee)**

> ***"Groups who are really struggling will not avail of additional training or free training that is offered because staff will want that back in time in lieu. You end up in that vicious circle"*** **(Stakeholder interviewee)**

A minority of the providers interviewed also identified several issues that were negatively impacting access to the additional training that was provided to the childcare sector. This included eligibility requirements for financial support and training fees.

People over the age of 25 years old were not eligible for an apprenticeship to support the cost of gaining their childcare qualifications*: "There is an apprenticeship scheme so you can join that to get your qualification, but only up until the age of 25. If you're over 25 you have to pay for your qualification yourself. So again that's a huge barrier." (Provider interviewee)*. Some providers felt this stopped people from joining the profession, particularly older people.

Furthermore, enrolling staff on further training courses could lead to additional costs for either the individual or the provider: *"I think the last quote was £1,500 per course and that comes with an expectation that that member of staff will stay with you. But that's not always the case. The grass might be greener elsewhere, or their plans may change, or they may fall pregnant, or they may move away. (Provider interviewee)*. These upfront costs could deter people from entering the sector. Further professional development also often needed to be done in a staff members' own time, presenting a further barrier to gaining additional training.

Other reasons for not accessing training and qualifications include:

- ***Difficulty of courses:*** *"The qualifications are not only academically challenging, in terms of the amount of content that you have to submit. It is intensive in terms of writing up content and having to provide evidence of your answers. It is a really demanding course and at times overwhelming and daunting"* (Stakeholder interviewee)
- ***Limited perceived benefits:*** *"You have people that are happy enough sitting at a Level 3, are not prepared to do a Level 5 or degree for a very minute increase in hourly rate with a massive amount of increase in risk and responsibility"* (Stakeholder interviewee)
- ***Location of courses:*** *"Geographically, often courses might be provided in a city or a town that may be more difficult for those who are working or living more rurally to access. There are probably also cost implications there"* (Stakeholder interviewee)
- ***Personal circumstances:*** *"You do have a high proportion of people that are working 16 hours or less, so they can maximise their benefits. They can't take additional hours [required for training] because it's going to disallow [their benefits]"* (Stakeholder interviewee)

Some stakeholders reported that, because each setting determines the standards of training and development beyond the essential qualifications, the additional qualifications and training provided to individuals is dependent on the leadership within the setting: *"[It] depends on the leadership, the management, what they want from their setting and what they want from their staff and whether they want to take that chance and to invest in them, to invest in the quality of the organisation" (Stakeholder interviewee).* However, the majority of stakeholders who discussed training and qualifications noted that there is a risk staff will leave after providers investing in their development: *"Often what you're seeing is [providers are] taking these staff and investing time and money into training them and then they're moving on… you see a lot of people from the early years, childcare sector moving across into teaching assistant roles [in schools]" (Stakeholder interviewee).* Several providers also raised that as a concern: *"Qualifications are really important to us, and we spend a massive amount of investment on professional development. But the challenge of doing that… we provide the time, but it also makes our staff more attractive to other sectors" (Provider interviewee).*

On the other hand, stakeholders identified some enablers to staff undertaking additional qualifications and training:

- **Flexibility:** *"I think being able to do a lot of the courses via zoom helps people because if you are leaving work at 6 o'clock and then you have got your commuting time, that you at least you can go home" (Stakeholder interviewee)*
- **Location:** *"being able to do it in your local area is a very big enabler for people. That's why we put so much effort into having these collaborative provision arrangements with our regional college colleagues" (Stakeholder interviewee)*
- **Quality of training/ qualifications:** *"people have confidence in the qualifications that they go to get because they recognise that they are being delivered through their regional college under the auspices of Queens' and Stranmillis in a high quality way" (Stakeholder interviewee)*

5.4 Recruitment and retention

Providers in the Employers for Childcare, NI Childcare Survey 2021 identified staffing and maintaining staff-child ratios as growing difficulties; the main challenges faced by out-of-school providers were recruitment of staff (59%), dealing with staff absences (55%) and meeting staffing ratios (50%).[89]

Whilst this report offers useful insight which is focussed purely on NI, it is important to recognise that the timing of this survey means that the COVID-19 pandemic must be considered as context when interpreting its findings.

[89] Employers for Childcare (2021) Northern Ireland Childcare Survey

A review of relevant literature identifies several barriers to attracting and retaining skilled workers in the sector. Firstly, low pay associated with the childcare profession limits both the quantity and quality of applicants. In 2021, childminders, and those in related occupations in full time employment, earned a median income of £23,327 annually, in comparison to the median annual pay of £31,285 for full time employees in the UK. [90]

The COVID-19 pandemic also negatively impacted recruitment in the sector. In 2022, the Education Policy Institute found that the pandemic-induced collapse in demand forced settings to reduce staff levels, but envisioned a quick rebound in demand for childcare places across 2021 and 2022 which would leave many providers unable to meet either the need for places or provide the appropriate quality of care.[91]

Another barrier to attracting and retaining well-qualified workers in the sector was the perception of childcare as a low status profession. Research by NatCen found that applicants for childcare roles did not perceive it as a career and tended to lack the required qualifications and experience.[92] Such perceptions led to limited understanding of the professional demands in the sector. In addition, a review of the early years workforce in England found that available training, and qualifications (e.g. NVQ training or BTEC qualifications) were ineffective in providing early years practitioners with skills and knowledge required to provide quality early education and childcare.[93] Lastly, practitioners involved in the NatCen research pointed to emotional and physical demand as a reason for leaving the profession. Specifically, rising administrative burden and having to fulfil duties beyond their job description (e.g. attending to emotional children faced with trauma) added to an already exhaustive workload.[94]

In terms of recruitment practices, the literature showed that childcare providers adhered to standard job advertising and assessment methods.[95] Namely, they used either formal advertising (e.g. online job boards, magazines and newsletters) or brought in candidates via word-of-mouth. In terms of assessment

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[90] Office for National Statistics (2021) Employee earnings in the UK: 2021.
Note: Comparison of income by qualification level for childcare workers in NI to average income by qualification level in NI was not possible due to lack of reliable and available data.
[91] Education Policy Institute (2020) The Covid-19 pandemic and the early years workforce: August-November findings
[92] NatCen (2020) Understanding the Early Years Workforce – Qualitative research findings
[93] The Sutton Trust (2020) Early Years Workforce Review, Revisiting the Nutbrown Review – Policy and Impact.
[94] NatCen (2020) Understanding the Early Years Workforce – Qualitative research findings.
[95] Ibid

of candidates, managers held formal interviews, administered written tests or observed candidates in childcare settings. Alternatively, managers recruited from a pool of candidates they already knew who acted as volunteers or interested parents based on their ability to interact with children.

To attract and retain qualified professionals in the childcare sector, the literature suggested going beyond standard recruitment practices. These included providing opportunities for ongoing professional development and training opportunities, creating stronger team dynamics by offering flexibility, fostering better relationships with parents through community events, and offering specific perks such as healthcare packages.[96] This was supported by the majority of stakeholders interviewed, who referenced the need for targeted investment in the childcare sector to make it a more attractive place to work and therefore improving its ability to recruit and retain staff: *"If you had targeted investment in the right places to make it an attractive place to work, that would do a lot in terms of improving workforce sustainability" (Stakeholder interviewee).*

Table 5.5 shows that childcare vacancies in NI generally fell across all Local Government Districts from 2018/19 to 2020/21, but there has been a large increase in vacancies in the last year (from 2020/21 to 2021/22). All Local Government Districts, with the exception of Mid Ulster, have experienced at least a doubling of vacancies in the last year.

Table 5.5: Total childcare staff vacancies in NI 2018/19- 2021/22

HSCT	2018/19	2019/20	2020/21	2021/22	% change in the last year
Belfast	382	321	137	567	314%
Northern	266	282	255	548	115%
South Eastern	248	284	196	528	169%
Southern	224	226	150	317	111%
Western	106	146	86	222	158%
Total of childcare vacancies notified to DfC	1226	1259	824	2182	165%

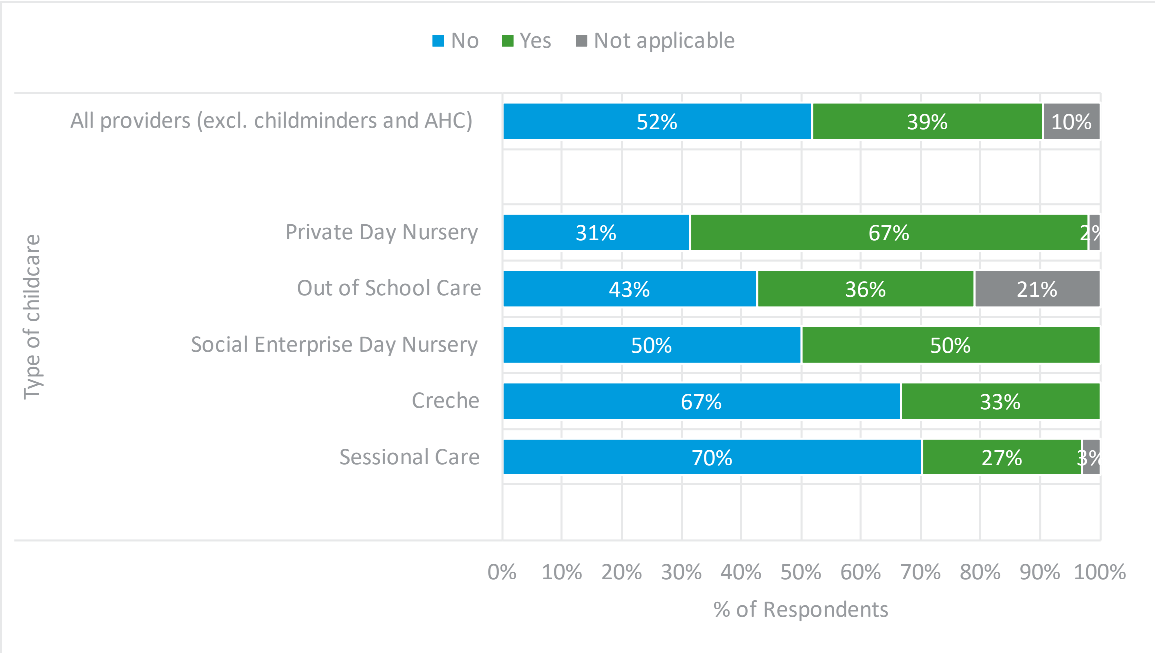
Source: Department for Communities (2022) Standard Occupational Classifications (SOC), Childcare and Related Personal Services

[96] NatCen (2020) Understanding the Early Years Workforce – Qualitative research findings.

Note: SOC minor groups include Childminders and related occupations, nursery nurses and playgroup leaders/assistants

As Figure 5.5 shows, this is supported by the findings of the provider survey, with many respondents reporting staff vacancies that they were unable to fill. This included the majority of private day nurseries (67%); half of social enterprise day nurseries (50%); and at least a third of out of school care (36%) and creches (33%). Large settings were also more likely to have unfilled vacancies (61%). This may help to explain why 58% of providers were experiencing demand beyond their capacity, but only 14% were planning to expand their provision.

Figure 5.5: Providers who were unable to fill staff vacancies



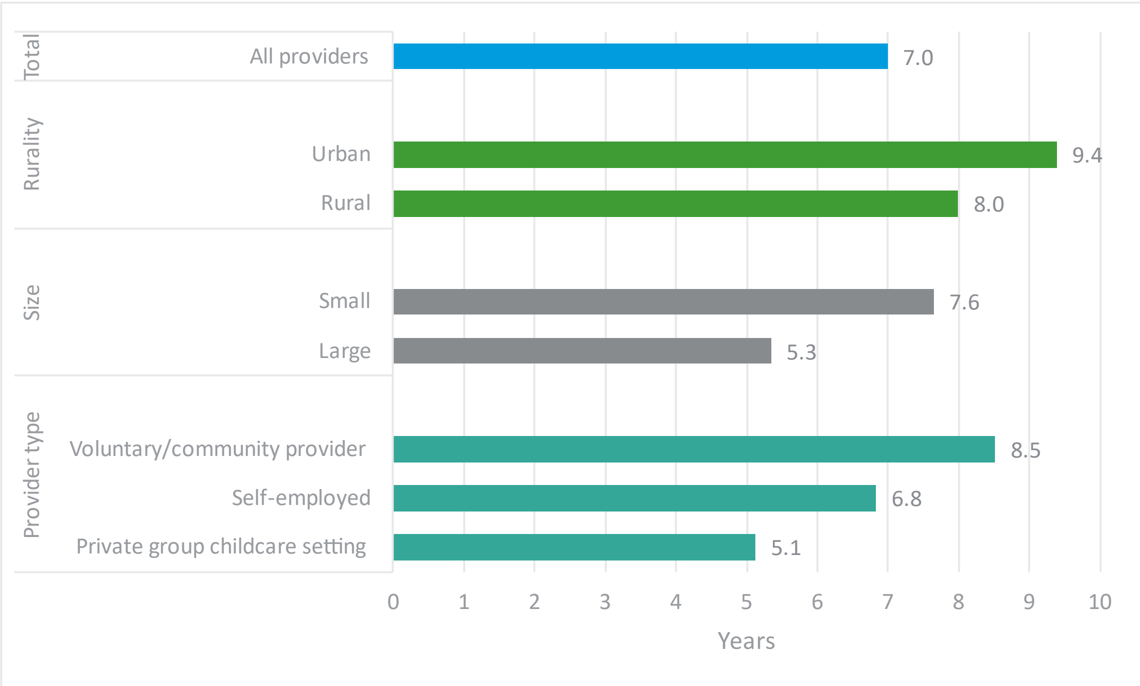
Source: RSM survey of childcare providers Q.35
Base: 324

There were also significant differences in the profile of unfilled roles across provider types. Private group childcare settings have the largest percentages of unfilled vacancies, with 13% of on-floor support staff vacancies, 3% of team leader/supervisor vacancies and 1% of management vacancies unfilled.

When asked why they had been unable to fill staff vacancies, over 70% of respondents said that there was a lack of suitably qualified applicants. Salary expectations and competition from other sectors were also popular responses with 60% and 41% of respondents respectively. This echoed the findings of the desk research as it indicated that the childcare sector was less attractive to many job seekers than other sectors that may offer higher or comparable wages for less responsibility and skill (see further discussion of pay and conditions below).

Respondents to the provider survey said that, once recruited, staff worked in their provision for around 7 years, on average. This was generally longer in urban providers (9.4 years), and shorter in private group childcare settings (5.1 years). These differences were statistically significant. Overall, the findings demonstrate that on average childcare workers tended to stay with a provider for a considerable amount of time, particularly in small, urban, voluntary/community providers. There were no statistically significant results for differences in staff retention across providers making a profit, breaking even, or making a loss.

Figure 5.6: Average length of time staff members work in a setting



Source: RSM survey of childcare providers Q.34
Base: 870

As a result of the above recruitment and retention challenges, the majority of stakeholders who discussed the childcare workforce noted that the sector was likely to be facing significant staff shortages: *"The difficulty now is that we don't have the stream of people coming in to replace them. That's the main challenge" (Stakeholder interviewee).* Staff shortages could also prevent providers from being able to offer care, particularly for children with disabilities, special needs and other additional needs: *"established providers cannot source a worker that could provide that one-to-one support and, on that basis, cannot accept a child with a disability or a child that has additional needs" (Stakeholder interviewee).*

Recruitment and retention were likely to be a greater issue for group settings, day nurseries and school based childcare providers than for childminders due to the self-employed nature of childminding. Overall, the stakeholders interviewed identified recruitment and retention as a key challenge for the childcare sector. The majority of stakeholders felt that childcare was less attractive than other sectors due to working conditions (including hours of work) and the rate of pay :

"They cannot get people into the [childcare] workforce and people are not staying because it is high pressure, underpaid and it is not an attractive industry to work in" (Stakeholder interviewee).

"The long hours are not conducive to family life and also, ultimately, it is the rate that they're paid" (Stakeholder interviewee).

"There's no attraction for somebody unless it's a heartfelt desire to work with children and young people" (Stakeholder interviewee).

In terms of recruitment, the majority of stakeholders who discussed the childcare workforce noted that childcare providers often struggle to recruit applicants with the qualifications and experience required by the Minimum Standards, particularly managerial candidates with a Level 5 qualification: *"We have a number of settings that are really, really struggling to recruit staff with the qualifications and, in particular, we're talking about the Level 5 qualification for our leaders and deputy leaders" (Stakeholder interviewee).*

Many stakeholders recognised that providers were having to reduce their requirements or advertise positions multiple times, which added to their recruitment costs: *"All providers are having to lower their job criteria to try to get people in…where we would have asked for childcare experience we are having to say come in with the enthusiasm and the right attitude and we can provide the skills and the training" (Stakeholder interviewee).* Some stakeholders also highlighted that in the past, providers did not struggle to find applicants with the appropriate qualifications and experience: *"Historically we would have had applicants who had all of the [relevant] qualifications and experience" (Stakeholder interviewee).*

Findings from the provider interviews in relation to recruitment, were mixed. The majority of providers indicated that they were having difficulty recruiting enough qualified staff to be able to fully deliver all of their services: *"The massive thing for us right now is recruitment. It's really, really hard to find qualified people to come and work" (Provider interviewee).* This has led to some of the interviewed providers turning parents away because they do not have the staff to accommodate their children: *"I'm not going to have the capacity to bring in new parents because we don't have the practitioners" (Provider interviewee).*

Providers highlighted several reasons why recruiting sufficient numbers of staff was a challenge. These included:

- Low pay scales, putting people off from entering the profession: *"One problem is clearly the wages. It is a low paid industry . . . I would say it has become a barrier for people entering the profession" (Provider interviewee).*
- The length of time taken to complete current vetting processes and the introduction of the Minimum Standards, impacting providers' ability to quickly recruit staff: *"The vetting process, the system whereby we employ staff and how we find them and how we retain them and the training opportunities that are available, I just think, really need redressed." (Provider interviewee).*

Yet, a minority of the providers interviewed said that recruiting staff was not a problem: *"We have recruited numerous times this year and been successful in recruitment and quality" (Provider interviewee).*

The majority of stakeholders indicated that the ability to retain staff in the childcare sector is also a key challenge faced by the sector as whole, many felt that the pay and conditions in other sectors and industries was more desirable (e.g. primary education, retail and fast food):

"[they are] paid a significantly higher rate with virtually no responsibility, unlike the responsibility and the level of work, involvement and ongoing training that is required when you are part of the childcare sector" *(Stakeholder interviewee)*	*"What we are seeing is individuals leaving the childcare workforce, potentially in order to take up roles elsewhere, where they may be benefiting from higher rates of pay or better terms and conditions, perhaps less pressure for the same or similar pay rates"* *(Stakeholder interviewee)*	*"The workforce was depleted through COVID. A lot of people left the childcare sector at that time"* *(Stakeholder interviewee)*

Retention issues were also highlighted as a concern by the providers interviewed. However, there was no consensus as to whether or not staff turnover has increased recently. The majority of providers indicated that staff turnover has increased and it is more difficult to retain staff: *"We can't retain the* *staff at all, and so … personally I don't see any strengths at the minute in the workforce at all" (Provider interviewee).* However, a minority of the providers interviewed said that staff retention was not an issue for them, but challenges around recruitment remained, especially among qualified and experienced staff: *"I've been able to retain my staff, but we found it very difficult to recruit for others" (Provider interviewee)*.

For those who reported increased staff turnover, that was said to be driven by several factors. The COVID-19 pandemic, and the resulting fall in demand for childcare services over that period, was mentioned by some providers as one of the driving reasons behind the loss of many staff. This included providers having to let staff go, and staff deciding to pursue other careers: *"The recruitment and retention of staff especially at the minute, post-COVID, has been very difficult." (Provider interviewee)*

The majority of providers also re-iterated challenges relating to low pay. In some cases, staff were being lost to larger employers where they could earn a higher wage and be guaranteed set working hours: *"We already are haemorrhaging staff to supermarkets, other jobs." (Provider interviewee)*

5.5 Vetting

Stakeholders had mixed perceptions of staff vetting requirements within the sector. Some suggested that the process is lengthy and creates delays in recruiting new staff members, which often causes, *"frustration for providers" (Stakeholder interviewee).* This was supported by the providers interviewees, many of whom felt that the vetting process took too long. Some providers said that it could take up to two months for a new staff member to be fully vetted and able to start in their new role: *"Once you get past the door of getting someone in the interview and you want to offer them a position, there's then the vetting process, which is protracted to say the least." (Provider interviewee).* The length of the vetting process meant that some providers had successful candidates dropping out of the recruitment process, as they could no longer afford to not work whilst waiting to be vetted: *"You're losing people and potential staff really because of that, because they can't wait that length of time for a paycheque and they're then kind of moving on to something different." (Provider interviewee).*

In particular, a small number of stakeholders expressed concerns about the requirement for staff health declarations to be signed by their General Practitioner (GP): *"Staff members are being charged anywhere between £30 and £100 for a GP medical and that can take up to four weeks, because it is not a* *priority [for GPs]" (Stakeholder interviewee).* A minority of providers interviewed echoed these concerns about the cost and long wait times:

“To expect a student to pay £100 per form for placements, that’s lots of money for students.” (Provider interviewee).

“I would say for staff members it can take up to 8 weeks for your doctor to sign a letter saying you're fine” (Provider interviewee).

Other stakeholders suggested that there were confidentiality issues associated with the process, despite GPs indicating that there was no medical reason why the individual cannot work with children: *"The GP… will still make comments, for example, that this person has been medicated for depression… I think that that type of information should be kept confidential. For the employee, there are lots of issues around that" (Stakeholder interviewee).*

Additionally, some stakeholders emphasised that stringent vetting requirements were difficult for individual childcare providers to administer and maintain: *"There's so much red tape… with legislation… policies and procedures, constantly having to train to update their skills…it's constant for individuals" (Stakeholder interviewee).*

Other challenges around vetting requirements that providers highlighted included the difficulty of moving between nurseries. Staff who move between nurseries need to be re-vetted before they can be approved to work at that nursery: *“Every time someone moves between nurseries they are re-vetted again . . . It is putting people off to wait 10 weeks” (Provider interviewee).* A potential solution to this is to have a standard staff vetting register for childcare professionals.

Providers pointed out that these challenges were not present in other sectors who also work with children, including primary education. They felt that it was easier and quicker to get the required checks completed for work in a primary school than for childcare. Some providers who were interviewed felt this further incentivised prospective students to enter primary education rather than the childcare workforce: *“The red tape around working on childcare, if you come to work as classroom assistant with school you have to do an access in check, but if you come to work in a childcare setting like ours you have to do and access and social services clearance or health declaration.” (Provider interviewee).*

However, other stakeholders reported that the vetting process was appropriate and essential in ensuring the welfare of children: *"I know that there's a perception out there that it creates delays, but … the welfare of the child is the paramount consideration so that we vet staff appropriately or new applicants" (Stakeholder* *interviewee).* Many stakeholders and providers interviewed also acknowledged that the vetting process was beneficial in reassuring parents that their child would be properly cared for and contributing to the delivery of a standard of quality childcare: *"That would be a strength with regard to parents…we are ensuring that person is safe" (Stakeholder interviewee).* A minority of stakeholders also emphasised that the vetting process rarely results in an individual being unable to work with children as there was adequate support in place: *"Very rarely would we be saying that somebody's not a suitable person… If there's something identified in vetting, there's always a safety plan put in place…so I wouldn't really see it as a barrier because there's always support there" (Stakeholder interviewee).*

Some stakeholders suggested that the registration process for childminders was rigid, but noted the benefits of registration: *"Childminders feel that they're burdened with the paperwork and the bureaucracy of everything…but a lot of Childminders do it because they believe it covers their backs and it also makes sure that they are providing the right service" (Stakeholder interviewee).* However, some stakeholders noted that parents did not always recognise the difference between registered and unregistered childminders, which created challenges in terms of safeguarding: *"The first thing that jumps to mind to me with an unregistered childminder is safeguarding because nobody in that house will have been vetted" (Stakeholder interviewee).*

5.6 Pay and conditions

Research published in 2017 by the Department for Education found that 17% of group-based childcare staff in England earned less than the national minimum wage.[97] The impacts of low pay are gendered; women made up 97% of the UK childcare workforce.[98] Research from USA also found that childcare workers were often living below the poverty line, and struggled with work related stress to the point that their ability to provide for their own families and care for their own children was affected.[99]

As noted above, the median income of childcare workers was around three quarters of the median income for all UK workers.[100] Paying a competitive wage

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[97] Department for Education (2017) Survey of Childcare and Early Years Providers
[98] Department for Education (2019) Calls for more men to work in the early years
[99] Vogtman, J. (2019) Can We Rewrite The Shameful History of Undervaluing Childcare Workers?
[100] Office for National Statistics (2021) Employee earnings in the UK: 2021.
Note: Comparison of income by qualification level for childcare workers in NI to average income by qualification level in NI was not possible due to lack of reliable and available data.

was the most common workforce issue identified by respondents to the provider survey (40% of respondents). This was supported by the majority of stakeholders who emphasised that childcare in NI was often a low-paid job: *"The majority of staff working in the childcare sector in Northern Ireland are working for minimum wage or marginally more than minimum wage" (Stakeholder interviewee).* The majority of stakeholders emphasised that the challenges faced by the childcare workforce were, *"a lot to do with the actual income [of the workforce]" (Stakeholder interviewee).*

Rates of pay often have a knock-on impact on the financial situation of those in the childcare workforce and their families: *"People working in childcare are not being paid huge amounts of money. Childcare needs to be a job that you can work without having to be in poverty" (Stakeholder interviewee).* Additionally, the majority of stakeholders reported a dissonance between levels of pay and the role the childcare workforce play in society: *"It doesn't demonstrate to the sector that they are valued and that they're really needed…it should be one of the most important things [in society] looking after children…I think they should be paid accordingly" (Stakeholder interviewee).*

Concerns about pay and conditions were raised by all of the providers interviewed. They said that the childcare sector was struggling to compete with other sectors in terms of salaries: *“I think the massive challenge at the minute is competition with other sectors. We’re a small business and we can't compete salary wise” (Provider interviewee).* These providers reported that the main sectors they were losing staff to, due to low pay, were primary schools and the retail sector:

“I'm going be a primary school teacher with much better pay scales… and there is career progression” (Provider interviewee).

“We are not minimum wage sector, lots of nurseries pay just minimum wage and because of that we are losing staff, losing staff to [supermarkets] because they are paying more. [They] are advertising jobs for £11.00 per hour to £11.50 per hour and we can't compete. We cannot compete and because of that, we're losing quality staff, to the other sectors, to retail” (Provider interviewee).

The working conditions in these other sectors were also seen as more appealing than the childcare sector, with fewer barriers to entry, better conditions and working hours: “*Those staff who have their Level 5 have now gone to work in schools as classroom assistants because of the money, and also because the hours suiting better because they have children of their own. So they can finish* *work and then go and collect their own children, whereas here we are working until 6 at night" (Provider interviewee).*

As discussed earlier in relation to recruitment and retention, low wages and poor working conditions have led to difficulties in attracting quality staff into the childcare sector. The majority of providers interviewed highlighted that the sector's low rate of pay could lead to potentially high-quality staff being dissuaded from working in a relatively demanding role in a setting with a high level of responsibility: *"Childcare workers are getting minimum wage… we can't expect to recruit and to get high quality of [applicants through] recruitment if we are only going to pay minimum wage" (Provider interviewee).*

Retaining staff was also regarded as a key challenge that stemmed from the sector's current rate of pay. Some interviewed providers commented that they were observing increasing numbers of staff leaving the sector, including highly experienced staff who had been in the sector for a long time, due to increasing pressures around the low rates of pay: *"We lost quite a lot of our staff over the last few years, staff that were with us for a very long time that were trained to an exceptional level that had so much experience, but because of the pay they left and they went to the educational sector where they had less responsibility" (Provider interviewee).*

A lack of recognition was also identified as a key challenge faced by the childcare workforce: *"They are still viewed by many people as babysitters, or [that] all you do is play all day" (Stakeholder interviewee).* All stakeholders emphasised the various responsibilities of the childcare workforce and the lack of value placed on these:

"They are doing reports, doing assessments, doing observations, doing plan and evaluation. Everything that is expected of teacher in a nursery school but at probably less than half the pay… but they are not valued or they are not being seen to be valued for that work" (Stakeholder interviewee).

This lack of recognition was echoed by childcare providers. The majority of providers interviewed felt that the childcare workforce is undervalued and underappreciated by wider society, especially when compared to the education sector: *"It is often unappreciated and a lot of people don't really understand the level of work. I think in comparison to the educational sector, a lot of times we're nearly like the poor relative, people don't understand and they don't see the work. We are early educators; we are looking after children" (Provider interviewee).* The impression of being undervalued by society was heightened during the COVID-19 pandemic, where childcare staff felt they were not given the same level of consideration as other frontline workers: *“I think nurseries and nursery staff are under-valued. Even during COVID, social workers who worked in an office and never saw anyone were considered a frontline member staff and could have got the COVID-19 vaccine. Yet my staff who were face-to-face looking after children did not get it. Where is the fairness in that?” (Provider interviewee).*

Some providers interviewed also felt that paying the sector the minimum wage sent the wrong message to society, giving the impression that the sector was not valued, despite the important role it plays in supporting the wider economy:

“Minimum wage sends out a massive message and because if you want this actively taken seriously it needs to pay seriously and I always look it as families are trusting us with their pride and joy, their most prized possessions” (Provider interviewee).

“The first step is to ensure that people in the community know and the Government know that childcare underpins everything. If you don't have childcare, people can't work, if people can't work, then they're not paying tax” (Provider interviewee).

To improve the recognition of the workforce, providers stated that a small step would be recognising the vocational and professional quality of the childcare workforce: *“I always refer them as early years practitioners or early years educators, but I think the title really does matter and it goes back to the childcare strategy” (Provider interviewee).*

All stakeholders interviewed agreed that childcare is a *"tough, demanding job" (Stakeholder interviewee).* This was considered, by some, as particularly pertinent for those in managerial roles: *"the average pay for a manager can be anything from £19,000 to £22,000 plus. The responsibility that you have if you're running a day care setting and the mental strain of that has taken its toll on some individuals" (Stakeholder interviewee).* Another stakeholder reported: *"There can be an issue for Room Supervisors and maybe for Team Leads who are perhaps seeing increases in the living and minimum wages which are pushing up the salaries for all of those working in the sector marginally, and perhaps closing the gap then between those who are in a position of less responsibility with those who are in a more supervisory capacity" (Stakeholder interviewee).*

A minority of providers interviewed commented on the level of responsibility their staff had, in comparison with the pay that they receive. Staff had left childcare providers and gained employment in other sectors, often for positions of less responsibility, but more pay: *“I think the main thing would be the difference in the* *massive responsibility [from working in childcare] versus the income that you would get out of it" (Provider interviewee).*

Many stakeholders interviewed advocated for some government subsidisation of the sector, by providing funding directly to providers to allow them to increase the rate of pay for the NI childcare workforce: *"If childcare is better subsidised, is fully funded, that that should translate into proper wages for people working in the sector" (Stakeholder interviewee).* Another stakeholder emphasised: *"We cannot afford to pay our [childcare] staff the wages they deserve without funding" (Stakeholder interviewee).*

Moving forward, some stakeholders highlighted the need for career progression pathways to be developed for the childcare workforce: *"There needs to be recognition and very clearly defined pathways for young people who are going into the sector. We need to start doing that for the next band of workers coming along" (Stakeholder interviewee).* This finding was reinforced by a minority of provider interviewees, who said there was a lack of a strategy around career progression and support for the workforce, particularly for experienced staff:

"There is a glass ceiling and our average manager has been with us 17 years. So somebody coming in, getting up to deputy manager level and then going where do I go from here?" (Provider interviewee).

"I think we need to have in the childcare strategy, elements of career progression and career support." (Provider interviewee).

5.7 Summary

- Providers, stakeholders and parents alike commented on the commitment and dedication of the childcare workforce as its key strength.
- A better qualified childcare workforce can have a positive impact on children's outcomes.[101] The majority of the NI childcare workforce have a Level 3 qualification or above (80%, with 26% educated to degree level).[102] The provider survey indicated that voluntary/community providers typically had more qualified staff than private providers (90% of staff had a Level 3 qualification or above, compared to 74% of private group settings). Around half of respondents also reported that they or their staff will be undertaking new training, education or qualifications in the next 12 months.

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[101] Blandon, J. and Bonetti, S. (2018) Early years workforce qualifications and children's outcomes: An analysis using administrative data

[102] NISRA (2020) Qualifications in the Childcare Sector in NI 2018 to 2020, Labour Force Survey (LFS).

- Barriers to staff training, identified through the primary research, included: lack of staff cover, limited perceived benefits of training, location of in-person courses and personal circumstances (e.g. staff who were unwilling or unable to do extra hours due to impact on eligibility for benefits or other personal commitments).
- Enablers of staff training, identified through the primary research, included: flexibility (in terms of delivery mode and location), along with a recognition of the quality of training provision and qualifications gained, which helped participants and employers to appreciate their value.
- Some of the stakeholders interviewed suggested that an increase in practical time and work-based training could help reduce some of the pressure in terms of needing staff cover to attend training.
- Ongoing recruitment and retention issues were identified by the majority of stakeholders and providers (particularly those from larger groups settings).
- These challenges stemmed from relatively low salaries[103] given the qualification requirements and responsibilities[104] of childcare roles when compared to other sectors, e.g. primary education or retail.
- Findings on staff vetting requirements and childminder registration processes were mixed: some provider and stakeholder interviewees expressed frustration about the duration of these processes in an already challenging recruitment environment, whilst others stressed their importance in safeguarding children and reassuring parents.
- Some stakeholders were unsure whether parents were aware of the difference between registered and unregistered childcare, which may contribute to the use of unregistered childcare.
- There was a strong perception amongst the majority of stakeholders, providers and parents interviewed that the sector was undervalued.

[103] Office for National Statistics (2021) Employee earnings in the UK: 2021.
[104] NatCen (2020) Understanding the Early Years Workforce – Qualitative research findings; and, The Sutton Trust (2020) Early Years Workforce Review, Revisiting the Nutbrown Review – Policy and Impact.

6. FINANCIAL HEALTH OF PROVIDERS

6.1 Introduction

This section provides:

A financial health assessment of the childcare sector.

It is based on desk-based research, the survey of providers and follow up interviews with 20 managers of group settings and six childminders. As noted in the limitations section, **care should be taken when interpreting these findings as they are largely based on self-reported data.**

6.2 Profitability of the childcare sector

The desk-based research showed that many providers across the globe were at risk of closure even before the pandemic; however, the crisis has exacerbated these problems, including increased costs for parents.[105] This left a quarter of private sector nurseries at risk of closure, as their main income was parent fees, which substantially reduced during the pandemic. For every £5 of expenditure, they received only £4 of income during the lockdown periods, running them into a deficit.[106] Childminders felt some of the worst effects, as most were self-employed and therefore received less support from government. Relying on income from parents' fees, government grants simply did not cover their losses sufficiently, according to the Institute for Fiscal Studies, this may have caused workers to leave the sector.[107]

The findings from the provider survey were mixed in terms of their financial health. Around half of the respondents were roughly breaking even, 26% were making a loss and 18% were making a profit. However, it should be noted that these figures include voluntary/community providers that often have social objectives as their primary goal, rather than profit. When excluding these providers from the analysis, the proportion of respondents to the provider survey who were making a profit in 2022 increases to 23%, with 56% roughly breaking even and 21% making a loss. This means that 77% of private providers (childminders, Approved Home Childcarers and group settings) were not making

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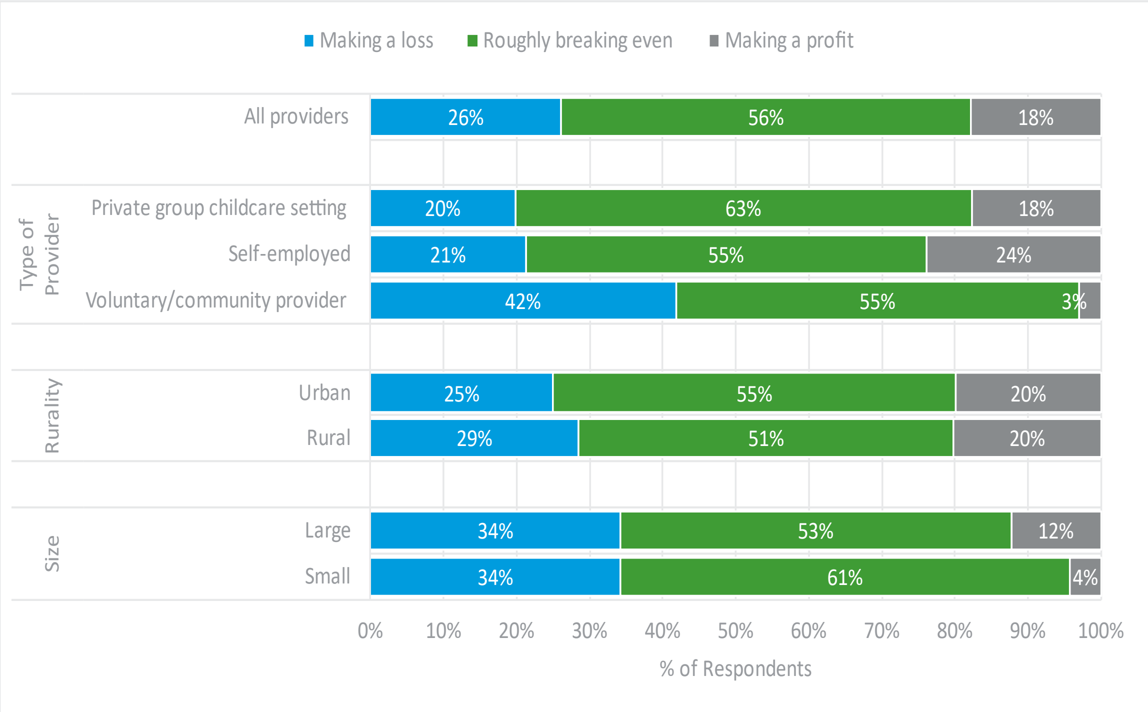
[105] Blanden, J. et al. (2020) Many Childcare Providers Face Big Financial Problems as a Result of the Pandemic; and Scottish Government (2021) Financial Sustainability Health Check of the Childcare Sector in Scotland
[106] Blanden, J. et al. (2020) Many Childcare Providers Face Big Financial Problems as a Result of the Pandemic
[107] Ibid

profits, which was still an increase from the 2021 estimate that 71% of providers were not making profits (breaking even or making a loss).[108]

Figure 6.1 shows how this breaks down across different provider characteristics. Whilst there were no statistical differences between the profitability of providers by location and size, more rural settings were making a loss and fewer small settings were making a profit. One significant difference found was that more voluntary/community providers were making a loss (42%) compared to self-employed (21%) and private group settings (20%). This may be because they were primarily driven by social objectives rather than profitability and, therefore, more likely to continue to provide childcare even when they were making a loss.

Figure 6.1: Financial health of providers by provider characteristics



Source: RSM survey of childcare providers Q.45
Base: 685

Providers expectations for the future were negative leaning. When asked if they expected their current profitability status to continue for the next three years, more than half of 'loss making' providers said yes. Additionally, less than half of 'profit making' providers expected to remain profitable. In total, only 16%

[108] Employers for Childcare (2021) Northern Ireland Childcare Survey 2021

expected their financial health to change (increase and/or decrease in profits) and just over 40% of providers were unsure about what would happen to their setting in the coming years. This may reflect the general sense of uncertainty at the moment, not just for the childcare sector, but the wider UK and global economy. Structural changes to how we work, including increased flexibility and working from home, changes in economic conditions, such as high inflation, and changes in the political landscape are all factors which may be contributing to providers' apprehension about the future. Historically, high levels of uncertainty lead to lower levels of investment, which may help to explain why the vast majority of providers were not planning to expand.

All providers interviewed raised concerns about the difficulty in generating sufficient revenues from childcare services to cover their running costs. The majority of interviewees reported that their setting was breaking even:

"[We're] just about scraping through to be honest with you. The biggest pressure was we had to take out a loan of £50,000 to cover overheads" (Provider interviewee).

"We have to rely on grants and we've been able to access that through [government financial support]" (Provider interviewee).

Several providers also highlighted the fluctuation in demand for childcare as contributing to challenges in terms of revenue generation: *"All of a sudden there's nobody coming in through the door… we manage that because maybe over [all] our sites, [some] are making a profit, [others] are treading water and one's losing money… that's the way we manage it" (Provider interviewee).*

Some of the childminder interviewees also said it was difficult to estimate average earnings, as they vary throughout the year. However, all of the childminders interviewed said that either they were no longer profitable or were struggling to make any profit:

"My accountant says 'you're just barely breaking even. You're not making money.'" (Childminder interviewee).

"None of us are ever going to get wealthy doing this job, and that's not why we do the job… if it wasn't [for] the love of children, we wouldn't be doing it. But we are definitely now just working to live." (Childminder interviewee).

The majority of childminders felt that the best and most immediate way to help improve their financial viability was to increase the staff-child ratios: *"The only way I can see a lot of us surviving is if they give us an increase in our [staff-child]* *ratios." (Childminder interviewee)*. The majority felt that adding one more space to current ratios would be sufficient. Some childminders felt that the ratio increase could specifically apply to 3 year olds and above, as they were a lower risk category than 0-2 year olds.

Additionally, they felt that childminders in particular needed a form of targeted sustainability funding to help mitigate rising costs of energy and food: *"Give us an increase in our [staff-child] ratios or sustainability funding to see us through" (Childminder interviewee).* It is worth noting that the childminders interviewed stated they would prefer to be able to earn more and not have to rely on any targeted or sustainability funding.

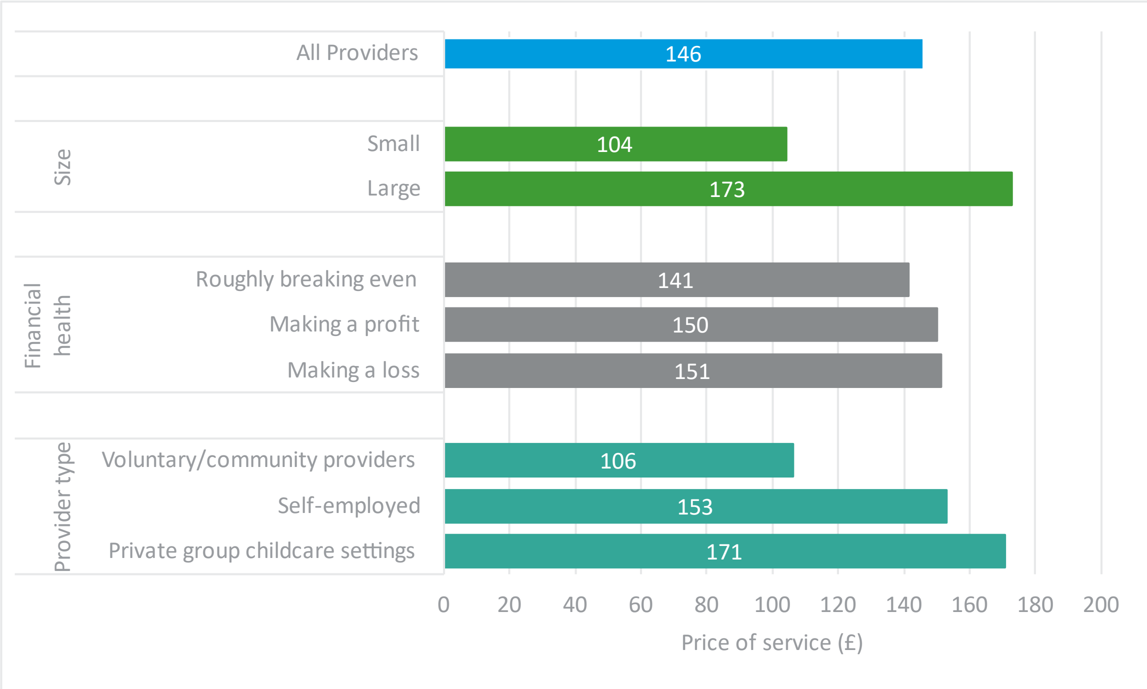
6.3 Childcare fees

Across all types of childcare provision, the average full time weekly rate reported by providers was £146 per child (see Figure 6.2). This was lower than the average weekly fees reported in the 2021 Employers for Childcare, NI Childcare Survey[109] as well as the LucidTalk survey of parents (see Section 7). However, the average hourly rate of £6 per hour matched that reported by respondents to the LucidTalk parent survey. The difference may be due to discounted rates for full time placements (see Figure 6.3).

Private group childcare settings reported the highest average cost (£171 a week on average), compared to self-employed providers (£153) and voluntary/community providers (£106). Whilst these differences were significant, they did not appear to be necessarily translating into higher profitability. For example, despite charging more per week for a full time place, private group settings were less likely to be profitable than self-employed providers (see Figure 6.2). This may reflect the difference in costs associated with providing childcare in these different contexts (e.g. childminders have lower overheads than private group settings).

[109] Blanden, J. et al. (2020) Many Childcare Providers Face Big Financial Problems as a Result of the Pandemic

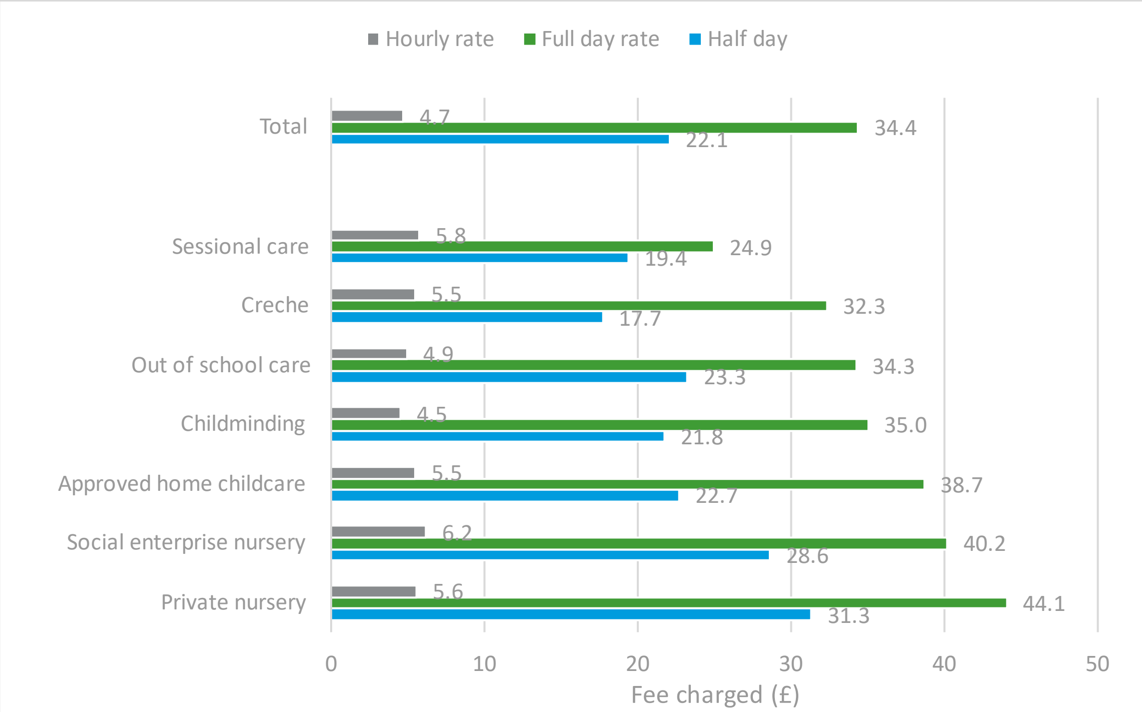
Figure 6.2: Average full time weekly rates by different provider characteristics



Source: RSM survey of childcare providers Q.52
Base: 170

Figure 6.3 gives more detail regarding different fee structures across provider types. Private day nurseries were the most expensive, charging an average of £44 a day, whilst sessional care and out of school care offered lower daily rates, on average. In general, hourly rates ranged between £5 and £6 per child per hour, whilst half day rates were more than half the price of a full day rate across all provider types.

Figure 6.3: Hourly, half day and full day fees charged by different provider types



Source: RSM survey of childcare providers Q.52
Base: 508 (full day), 391 (half day) and 317 (hourly)

Roughly half of the providers surveyed had increased their fees in the past three years whilst the other half had kept them unchanged. Larger providers (80%) and private group childcare settings (75%) were more likely to have increased their prices. This indicated that around half of childcare providers had protected parents from rising costs to some extent.

However, half of the respondents reported that they do plan to increase their fees in the coming year. This was driven by private group childcare settings (71%), and large settings (69%). Overall, this shows an acceleration of fee increases in recent times; half of providers increased their fees in the past three years, but a further half plan to increase their fees in the next year. Less than 1% of respondents were planning to decrease their fees in the next 12 months. This demonstrates the difficulties faced by providers in terms of rising costs of utilities, food, mortgage repayments and rent (discussed in more detail below).

Many of the providers interviewed shared their reluctance to increase fees to parents, but said they had previously done so or were considering it in the near future to cover additional costs:

"We're a community day care. We don't want to be putting extra pressure on families and parents… but at times those decisions have to be made and [we increased our fee] by £2.00 a day last September, and we're going to have to increase… in January again"

(Provider interviewee)

"We're trying not to increase our prices at the moment because the parents are going through a difficult time as well…but I definitely feel for the New Year, that's probably going to have to happen whether we want to do it or not."

(Provider interviewee)

This sentiment was echoed by some childminders, who reported being hesitant to increase their fees, particularly given the current cost of living crisis:

"How can I ask them? How can I physically ask them for more money?" **(Childminder interviewee)**

Others said they were planning to increase their fees in 2023, or had already done so by a small amount:

"I did it this year, but told my parents that it wouldn't be implemented until January" **(Childminder interviewee)**

A minority of providers also reported having to increase fees to afford the increase in the minimum and the national living wage paid to staff: *"When the minimum wage goes up again and we would [have to increase fees] in relation to that" (Provider interviewee).* Providers said that balancing higher wages paid to well-qualified staff by increasing fees to parents is particularly challenging: *"You have to have higher skills there… the challenges of that you need to pay staff a bit higher to retain that. So that's a challenge because you can't charge fees that are… out of touch" (Provider interviewee).*

The majority of providers interviewed were also concerned about increasing fees because this had negatively impacted the demand for their services in the past, a trend they expect to repeat if fees were further increased:

"Last year when we increased our prices, we lost three children. I have about 10 children who are here just to socialise. Once we increase [our fees], we're going to lose those" (Provider interviewee).

We have had two fee increases in the last year alone. This has put some parents off using childcare, some have gone to school services as they are cheaper" (Provider interviewee).

6.4 Rising cost of doing business

Like all sectors in the economy, the childcare sector is experiencing quickly rising costs which appear to be a recent cause for concern. A review of early years and childcare in England found that 42% of providers felt they may need to cut staff numbers over the next year to cope with rising costs.[110] A review of the Welsh childcare sector felt that there was limited scope to reduce staff costs, as workers in the sector were already paid a low salary when compared to the median earner. As discussed earlier in Section 5, this was a discouraging factor when trying to attract new staff.[111]

This was supported by the results of the provider survey. Over a third of respondents (39%) reported that their costs had increased a lot in the last three years, with another 22% saying they had increased a little. Looking at individual cost drivers, 84% of providers said their utility costs had increased a lot, which is associated with wider challenges for the global economy regarding energy markets. The other large cost increases, according to providers, were replenishable resources and food (79% said that they had increased a lot), travel/transport expenses (60%) and insurance (39%).

Staff wages were the largest contributor to running costs for the providers interviewed, followed by overheads such as electricity, food and fuel:

"[The] cost of living crisis has meant people need to earn more money just to pay the bills… so we've taken the decision very recently to increase our pay" (Provider interviewee).

"Electric for example over the last three months [has gone] up… then [it's] the fuel cost. We run three vehicles out of here each morning and afternoon to pick up and drop off kids. The fuel costs of that and food. We provide two snacks a day and a good dinner, as well as milk, water and juice." (Provider interviewee)

In relation to increasing running costs due to wages, several providers reported concerns about being unable to afford the increased minimum wage and pension

[110] Archer, N. and Merrick, B. (2020) Getting the Balance Right: Quality and Quantity in Early Education and Childcare

[111] Welsh Government (2018) Review of the Childcare Sector in Wales.

contributions. A minority of providers also highlighted the inherent limitations in controlling running costs as negatively impacting their profitability:

"The nursery… never really makes money because it just goes out in overheads… I might not buy specific equipment that I would want to buy [or] put new garden equipment which maybe would have cost £10,000" (Provider interviewee).

"We have to have our houses heated to a certain degree. Obviously, we can't have children sitting in the dark. We can't cut back on what we feed them. We can't do fewer journeys in our car" (Childminder interviewee).

Almost all of the providers interviewed raised concerns over loss of revenue or being in debt due to a significant increase in running costs. In relation to the rising costs of food, electricity and fuel among others, several providers shared their concerns regarding the sustainability of the sector:

"Everybody is looking at tightening their belts. And I think that going forward the sustainability of the sector could be one of the victims of the cost-of-living crisis" (Provider interviewee)

Several providers also raised concerns about a reduction in the quality of care as a result of rising costs: *"We shortened the length of time the heating is on… It's very stressful thinking about trips. For example, day trips. We used to do day trips every other month, whether it's to the forest, to a soft play area or a farm. We haven't had any at all… Last summer we went for walks and a picnic because we couldn't afford [it]" (Provider interviewee)*

6.5 Government financial support to the sector

Table 6.1 sets out the range of government financial support to the sector. There was limited publicly available information about eligibility requirements for many of the schemes. There was also a perception amongst many providers, particularly childminders and those from private settings, that there was limited to no government financial support for their type of provision.

As detailed earlier in Section 4.3, funding for the Pathway, Bright Start and Fair Play funds totalled more than £5m in 2022/23, with:

- 170 providers (5%) receiving £4m through the DE Pathway Fund;
- 51 providers (1%) receiving £1m of Bright Start Funding; and,
- 36 providers (1%) receiving £341k from the Fair Play Fund.

The DfC Women's Centres Childcare Fund supports childcare provision in Women's Centres. A total of £763k was awarded to 14 providers through the fund in 2020/21.

During the pandemic, DE also supported the sector with a total of £40 million of funding from April 2020 to March 2022, including: Covid-19 Childcare Support Scheme; Childcare Recovery Support fund; Childcare Sustainability Scheme; and Childcare Temporary Closure Fund.[112]
The majority of providers interviewed had accessed some government funding, including COVID-19 support. While some providers highlighted the inherent benefits of government financial support to the sector, others felt such funding did not provide adequate support due to associated restrictions. Providers with positive experiences of accessing government support reported that, such funding had helped them cover wages and day-to-day running costs:

"[That government financial support] will also help with staff costs… we've got targeted Northern Ireland Government support… We get quite a bit of help from [a non-government grant maker] and also [government financial support] will help with the running cost." (Provider Interviewee)

"I know we did get support during COVID, which was great… during COVID whenever there was financial support available, it was very clearly communicated." (Provider Interviewee)

Several other providers, who accessed government funding, reported that short-term funding provisions were inadequate in supporting their ongoing financial needs and that restrictions on the use of available funding limited its effectiveness:

"In the past we had the COVID support grant scheme… but we need some form of long-term funding." (Provider Interviewee)

"[One of the government funded supports is] apparently finishing in March. That is worrying for us because we don't know if they say that every year and then it rolls over for another year." (Provider Interviewee)

"We get extra money… [through a government funded support] and it was supposed to allow us to help with children who are suffering because of the pandemic… you cannot use it for wages, you cannot use it for rent." (Provider Interviewee)

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[112] Information provided to the research team by DE.

Table 6.1: Financial support available to childcare providers

Support Available	Funded by	Amount (£)	Eligibility
The Pathway Fund	DE	Competitive Fund, with a maximum annual award of £30,000 per setting	Open to all registered providers of early years education (0-4 years). Including: • Sessional day care settings • Full day care providers • Registered childminders
Bright Start School Aged Children Grant Scheme	DE	Maximum of £30,000 per setting	Registered providers of school aged childcare (4-14 years) in disadvantaged areas. For example: • Breakfast clubs • After-school clubs
Bright Start Children with a Disability Holiday Grant Scheme	DE	Competitive Fund	
Fair Play Children with a Disability Small Grants Scheme	The Early Years' Development Fund and DoH	Competitive Fund A group can apply for a grant of between £300 and £1500	
Childcare Partnership Regional Small Grants Scheme	The Early Years' Development Fund	Competitive Fund A group can apply for a grant of between £300 and £1500	

Source: RSM desk research and consultations, including with DE and HSC Childcare Partnerships

Note: In addition to the supports listed above all HSC Trusts in NI at times purchase childcare places for children in need, children in need of protection or looked after children (often by kinship carers) as part of a wider support package for families. These places are usually for part time hours and on a time limited basis

A minority of providers interviewed reported that government support is not available or equally accessible to all providers across the sector:

"There was a small grant scheme run by the childcare partnerships… but again this excluded private providers … which I thought was grossly unfair." (Provider Interviewee)

"The ideal would be the [government] recognise that we are providing the same level of education and the same level of care that children in nurseries attached to [a] school get… but we do not get the same amount of funding for it." (Provider interviewee)

While all of the childminders interviewed were able to access COVID-19 related funding during the pandemic, most expressed frustration that, since they were classified as sole traders rather than a small business, childminders could not currently access any of the support or grants that could otherwise be available to them: *"We always fall outside the remit of any help for small businesses because they don't view us as a small business." (Childminder interviewee).*

6.6 Changes in service income

While childcare across the UK was able to re-open for all children from the beginning of June 2020, research shows that demand for childcare in England was still 70% lower than pre-pandemic levels by August 2020.[113] Representative bodies in Scotland identified financial sustainability as a key concern for the sector, overall demand in April 2021 was still below the levels of demand observed in March 2020, leading to a 6% decrease in number of registered services. The most notable drops in demand were for school aged childcare, where only 8% of services were operating at 75% capacity or higher in August 2021, compared to 67% in March 2020. In contrast, early years settings held up relatively better, with 55% of day cares and childminding services that offer early learning care operating at 75% capacity or higher. Overall, the Scottish childcare sector was more concerned regarding sustainability after the pandemic than just before, possibly due to parent's changing work patterns and the inevitable withdrawal of temporary government financial support.[114]

Similar patterns of reduced demand were identified by all of the childcare providers who took part in the 2021 Employers for Childcare, NI Childcare

[113] Blanden, J. et al. (2020) Many Childcare Providers Face Big Financial Problems as a Result of the Pandemic

[114] Scottish Government (2021) Financial Sustainability Health Check of the Childcare Sector in Scotland

Survey, with 71% of providers either just breaking even or making a loss in 2021.[115] This was attributed to more parents having the choice to work flexibly from home and not requiring as much childcare. This structural change to how people work has led to increased uncertainty within the sector.

In Ireland, the government has responded to the increased financial uncertainty[116] by introducing the new *'Together for Better'* funding model for registered childcare providers. This includes funding for providers who agree to a fee freeze for parents who use their services. In total, the *Together for Better* model will spend at least €1 billion on the sector by 2028, helping to increase the financial viability of the 90% of providers who have already signed up, while protecting parents from fee increases.[117]

The results of the provider survey showed that in the last three years (since autumn 2019), far more providers experienced a drop in the average monthly income from their childcare provision than experienced an increase (see Figure 6.4). A quarter of providers have had their monthly income 'decrease a lot', with self-employed providers experiencing the most widespread fall in average revenues in this time period. On the other hand, private group childcare settings have had more settings with increased revenues (40%) than decreased revenues (34%), although the change was more severe for decreased revenues. Since the rates associated with childcare were not falling, the drop in monthly income was likely to be a consequence of falling demand compared to 2019/20. This implies that the formal childcare sector is in decline; the large proportion of providers experiencing falling monthly income demonstrates a market that is struggling to generate similar levels of demand for its services that it once enjoyed (see 3.3.1: Changes in demand).

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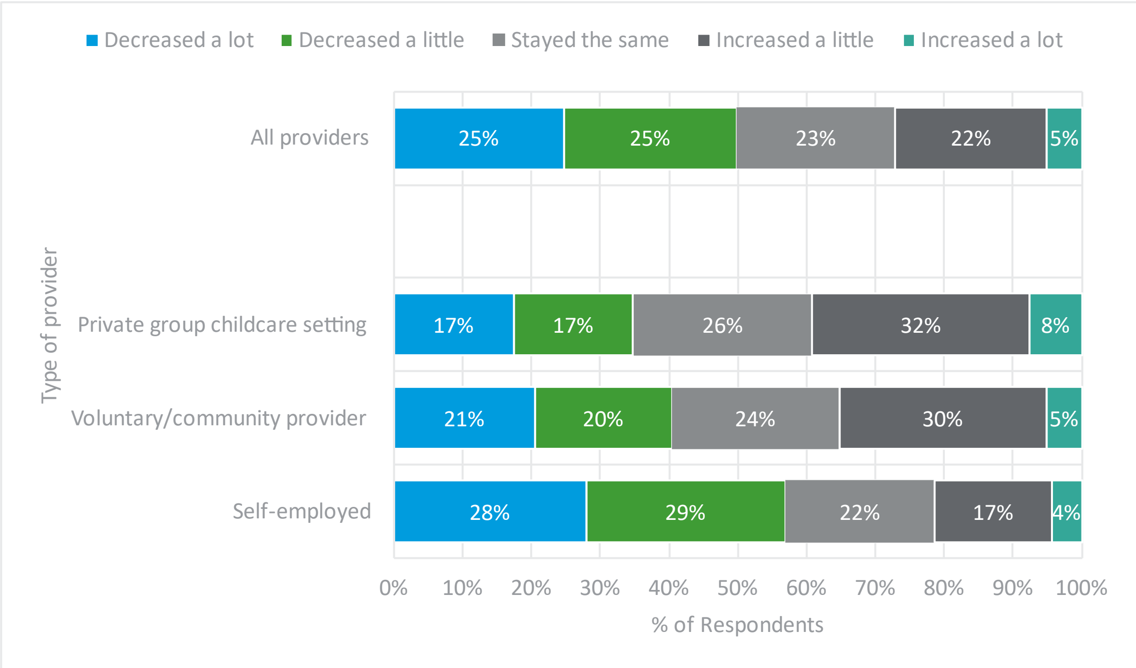
[115] Employers for Childcare (2021) Northern Ireland Childcare Survey

[116] Department of Children, Equality, Disability, Integration and Youth (2020) Independent Review of the Cost of Providing Quality Childcare Services in Ireland

[117] Minister O'Gorman launches 'Together for Better' new funding model for Early Learning and Care and School Age Childcare as Core Funding contracts begin for 4,000 services. (2022). Press release from the Department of Children, Equality, Disability, Integration and Youth. (Gov.ie)

Figure 6.4: Change in average monthly income in the last three years by provider type



Source: RSM survey of childcare providers Q.47
Base: 687

The aforementioned challenges in recruitment and retention and changes in demand by age group may have led to a reduction in the total capacity of many settings in order to maintain the required staff-child ratios (39% of group childcare settings said they have staff vacancies that they were unable to fill). This may explain why many providers reported demand that exceeds capacity (58% of respondents) and that average monthly revenues had decreased (50% of respondents). Of course, not all settings were experiencing both declining revenue and excess demand. Many childcare settings reported spare capacity for school aged children (72% of registered places for 4-11 year olds were filled, compared to 80% for 3-4 year olds and 83% for 0-2 year olds). A similar situation can be seen in Scotland, although most recent data was over a year old.[118]

[118] Scottish Government (2021) Financial Sustainability Health Check of the Childcare Sector in Scotland

6.7 Sustainability of other funding streams

A Fair Start stated that, *"the proportion of investment in Early Years needs to change in order to properly reflect the extent to which Early Years can positively affect health, education and life outcomes"*.[119] The National Lottery funded 35 projects for the childcare and early years sector in NI from 2018 to 2021, equating to over £2m,[120] however, this along with other investments (from the government or charities) is not sufficient to ensure the sector is financially healthy. Even before the pandemic, many childcare providers in the UK had been struggling financially. By 2020 in England, almost three in ten childcare settings were running with a significant deficit.[121]

A minority of the providers interviewed commented on the availability of funding to the sector. Those raising this issue, highlighted the need for additional resources to cope with rising costs to ensure quality in provision of childcare: *"I would love to go out and buy more resources… I've just finished a funding application form today as well [because]… [the equipment we have is] all second hand." (Provider interviewee).*

6.8 Summary

There is a lack of independent evidence on the financial health of the sector, therefore, analysis of the financial health of childcare providers is largely based on self-reported data collected through the provider survey. Care should be taken when interpreting these findings.

- Evidence of substantial cost increases[122] and declining profitability across the UK childcare sector,[123] is supported by the primary research: 39% of survey respondents reported that their costs had increased a lot in the last three years; 73% reported a steady or falling monthly income; and only 18% of survey respondents stated that they were making a profit (or 23% of those in the private sector). This raises concerns about the sustainability of the sector.

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[119] Education NI (2021) A Fair Start: Final Report and Action Plan. p3
[120] The National Lottery Funding Search Results (2022) Accessed at: Funding in Northern Ireland | The National Lottery Community Fund (tnlcommunityfund.org.uk)
[121] Blanden, J. et al. (2020) Challenges for the childcare market: The implications of COVID-19 for childcare providers in England. IFS Report No 175, https://doi.org/10.1920/re.ifs.2020.0175
[122] Archer, N. and Merrick, B. (2020) Getting the Balance Right: Quality and Quantity in Early Education and Childcare
[123] Blanden, J. et al. (2020) Many Childcare Providers Face Big Financial Problems as a Result of the Pandemic; and, Scottish Government (2021) Financial Sustainability Health Check of the Childcare Sector in Scotland

- The capacity for fee increases to help generate extra revenue for settings depends on how sensitive parents are to increased prices. Regardless, half of the providers plan to increase their fees in the next year, whilst around half of providers had already increased their fees in the last three years.
- However, the majority of providers interviewed expressed a reluctance to do so because this has negatively impacted the demand for their services in the past. They fear that parents might leave the formal childcare sector altogether because of price increases, leaving providers trapped by rising costs and an inability to increase revenues.
- This could result in more closures across NI in the coming years, reducing competition, choice for parents/children and exacerbating excess demand.
- While a range of government financial support is available to the sector (including over £5m of funding awarded in 2022/23), successful applicants represent less than 10% of the provider population. The desk-based research and stakeholder consultations suggested limited available information about eligibility. There is also a perception that this support is mainly geared towards voluntary/community providers.

7. FINANCIAL SUPPORT AND AFFORDABILITY

7.1 Introduction

This section provides:

> *An assessment of affordability challenges for parents based on income, and what, if any, government financial support is available.*

It is based on a combination of desk-based and primary research.

7.2 Affordability of childcare

The UK Government spends the second least amount of its GDP on childcare across all OECD economies, at just 0.07%,[124] and was just one of two countries in the OECD whereby 50% of early years spending comes from private sources such as parents' income.[125] Given this, it comes as no surprise that the UK has one of the most expensive childcare sectors in the world,[126] with the price of part time childcare for a child under two having risen by 59% from 2010 to 2021.[127] This is a much faster increase than inflation or average wages.

According to 2021 data, in the EU-27, dual-earner couples earning an average wage with two children spent 11% of their household income on childcare. In comparison, couples (on average wage) in the UK with two children spent 29% of their household income on childcare.[128]

The consequence of such expensive childcare is best evidenced by a recent UK-wide survey from mumsnet,[129] where 97% of respondents said that childcare in the UK was too expensive, and 50% said the costs were completely unaffordable or had a substantial impact on their standard of living. Low-income households, those on Universal Credit, one parent families, disabled parents and parents with a black ethnic background were found to be struggling the most, demonstrating

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[124] Centre for Progressive Policy (2021) Women in the labour market – Boosting mothers' employment and earnings through accessible childcare
[125] Lloyd, E. (2018) Underpaid and undervalued: the reality of childcare work in the UK
[126] OECD (2021) Net childcare costs for parents using childcare facilities.
[127] Economics Observatory (2022) Rising costs of childcare: which families are struggling the most?
[128] OECD Statistics (2021) Net childcare costs for parents using childcare facilities *[Note: data refers to net childcare costs as a percentage of average wage paid by dual-earner couples who receive social assistance and housing benefit]*
[129] Mumsnet (2021) Mega survey of UK parents shows that childcare is failing families

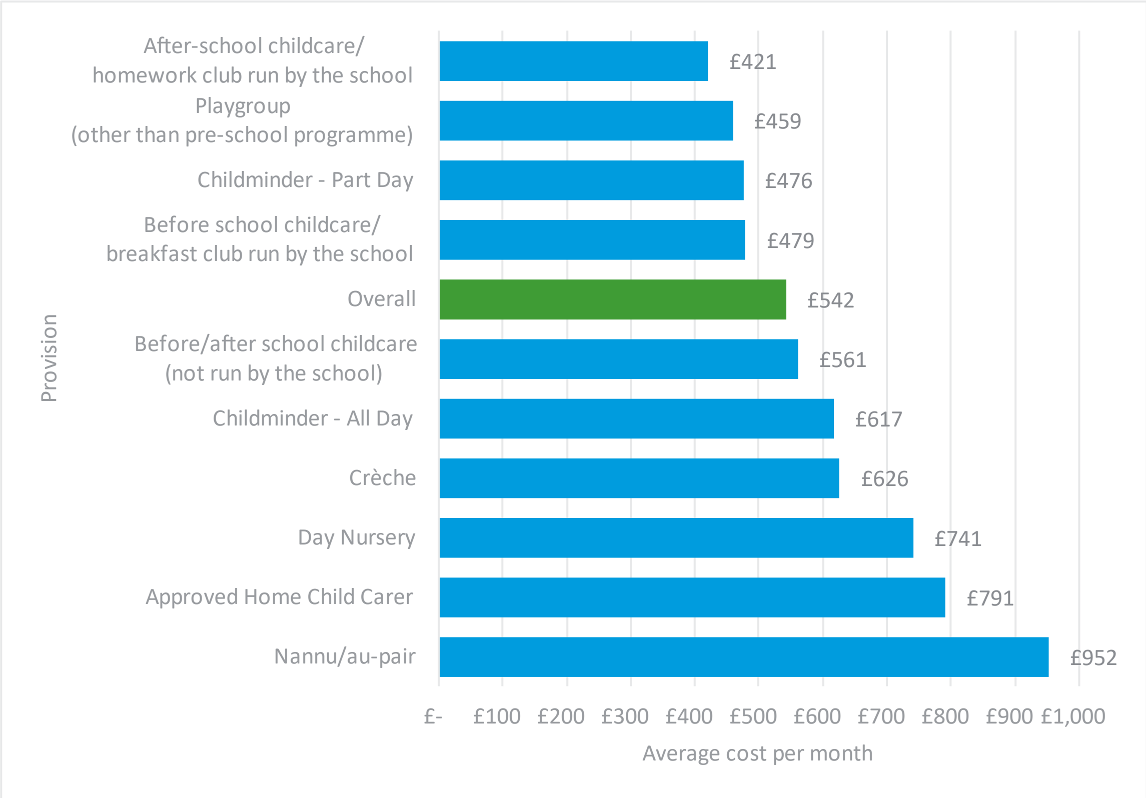
the regressive nature of the current childcare sector in the UK in terms of perpetuating existing inequalities.

In NI specifically, childcare can be a large financial outgoing for families. The 2021 Employers for Childcare, NI Childcare Survey found that the weekly average cost of a full time, formal childcare place (£170) made up 34% of the weekly median household outgoings, with a third of families reporting childcare as their second largest monthly expense, behind mortgage/rent payments.[130]

On average, respondents to the LucidTalk parent survey, reported paying £542 per month for formal childcare. This was based on an average usage of 100 hours of formal childcare per month. This was equivalent to a quarter of the average household income in NI in 2019/20 (before housing costs) of £26,447 per year.[131] However, there was some variation in the average monthly spend on different types of childcare provision, with parents who used nannies or au-pairs spending more than twice as much per month, on average, when compared to parents who used school based after-school childcare (see Figure 7.1).

[130] Employers for Childcare (2021) Northern Ireland Childcare Survey
[131] Note: Data is not available for 2020/21 due to changes in fieldwork activity that impacted on both the size and composition of the achieved sample (Department for Communities (2021) Households Below Average Income Northern Ireland 2019/20)

Figure 7.1: Parent reported spending on childcare per month



Source: LucidTalk survey of parents/carers Q.56
Base: 2,194

Table 7.1 presents the average cost and hours used of formal childcare by age group. This shows that respondents with 3-4 year olds paid the most on average per week for childcare (£152), followed by those with 0-2 year olds (£147). However, these age groups used more hours of formal childcare on average than older children. Therefore, when analysed by average cost per hour, there was little variation reported by survey respondents by age group.

Table 7.1: Average cost of formal childcare by age group

Age of child	n	Average cost per month	Average cost per week	Average hours used	Average cost per hour
0-2 years	1229	£638	£147	26	£5.66
3-4 years	934	£659	£152	26	£5.85
5-11 years	1329	£482	£111	19	£5.85
12-14 years	325	£346	£80	15	£5.32

Source: LucidTalk survey of parents/carers Q.45
Base: 2,513
Note: Analysis by age group is based on unweighted survey data and should therefore be treated as indicative rather than representative of the NI population.

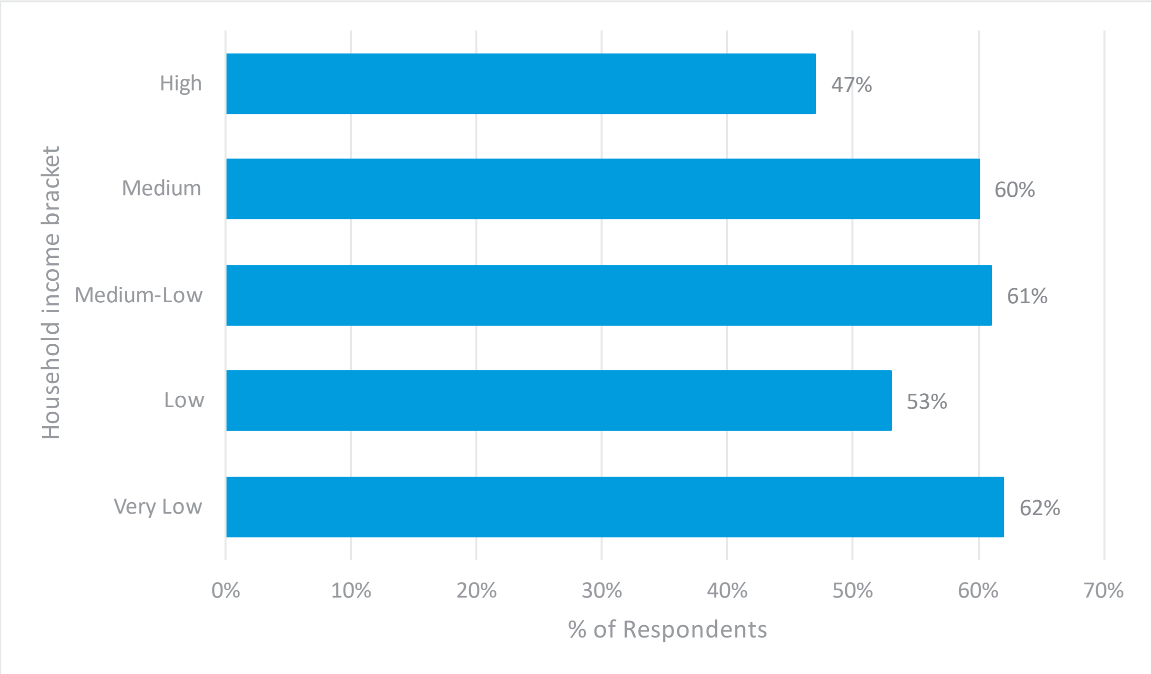
Affordability of childcare was a key theme discussed by all parents who took part in the primary research. The majority of stakeholders noted that in terms of accessing childcare, *"affordability is the key issue in practical terms" (Stakeholder interviewee).* The majority of stakeholders also suggested that demand for formal childcare would likely be higher if it was less expensive: *"We know there are many parents who are not currently using the childcare that they would like because they are locked out because of the cost" (Stakeholder interviewee).* The 97% uptake of fully funded PSEP places supports this view.

Over half of respondents to the parent survey (56%) reported not using formal childcare or using fewer hours than they would like because it was too expensive. Respondents with younger children were more likely to regard formal childcare as unaffordable:

- 64% of respondents with 0-2 year olds
- 64% of respondents with 3-4 year olds;
- 56% of respondents with 5-11 year olds; and
- 44% of respondents with 12-14 year olds.

Figure 7.2 shows the breakdown of responses by household income. This shows that 62% of respondents from very low-income households consider childcare to be unaffordable, compared to 47% of those from high-income households.

Figure 7.2: Proportion of parents who said formal childcare was unaffordable by household income group



Source: LucidTalk survey of parents/carers Q.45
Base: 2,513
Note: Income bands per annum defined as: very low (less than £10,000), low (£10,000 - £20,000), medium-low (£20,000-£40,000), Medium (£40,000-£69,000) and high (£70,000 - £150,000)

The parent survey also found that 71% of respondents who used informal childcare did so because it was free, or cheaper, than formal childcare. Only 11% of respondents who used informal childcare said they preferred it to formal childcare. Younger parents in particular were more likely to use informal childcare due to it being free or cheaper (83%). This highlights how, for a large majority of informal childcare users, their decision was influenced by childcare fees rather than personal preference. This suggests that affordability issues exist for many respondents.

A large number of focus group participants and open text comments in the parent survey acknowledged the commercial pressures experienced by childcare providers and indicated public backing for greater government support to providers: *"Childcare is very poorly suited to being a traditional business and subsidised care is the only real option if you want to make an actual impact" (Parent survey).* A number of stakeholders also felt that more funding was needed to support the childcare sector in NI and prevent the rising costs (described in Section 6.4) from being passed on to parents. These stakeholders pointed to recent investments in the Republic of Ireland and the potentially negative impact that could have on the childcare sector in Northern Irish border counties: *"Look at the huge investment now across the border [through the new Together for Better' funding model], I mean they're paying a lot. There's been a huge investment into both the settings and then the workforce, which is going to inevitably cause brain drain along the border counties here as people transition into for higher rates of pay across the border"* (Stakeholder interviewee).

Participants of one focus group perceived NI to be out of step with the rest of the UK in terms of funded childcare places. A number of parents expressed similar sentiments in open text comments within the survey: *"I think it's a disgrace where in England, Wales and Scotland, kids at 3 years of age get 30 hours free. This would make such a difference to families in Northern Ireland especially those with 2+ kids" (Parent survey).*

Overall in open text comments, respondents to the parent survey outlined a desire for greater financial support for working families: "*We are both working 40 hours a week and losing so much of our incomes to childcare costs, a non-working parent may get additional support" (Parent survey).* This was supported by in focus group participants, with parents expressing concerns about balancing employment, finances and family time: *"You're not going to be any financially better off and then fighting for time to see your children" (Parent focus group).*

Throughout the interviews, the majority of stakeholders emphasised the importance of government support in improving the affordability of childcare and called for additional financial support to be introduced: *"I think very much that there needs to be some kind of subsidising from local Government. [The] Government needs to realise that this is a crisis for our economy because if people can't afford childcare, they can't go to work" (Stakeholder interviewee).*

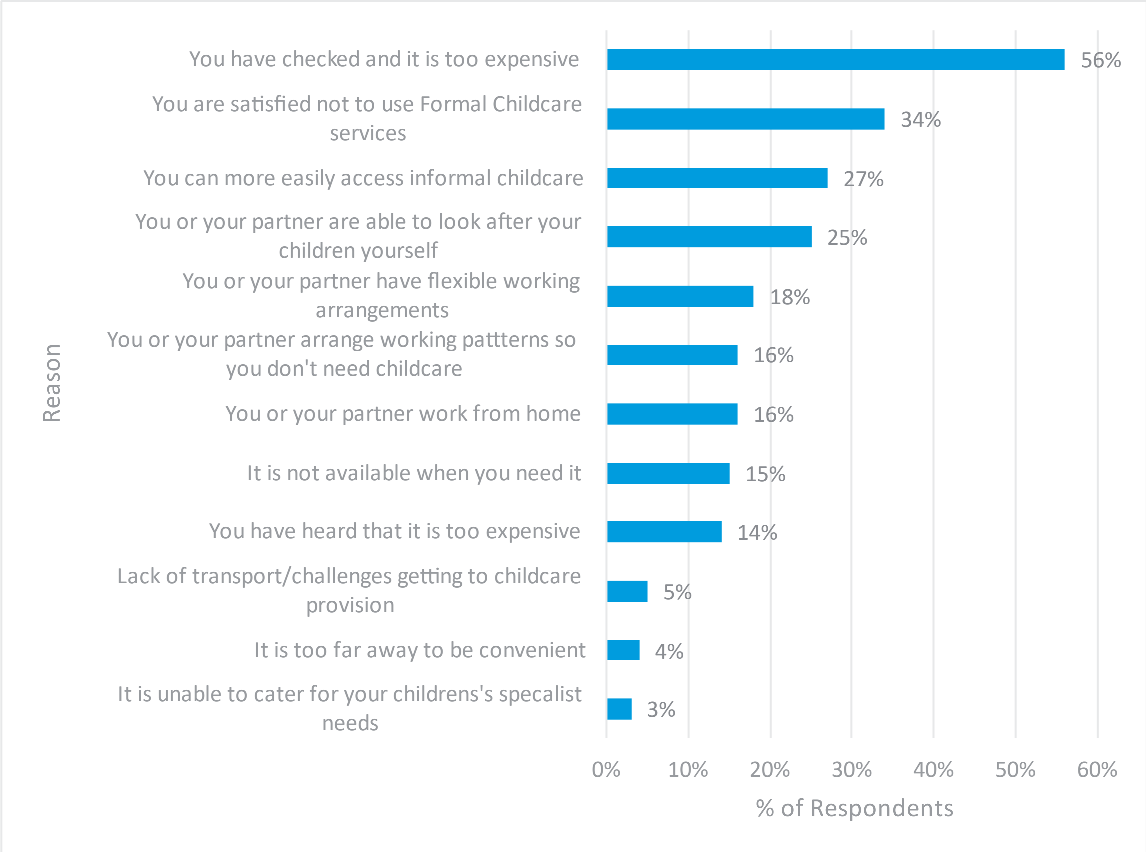
Overall, the parents who took part in the survey and focus groups considered formal childcare to be expensive, with many equating their current childcare fees to their mortgage payments. In open text comments, 459 parents highlighted challenges with costs. A further 308 suggested that childcare was too expensive:

"[When my children were younger] I was actually paying out more to pay for childcare than what I was taking home…I just don't think that's right" ***(Parent focus group)***	*"Over 50% of my current wage goes to pay my childcare bill without paying any other household bills"* ***(Parent survey)***	*"The price is extortionate. Myself and my husband are left with no disposable income after childcare costs and we are both in reasonably well paid jobs"* ***(Parent survey)***

63% of respondents to the parent survey reported that their spending on formal childcare had increased over the last year. One stakeholder noted that the cost of formal childcare often outweighed parents' earnings, despite the financial support available: *"To work full time you would have to be paying for five days a week. I think there's still a sense that those supports just aren't sufficient to make working worthwhile for a lot of people" (Stakeholder interviewee).* Additionally, parents often have to access other means of finance to supplement their income: *"Parents are reporting having to use means other than their ordinary income to pay for childcare, including, savings, credit cards, overdrafts, loans" (Stakeholder interviewee).* One stakeholder commented: *"I think we have to recognise that parents really cannot afford to pay what it takes to actually effectively run a good quality childcare centre, that is able to compensate staff appropriately, to have adequate heating, adequate resources" (Stakeholder interviewee).*

For those respondents who were using informal childcare, cost was the biggest reason for not using formal childcare or using fewer hours than they would like (56% of respondents reported that they had checked the cost of formal childcare and it was too expensive). Other reasons for not using formal childcare included satisfaction with current childcare arrangements (34%) and easier access to informal childcare (27%, see Figure 7.3).

Figure 7.3: Reasons for not using formal childcare, or accessing fewer hours



Source: LucidTalk survey of parents/carers, Q.45
Base: 2,213

In the parent survey, 77% of respondents reported that if childcare was free to use, they would use it more (rising to 82% of medium income households and 83% of low-income households). There was no difference between one parent and two parent families in their intended usage (both 77%).

7.3 Tax and benefit schemes for parents

There are a number of existing tax and benefit schemes available to help parents in NI with the costs of childcare. These are detailed Table 7.2.

Table 7.2: Financial support available to parents

Support	Funded by	Amount (£)	Eligibility
Childcare Vouchers	UK Government	Salary sacrifice scheme, both tax and national insurance exempt. £55 per week is the maximum amount available in vouchers for the standard rate taxpayer.	Closed for new applicants in 2018.
Child Tax Credit	UK Government	Means tested benefit, up to 70% savings on childcare. You must work a certain number of hours per week to qualify.	You could only make a claim for Child Tax Credit if you already get Working Tax Credit. The scheme closed for new applicants in 2018 (replaced by Universal Credit)
Tax-Free Childcare	UK Government	Up to £500 every 3 months (up to £2,000 a year) for each child. Up to £1,000 every 3 months if a child is disabled (up to £4,000 a year).	Cannot be accessed at the same time as claiming Working Tax Credit, Child Tax Credit, Universal Credit or Childcare Vouchers. Can be used for approved childcare including childminders, nurseries and nannies and sessional care Eligibility depends on: Employment status; Income (and partners' income); Child's age and circumstances; and, Immigration status
Universal Credit	DfC	Means tested benefit, up to 85% of childcare costs paid back to you. The maximum amount per month is: • £646.35 for one child • £1,108.04 for 2 or more children	Must be: In paid employment; or starting a job within the next month If you live with a partner, both must be in paid work. No minimum amount of hours worked required.
Childcare Dependants' Grant	Student finance (NI)	Means tested.	To apply for the grant you must be: A full time undergraduate student studying a degree, initial teacher training, or an HND/HNC, Foundation level degree course; Have dependent children under 15 years' old, registered in approved childcare; or Have dependent children under 17 years' old with SEN, registered in approved childcare. Do not qualify if partner is in receipt of any other tax/benefit schemes

Source: UK Government and Student Finance NI

Note: In addition to the supports listed above, all HSC Trusts in NI at times purchase childcare places for children in need, children in need of protection or looked after children (often by kinship carers) as part of a wider support package for families. These places are usually for part time hours and on a time limited basis.

Latest figures from April 2022 show that 5,700 families[132] in NI were claiming the childcare element of Child Tax Credits:[133]

- 1,700 in the Northern Trust;
- 1,300 in the Belfast Trust;
- 1,100 in the Southern Trust;
- 900 in the Western Trust; and
- 800 in the South Eastern Trust.

This was equivalent to 2% of the approximately 240,000 families with dependent children aged 0-14 years old (see Table 3.3). The average benefit from this scheme, across the UK, equates to approximately £4,150 per year. Whilst time series data on the childcare element is not available, the total number of beneficiaries in receipt of any type of tax credit in NI has decreased significantly from 155,000 in April 2017 to 68,000 in April 2022.[134] This was mainly due to the closure of the scheme to new applicants in December 2018 following the full digital roll out of Universal Credit, which replaced the working tax credit scheme.

An estimated 1.3 million families were eligible for Tax-Free Childcare across the UK.[135] 512,415 of these families used the scheme in the financial year of 2021/22, representing just under 40% of all eligible families.[136] A total spend of £411.3m on Tax-Free Childcare across the UK in the same period equates to an average of £803 worth of Tax-Free Childcare support per family in the year. Expenditure data was not available for NI only.

Table 7.3 provides a breakdown of the families who use Tax-Free Childcare in NI by Trust. This shows that the total number of families using Tax-Free Childcare increased steadily year on year since its inception in 2017/18 to 11,050 in the financial year 2021/22. This represented approximately 5% of families with dependent children aged 0-14 years old (see Table 3.3).

[132] HMRC (2022). Child and Working Tax Credits statistics: Provisional awards – April 2022 –
[133] Note: figures do not sum to 5,700 due to rounding
[134] HMRC (2022). Child and Working Tax Credits statistics: Provisional awards – April 2022.
[135] Mak, A. (2022). Children: Day Care. Question for Treasury. Written questions, answers and statements. UK Parliament. UIN 39981
[136] HMRC (2022). Tax-Free Childcare statistics, September 2022.

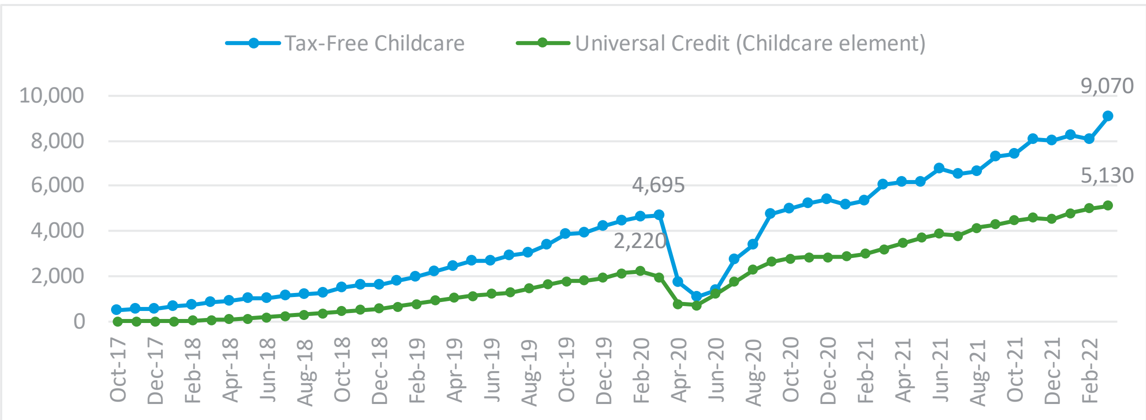
Table 7.3: Number of families with used Tax-Free Childcare accounts, by HSCT and year

Area Name	2017/18	2018/19	2019/20	2020/21	2021/22
Belfast	165	435	950	1185	1720
Northern	260	770	1765	2245	3295
South Eastern	210	585	1380	1720	2570
Southern	180	510	1155	1470	2290
Western	120	315	645	815	1170
Total	**930**	**2,605**	**5,900**	**7,425**	**11,050**

Source: HM Revenue and Customs (2022) Tax-Free Childcare statistics

The latest monthly figures show that 5,130 households in NI were using the childcare element of Universal Credit in March 2022.[137] This was equivalent to around 2% of families with dependent children aged 0-14 years old (see Table 3.3). The average monthly payment per household in March 2022 was £420, whilst the total spend on childcare Universal Credit in NI in the 2021/22 financial year was approximately £20.9 million. Like Tax-Free Childcare, the number of households receiving this support has increased since 2017 (see Figure 7.4). However, there was a dip in Spring/Summer 2020, coinciding with the timing of COVID-19 restrictions. Data is not available by Trust area.

Figure 7.4: Total recipients of Tax-Free Childcare and Universal Credit per month



Source: Publicly available data retrieved from: Department for Communities NI (2022) Universal Credit Statistics - August 2022; and, HMRC (2022). Tax-Free Childcare statistics, September 2022.

[137] Department for Communities NI (2022). Universal Credit Statistics - August 2022

In addition to the childcare related supports, detailed in Table 7.2, there are a number of other government financial supports to help parents with the costs of looking after their children more generally. This includes child benefits, Free School Meals and benefits to support children with disabilities.

Parents or those responsible for a child under the age of 16 years old (or 20 years old if they stay in approved education or training) are eligible for child benefits to support the costs of looking after them (such as food, clothes etc.) Only one person can claim child benefit for each child. In 2021 child benefit payments were received for 341,625 children across NI. While these figures are not directly comparable with Table 3.4 due to the inclusion of 15 year olds, they do indicate that parents were able to claim child benefits for the majority of children in NI. Table 7.4 provides a breakdown of payments by HSCT.

Table 7.4: Number of children for whom child benefit payment is received 2021

HSCT	Children: under 5	Children: 5 – 10	Children: 11 - 15	Total
Belfast	16,775	23,960	19,330	**60,065**
Northern	29,895	41,850	35,005	**106,750**
South Eastern	13,575	19,705	16,655	**49,935**
Southern	22,480	31,895	26,595	**80,970**
Western	14,870	20,660	17,375	**43,905**
Total	**97,595**	**138,070**	**114,960**	**341,625**

Source: HM Revenue and Customs (2022) Child Benefit Small Area Statistics: August 2021

A total of 97,631 children (or 28% of pupils) in NI were also entitled to Free School Meals in 2020/21.[138] This has decreased slightly from 99,142 (or 29%) in 2019.[139] This suggests a marginal decrease in the number of children experiencing economic deprivation.

A further 26,250 people in NI received benefits to support children with disabilities (see Table 7.5). These figures have increased over the last year, driven by an increase in the number of claims for children aged 11-15 years old.

[138] Department of Education (2021) School Meals Statistical Bulletin 2020/21

[139] Department of Education (2021) Final School Meals Tables for 2020/21: Table 6

Table 7.5: Benefit claimants for children with disabilities 2019 to 2022

Benefit claimants	2019	2020	2021	2022
Under 5	2,290	2,080	1,900	2,130
5 – 10	11,920	11,650	11,060	11,570
11 – 15	10,720	11,220	11,550	12,550
Total	24,930	24,950	24,510	26,250

Source: Department for Communities (2022) Benefits Statistics Summary Publication

Overall, parents suggested that there was limited information about the financial support available to them, and that they were often reliant on word-of-mouth from other parents: *"There is no central place to go and find out about these things and it's really hard to plan because you're just relying on somebody telling you" (Parent focus group).*

A number of stakeholders agreed that more communication from the Government about what financial support is available was required: *"There are community and voluntary sector organisations that are sign-posting to that financial support and there are benefits and welfare advisors that are making people aware of the financial support but government departments could do more to communicate about what is available" (Stakeholder interviewee).*

Other stakeholders argued that even when parents were aware of the financial support available to them, they may encounter barriers to accessing this support:

- Parents may not be comfortable with the process for accessing financial support: *"They might feel that that's too complex to apply for" (Stakeholder interviewee)*
- Parents may have limited information about how to apply: *"I think some parents might be aware of the support but might not have enough information or access to the right advice or guidance to be able to access it" (Stakeholder interviewee)*
- Families who require support with childcare costs may not be eligible: *"There was a man who was on £43k to £44k a year. His wife was not working but wanted to get into training…They could not get Universal Credit, but could not get Tax-Free Childcare [either] because both parents have to be working" (Stakeholder interviewee).*

Some stakeholders spoke of the additional challenges of accessing childcare financial support for parents whose children have disabilities, special needs and other additional needs. Awareness of the support available was also said to be a factor for this group: *"There is a real lack of awareness of what financial support parents [of children with disabilities, special needs and other additional needs] might be entitled to" (Stakeholder interviewee).* Another stakeholder reinforced this view: *"They may not be aware of what provision would be suitable for them or providers who may offer support for children with a disability" (Stakeholder interviewee)*.

The majority of respondents to the parent survey, who were using formal childcare, reported using financial support to help pay for the cost of childcare (71%). Table 7.6 presents the financial support accessed by household income band. This shows that, Tax-Free Childcare was the support most commonly used by respondents, particularly those in medium and high-income households, whereas Universal Credit and Working Tax Credit were more commonly reported by medium-low and very low-income households.

Table 7.6: Financial support accessed by parents

Household Income	Child Tax Credit (n)	Child Tax Credit (%)	Tax-Free Childcare (n)	Tax-Free Childcare (%)	Childcare Vouchers (n)	Childcare Vouchers (%)	HSCT supported placement (n)	HSCT supported placement (%)	Universal Credit (n)	Universal Credit (%)	Working Tax Credit (n)	Working Tax Credit (%)
Very low	29	9%	4	1%	0	0%	2	25%	49	36%	12	24%
Low	27	9%	3	0%	2	1%	1	13%	22	16%	13	27%
Medium-Low	78	25%	78	10%	24	8%	1	13%	49	36%	17	35%
Medium	112	36%	377	48%	130	41%	2	25%	7	5%	4	8%
High	38	12%	256	33%	122	38%	1	13%	0	0%	0	0%
Unknown	25	8%	64	8%	40	13%	1	13%	8	6%	3	6%
Total	**309**	**100%**	**782**	**100%**	**318**	**100%**	**8**	**100%**	**135**	**100%**	**49**	**100%**

Source: LucidTalk survey of parents/carers, Q.57
Base: 1,478
Note: In addition to the financial supports directly available to parents (see Table 7.2), all HSCTs in NI at times purchase childcare places for children in need, children in need of protection or looked after children (often by kinship carers) as part of a wider support package for families. These places are usually for part time hours and on a time limited basis.
Income bands per annum defined as: very low (less than £10,000), low (£10,000 - £20,000), medium-low (£20,000-£40,000), Medium (£40,000-£69,000) and high (£70,000 - £150,000)

A small number of parent focus group participants said that they used Tax-Free Childcare, and that this was a helpful contribution to their overall childcare costs: *“I didn't realise how much it made a difference” (Parent focus group).* In open text comments to the parent survey, respondents also endorsed Child Tax Credits: *“I would not be able to afford to pay or go to work if I didn’t get access or receive Child Tax Credits” (Parent survey).* However, 5% of parents surveyed said that providers in their area did not accept tax and benefit schemes, particularly after-school provision. In focus groups, parents commented that they could not use Tax-Free Childcare to pay for summer schemes, and that this limited their choice.

One stakeholder noted, *"Tax-Free Childcare is something that they are saying is being really under-claimed in Northern Ireland" (Stakeholder interviewee).* This was perceived to be due to the use of unregistered or informal childcare. Additionally, if parents avail of other forms of childcare such as after-school clubs, financial support in the form of Tax-Free Childcare is often not an option:

> *"You might have schools who operate their own activity clubs, homework clubs, evening clubs, that is in effect childcare, but parents are not getting any financial help towards that. It is a false economy really" (Stakeholder interviewee).*

This led one stakeholder to believe that more action should be taken to ensure greater registration: *"I think we could be doing more to make sure that childcare is registered and regulated and to make sure that parents can get the funding that is readily available for them" (Stakeholder interviewee).*

Even with Tax-Free Childcare, some parents still suggested that formal childcare was too expensive: *“20% for Tax-Free [Childcare] is too little as informal childcare [is] still much cheaper” (Parent survey).* A few stakeholders recognised the need for financial support which is accepted by all providers across NI: *"I think that could be beneficial if there was a scheme across everywhere in Northern Ireland, not just certain organisations picking it up" (Stakeholder interviewee).*

A number of stakeholders also highlighted perceived flaws in the Universal Credit support:

> *"If somebody is trying to move back into work or is coming off maternity leave, issues with Universal Credit can also mean that parents are at a disadvantage when they are trying to move into work because they are having to pay for*

upfront childcare costs and then claim that back as a reimbursement. That can put real pressure on the household" (Stakeholder interviewee).

Some stakeholders said that the Advisor Discretion Fund, which was introduced to reduce pressure on families who were reliant on support from Universal Credit, was beneficial: *"There has been some mitigation of that through the Advisor Discretion Fund, which is really welcome in Northern Ireland" (Stakeholder interviewee).* However, one more stakeholder noted that often families were unaware they were entitled to access the fund*: "That definitely needs to be promoted and awareness and raised of that" (Stakeholder interviewee).*

7.4 Specific groups struggling with affordability

Summer childcare provision was regarded as particularly expensive for those with school age children: *"The summer scheme was £600 for the month for one child, so about £1200 for the two children just for one month. I hadn't prepared for it financially, so it took a while to clear that debt. Next year, I know I can't afford it" (Parent focus group).*

The interviews and focus groups suggested that childcare for children who had not yet reached school age was more expensive due to the child needing all day care. This was supported by findings from the parent survey. As noted earlier in Section 7.2, parents with 0-4 year olds were more likely to say that they were using less formal childcare than they would like because it was too expensive or unaffordable compared to parents of school aged children. Similarly, parents with younger children were more likely to say that the reason they used informal childcare was because it is free or cheaper than formal childcare (37% of respondents with 0-2 year olds and 39% with 3-4 year olds, compared to 33% with 5-11 year olds and 24% with 12-14 year olds). Analysis of average costs reported by parents in the survey indicated that there was little variation in the average cost per hour by age group (see Table 7.1). However, respondents with 0-4 year olds tended to use more childcare per week than those with 12-14 years old (26 hours on average, compared to 15 hours), resulting in higher overall costs.

A minority of the providers interviewed also felt that parents on middle-incomes and younger parents were two groups that were struggling with affordability. A minority of providers commented that parents on middle-incomes were less likely to receive government support, and so would feel the impact of rising childcare fees the most: *"Squeezed middle-incomes will start being affected first. People* *who have a job… do not receive any sort of benefits but they will be the ones with children in nurseries in my area. They will be the ones that will start falling away first" (Stakeholder interviewee).* Another provider responded that young families on Universal Credit were struggling to afford childcare payments due to backlogs in payments: *"I have found that Universal Credit the Government are not helping the young, young parents. They want them to go back to work, but they're not helping them." (Stakeholder interviewee).*

A number of parents who had availed of Sure Start reflected positively on the scheme and suggested that it had been beneficial for their child's development: *"I could not highly enough recommend this service. Nothing I know of replaces or competes with this early intervention for those of us lucky enough to avail of it" (Parent survey).* However, many considered the current postcode access criteria to be arbitrary, and suggested that access should be made universal: *"Sure Start should be made available to all parents, not just those in certain areas" (Parent survey).* This view was reinforced by one stakeholder who said that whilst Sure Start is beneficial for parents, *"those are only based in areas of deprivation" (Stakeholder interviewee).*

7.5 Summary

- The UK has one of the most expensive childcare sectors in the world,[140] with the price of part time childcare for a child under two having risen by 59% from 2010 to 2021.[141]
- Respondents to the parent survey reported an average cost of £6 per hour for formal childcare with 63% saying that their spending on formal childcare had increased over the last year.
- Over half of respondents to the parent survey said that cost prevented them from accessing formal childcare (56%). Parents with babies and toddlers were more likely to report using less formal childcare than they would like because it is too expensive (64% of respondents with 0-4 year olds).
- The majority of those who used informal childcare did so because it was either free or cheaper than formal childcare (71%). This was more common among parents of younger children. Only 11% reported using informal childcare out of preference to formal services.

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[140] OECD (2021) Net childcare costs for parents using childcare facilities.
[141] Economics Observatory (2022) Rising costs of childcare: which families are struggling the most?

- Most parents reported that, if childcare was free to use, they would use it more (77% of respondents, rising to 82% of medium income households and 83% of low-income households).
- Parents can access a range of tax and benefit schemes to help pay for childcare. The majority of respondents to the parent survey who used formal childcare accessed at least one of these supports (71%). One stakeholder noted that the Advisor Discretion Fund had helped to address some of the concerns linked to the timing of Universal Credit payments.
- However, a substantial number of parents and stakeholders raised concerns about a lack of information on what support was available, who was eligible for it and how to access it. This was also an issue for parents of children with disabilities, special needs or additional needs.
- A minority of respondents to the parent survey (5%) said that some providers did not accept Tax-Free Childcare or Childcare Vouchers, particularly after-school provision or summer schemes. Some stakeholders argued for an increase in registered provision to include school based provision such as after-school clubs so that parents could avail of financial support for these too.
- Desk research indicated that affordability of childcare was a particular challenge for low-income households, those on Universal Credit, one parent families, disabled parents and parents with a black ethnic background, perpetuating existing inequalities.[142]
- Many parents and stakeholders called for an increase in government financial support given directly to providers, to help support the sector and protect parents from rising costs.

[142] Mumsnet (2021) Mega survey of UK parents shows that childcare is failing families

8. IMPACT ON PARENTS' EMPLOYMENT

8.1 Introduction

This section provides:

> *An assessment the barriers to employment for parents and of the extent to which accessibility or affordability of childcare is a barrier to employment;*
> *The identification of what parents need and want in terms of childcare provision to facilitate employment, and any gaps in childcare that prevents these needs and wants from being met.*

It is based on the findings from the desk-based and primary research with parents and stakeholders.

8.2 Parents' labour market decisions

Research indicated that childcare was an important determinant of employment patterns among parents, particularly their ability to afford and access formal childcare. Perceptions about formal childcare along with the availability of informal childcare greatly affects parents' employment decisions.[143] A 2018 OECD report showed that access to affordable childcare was also linked to reduced levels of poverty and equality of opportunity, by facilitating employment of parents, increasing income levels and promoting healthy child development for success later in life.[144] However, a 2021 mumsnet survey found that 94% of UK parents who changed their work patterns after having children, cited childcare costs as a reason.[145] This was supported by analysis of the employment status of parents in NI (shown earlier in Table 3.5), which showed that although most were employed on either a full time (64%) or part time basis (19%), parents were more likely to be economically inactive and looking after the family home in the first two years of their child's life (10%, compared to 7% on average) and more likely to work part time when their child was pre-school or primary school aged (23% and 22% respectively, compared to 19% on average).[146]

Findings from the primary research showed that, 5% of respondents from one parent families were unemployed and less than 1% of respondents from two

[143] OECD (2020) Is Childcare Affordable?
[144] OECD (2018) "Poor Children In Rich Countries: Why We Need Policy Action", OECD Policy Brief on Child Well-Being
[145] Mumsnet (2021) Mega survey of UK parents shows that childcare is failing families
[146] Office for National Statistics (2022) Families and the labour market, Northern Ireland

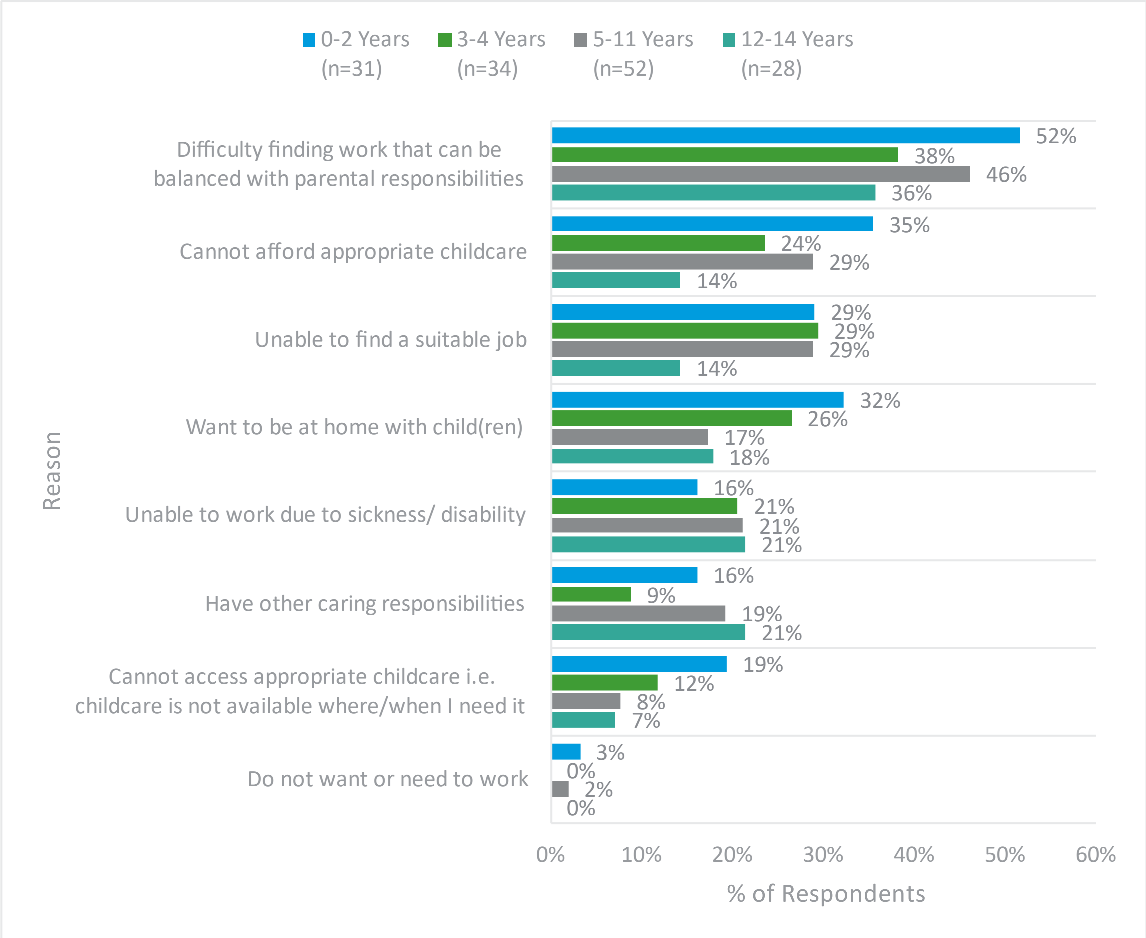
parent families were unemployed (including both the respondent and their partner). Across NI 2% of all parents with dependent children were unemployed in 2021 (see Table 3.5). When asked why they were not currently working, parental responsibilities alongside affordable and accessible childcare were the main reasons given, particularly for one parent families, with respondents from two parent families being more likely to have other caring responsibilities:

- 51% of respondents in one parent families and 19% in two parent families were not currently working due to difficulties in finding work that could be balanced with parental responsibilities;
- 29% of one parent families and 16% of two parent families stated that this was due to childcare affordability;
- 18% of one parent families and 5% of two parent families stated that this was due to childcare accessibility;
- 19% of one parent families and 11% of two parent families wanted to stay at home to be with the children;
- 15% of one parent families had other caring responsibilities compared to 30% of respondents in two parent families.

Respondents also reported some non-childcare related reasons, such as being unable to find a suitable job (41% of one parent families and 17% of two parent families) and being unable to work due to a sickness or disability (14% of one parent families and 26% of two parent families). The number of respondents, from either one or two parent families, who said that they were unemployed because they did not want or need to work was negligible.

As shown in Figure 8.1, the age of their child also influenced respondents' answers to this question. For example, while difficulties in finding work that could be balanced with parental responsibilities was still the main reason given across all age groups, respondents with children aged 0-2 years were more likely to want to be at home with their children (32%, compared to 17% of parents aged 5-11 years), reflecting the NI wide data.

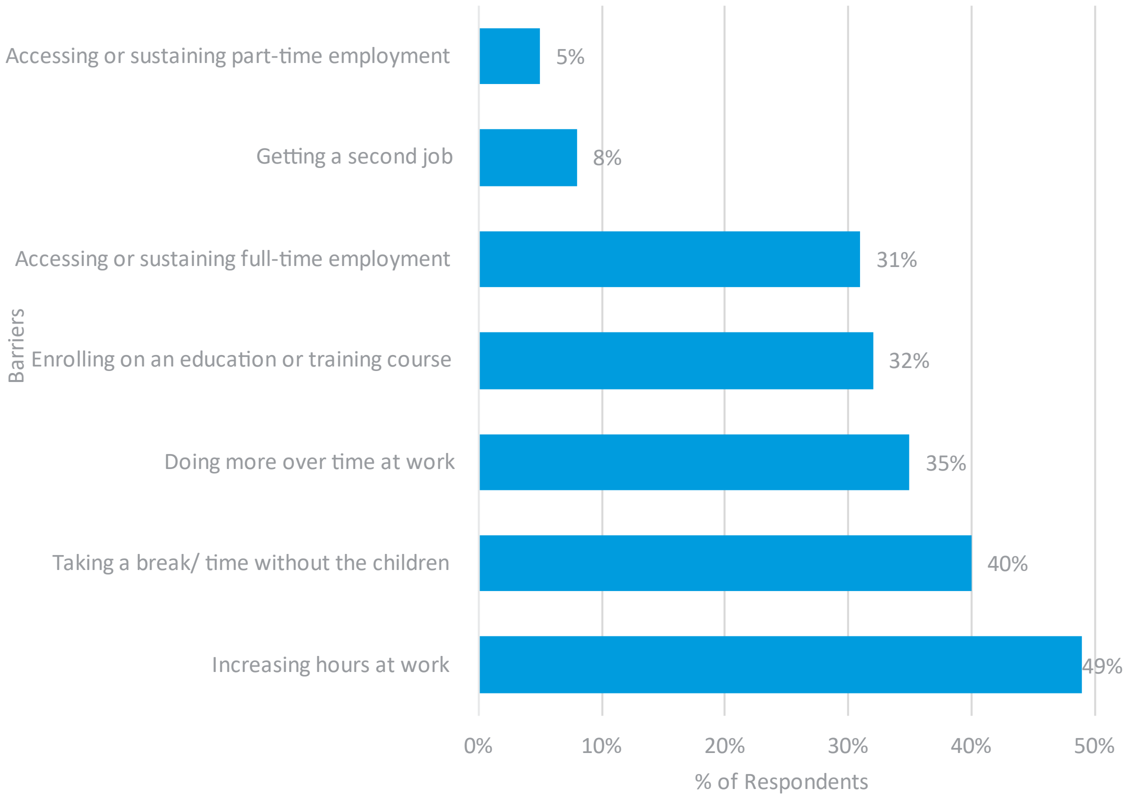
Figure 8.1: Reasons for parents being out of work, by children's age group



Source: LucidTalk survey of parents/carers Q.5, 8 & 11
Base: 73
Note: Analysis by age group is based on unweighted survey data and should therefore be treated as indicative rather than representative of the NI population. The 73 respondents include only those who said they were currently not working, rather than those who were permanently sick/disabled, carers, those on parental leave, students or retired.

Figure 8.2 illustrates how access to formal childcare has impacted respondents' labour market decisions. This shows that almost half of respondents (49%) said that lack of access to formal childcare had prevented either them or their partner from increasing their hours at work. This was more common for respondents from very low-income households (77%, compared to 33% of high-income households). Overall, 31% of parents indicated that childcare responsibilities had prevented them or their partner from accessing or sustaining full time employment. This was also more common for respondents from a very low-income households (66%, compared to 21% in high-income households). These findings were similar to the 2021 Employers for Childcare Survey, where 44% of parents said that difficulties in affording and accessing childcare affected their ability to work.[147]

Figure 8.2: Has lack of access to formal childcare ever prevented you or your partner from...?



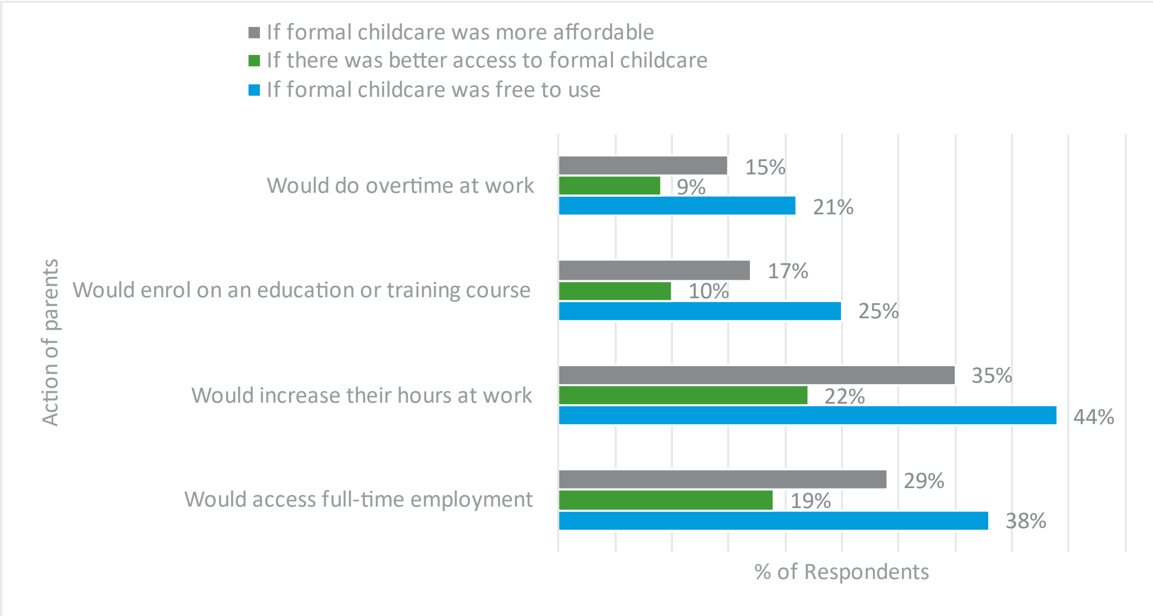
Source: LucidTalk survey of parents/carers Q.84
Base: 4,751

If they had better access to childcare, 41% of respondents reported that they would use it more (44% of females and 36% of males), 26% would perhaps use it more and 20% would not use childcare more. Those who would not use childcare more tended to be older (43% of those aged 55+ would not use it more, compared to 14% of 18-34 year olds).

[147] Employers for Childcare (2021) Northern Ireland Childcare Survey

Parents were also asked how their circumstances would change if formal childcare was free, more accessible or more affordable. Figure 8.3 shows that cost of childcare is a considerable barrier to parents' employment.

Figure 8.3: What would you do if formal childcare was free, more accessible or more affordable?



Source: LucidTalk survey of parents/carers, Q.84
Base: 4,751

Parents who took part in the focus groups spoke of the impact that limited accessible and/or affordable childcare had on their employment opportunities. These impacts included declining promotion opportunities and turning down additional or full time hours, because the childcare costs outweighed the potential increase in earnings. One parent noted: *"A job has come up, it's a promotion that I'm really interested in, and I meet all the criteria. But I'm not going to apply for it because that would be a full time position. If I work 37.5 hours, those additional 17.5 hours would be working solely to pay for childcare… I don't want to do that" (Parent focus group).*

One stakeholder also emphasised the negative impact that a lack of affordable and accessible childcare has on parents and the family unit: *"Without affordable and appropriate childcare people cannot access the labour market, they are more likely to be at risk of poverty, they are less likely to be able to lift themselves out of poverty" (Stakeholder interviewee).*

8.3 Equity

Barriers to employment, stemming from childcare, disproportionately affect certain groups in society. The 2011 evaluation of the UK Government's Childcare Affordability Pilots (CAP09) identified two main types of childcare-dependent barriers to parents taking up employment, namely attitudinal and practical barriers. These were further worsened by financial barriers.[148] The study showed that interest in the London-based scheme primarily depended on attitudes to work and childcare. Particularly, the gendered attitude that male parents should be the main earner in the household and female parents should be the main carers. Parents' decision to wait for a later stage in their child's development to begin paid work also posed a barrier to employment, coupled with distrust of formal childcare settings. Other barriers were finding suitable employment and lack of skills, confidence, and experience. Many of these barriers posed a greater challenge when coupled with financial constraints. Particularly, parents involved in the pilot said acquiring a deposit to secure a nursery place was a key barrier to formal childcare, and their own employment.

Expensive childcare imposes greater constraints for low-income families and threatens efforts to escape poverty. Despite being in full time work, bearing high costs for childcare poses financial strains on families. In the UK, working single parents must earn, on average, over 20% of the female median full time earnings to escape poverty.[149] The high threshold for escaping poverty coupled with expensive childcare poses a threat to low-income families, even in countries with generous childcare support. This is worsened by the withdrawing levels of financial support from government as incomes increase, although not to the level of escaping poverty.

Evidently, links between childcare usage and parents' employment are multifaceted and complex. However, the literature suggested that provision of affordable childcare was an enabler to maternal employment.[150] There was a great divide between women and men's employment decisions in the years following the birth of a child. While mothers increasingly withdrew from employment, fathers tended to remain or move into employment following childbirth, reinforcing gender stereotypes within the family context. Less than a

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[148] Ipsos MORI (2011) Childcare Affordability Pilots (CAP09) – 100% Costs Pilot: the importance of cost as a driver of family decisions about work and childcare – a data analysis report
[149] OECD Tax wedge and effective tax rates on labour, OECD, Paris.
[150] Browne, J. and D. Neumann (2017), Childcare costs in 2015, OECD Tax wedge and effective tax rates on labour, OECD, Paris, https://taxben.oecd.org/tax-ben-resources/Childcare-costs-in-2015.pdf (accessed on 28 October 2019).

fifth of new mothers and only 29% of first-time mothers returned to a full time career following maternity leave.[151] Further, many of those who worked full time prior to childbirth either moved to part time work or stopped working altogether. These patterns persisted in the three years following birth. This perpetuated gender inequality, with the ‘burden of childcare’ falling disproportionately on women,[152] hindering their ability to focus on their career to a much greater extent than men.

Evidence on couples’ employment decisions reinforced gendered labour market patterns. Among couples where both partners worked full time before the birth of their child, 48% were both in full time employment three years later. Meanwhile, in 36% of couples, the woman moved to part time work, while the man remained in full time employment and in 15% of couples the woman left employment, while the man continued to work full time. Evidence also overwhelmingly showed that men were the dominant earners, even more so in the three years after birth. Prior to birth men were the main earner in 54% of couples. This increased to 69% in the three years following birth.[153]

While affordability of childcare was not the only determinant of parents’ employment decisions, literature showed that their decision to work was negatively affected by costs of childcare. Expensive childcare was particularly a barrier to the labour market for low-income families. Accepting government support and accessing childcare was also dependent on attitude of parents and practical aspects of childcare arrangements. In addition, as bulk of the responsibility for childcare continued to be placed on women, both their employment aspirations and opportunities were hindered in the years immediately after birth.

In the primary research, one parent families and those on low-incomes who took part in focus group sessions described how childcare was a particular barrier to their employment: *“I had really bad experience with Universal Credit ... I was told to bring my daughter to interviews with me because I have nobody [to mind her]. But can I get a job if I don’t even have someone to watch her during the interview?” (Parent focus group).* Another parent stated: *“If you're a single parent and if you've got no family help, unless you have a good education, there's no hope of you being able to get a half decent job and afford childcare” (Parent*

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151 Borkowska, M. et al. (2019) Employment pathways and occupational change after childbirth, Government Equalities Office.
152 Ladge, J. et al. (2020) The Importance Of Childcare in Re-opening the Economy
153 Borkowska, M. et al. (2019) Employment pathways and occupational change after childbirth, Government Equalities Office.

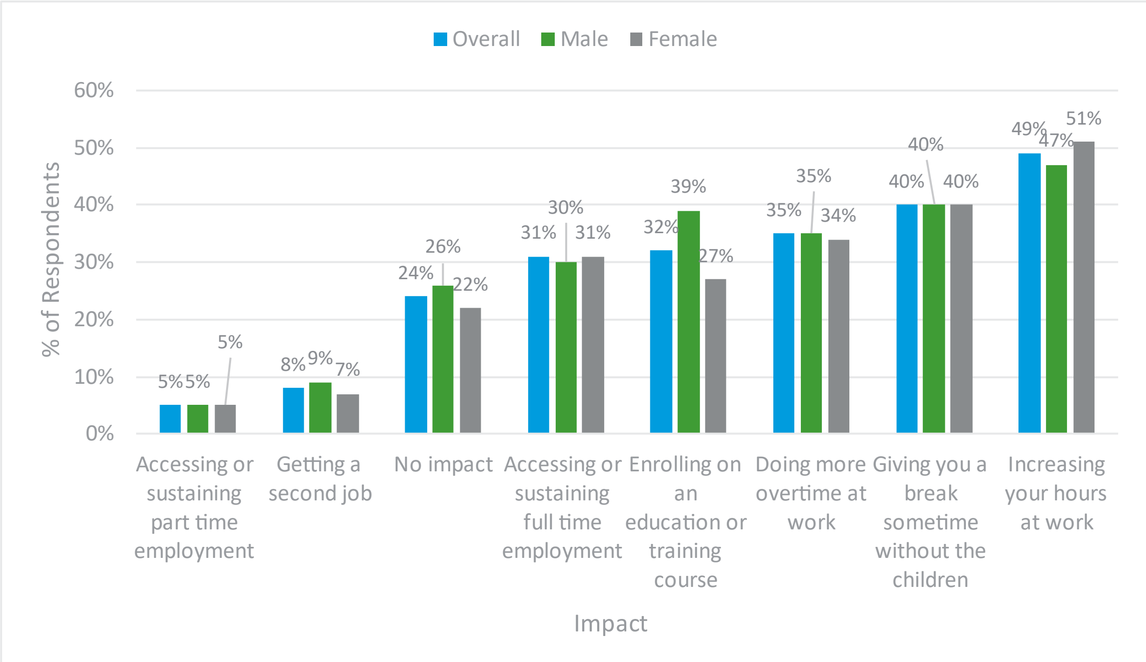
focus group). In addition, the lack of flexibility in the timing of childcare was referenced by a number of stakeholders as a concern for parents with low-income jobs: *"A lot of low-income jobs require a lot of flexibility. They expect staff to be able to work whatever hours. There's a lot of conditionality in the benefit system, so they [are] expected to take on these jobs… but parents can't be flexible as a childcare is not flexible" (Stakeholder interviewee).*

The parent survey indicated that 37% of one parent families identified childcare as a barrier to full time employment, compared to 30% of two parent families. This was supported by a number of stakeholders: *"Lone parents are a group of parents that get hit really hard by childcare… they have one salary coming in and there there's no one else to supplement it [childcare] so they either have to be part time or don't get a chance to be part of the employment market or not as fully as they want to be" (Stakeholder interviewee).*

Other focus group participants suggested that women's careers were disproportionately impacted by a lack of affordable childcare: *"There's a cultural thing as well that it's always women that are expected to try and apply for flexible working or go part time" (Parent focus group).* This view was corroborated by a number of stakeholders: *"Women who are responsible for dependent children are more likely to be in insecure, part time work" (Stakeholder interviewee).* One stakeholders also noted how lack of affordable and accessible childcare impacts on women's' career trajectory and earnings over time: *"Women are being pushed out of full time work into more precarious part time work, which generally pays less and generally has less hours per week" (Stakeholder interviewee).* Focus group participants indicated that this could disproportionately impact on traditionally 'female' careers and sectors, such as nursing and midwifery: *"Not a lot of nurses get set days. I was extremely lucky to get set days…if I didn't then I would have to leave [due to lack of childcare]" (Parent focus group).*

When asked about their views on the impact of childcare on employment opportunities, many respondents in open text comments of the parent survey emphasised negative long-term impacts for women: *"Often it is the woman who takes time out of work which has a disastrous impact on her pension and financial wellbeing later in life" (Parent survey).* Interestingly, as shown in Figure 8.4, there was little difference in gender response in the parent survey: 31% of females and 30% of males reported childcare as a barrier to full time employment, and 5% of males and females reported it as a barrier to part time employment.

Figure 8.4: Impacts of lack of access to formal childcare by gender



Source: LucidTalk survey of parents/carers,Q.84
Base: 972

As shown earlier in Table 3.5, the majority of parents in NI were employed in 2021 (85%). However, the majority of the parents surveyed, whose children had disabilities, special needs and other additional needs, outlined how challenges accessing childcare had impacted on their employment opportunities (78%). This rose to 85% of parents with children with psychological conditions. A number of stakeholders highlighted how the accessibility of childcare for children with disabilities acted as a barrier to employment, since parents often undertook caring responsibilities themselves: *"Particularly with some of the more significant disabilities, parents struggle to access childcare that meets their needs and then obviously that can prevent them from accessing the labour market and [contribute to] an income related issue" (Stakeholder interviewee).* Another stakeholder emphasised the negative repercussions for the individual and their family: *"Parents of disabled children are less likely to be employed than other parents and have less opportunities to work and engage in employment…they're more likely to be in poverty, more likely to experience mental health challenges and have less access to finances, more likely to be reliant on food banks, more likely to be missing meals" (Stakeholder interview).* In focus groups, parents of children with disabilities, special needs and other additional needs indicated that where they were able to access the labour market, lack of accessible childcare provision often led them to require flexible working hours.

8.4 Summary

- The majority of parents in NI with dependent children were employed (64% full time and 19% part time in 2021).[154] Parents of 0-2 year olds were more likely to be economically inactive and looking after the family home (10%, compared to 7% on average). Parents of pre-school and primary school aged children were more likely to work part time (23% and 22% respectively, compared to 19% on average). This is supported by the primary research.
- A minority of survey respondents were unemployed (5% from one parent families and less than 1% from two parent families). They reported the main barriers to employment as being unable to find a suitable job, balancing work and parental responsibilities and affordability of childcare. Respondents from one parent families were more likely to report these issues than respondents from two parent families.
- Around half of respondents said that a lack of access to formal childcare had prevented them or their partner from increasing their hours of work (49%, rising to 77% for very low-income households).
- Almost one third of respondents (31%) said that access to formal childcare had prevented them or their partner from accessing or sustaining full time employment (rising to 66% for very low-income households).
- 78% of respondents whose children had disabilities, special needs and other additional needs said that challenges in accessing childcare had impacted on their employment opportunities. Focus group participants said that a lack of accessible childcare provision often led them to require flexible working hours.
- Other impacts on parents' employment included limiting promotion or progression opportunities, which impacts their career trajectory and lifetime earnings.[155] This disproportionately impacts women,[156] one parent

[154] Office for National Statistics (2022) Families and the labour market, Northern Ireland
[155] Borkowska, M. et al. (2019) Employment pathways and occupational change after childbirth, Government Equalities Office.
[156] Ibid and Neumann, D. (2017) Childcare costs in 2015, OECD Tax wedge and effective tax rates on labour, OECD, Paris.; and, Ladge, J. et al. (2020) The Importance Of Childcare in Re-opening the Economy

families and low-income households,[157] further exacerbating existing inequalities.[158]

- This inequality of access to employment opportunities[159] reduces the positive externalities of tax revenue generated by parents who are supported into employment through access to affordable childcare.[160]

[157] Ipsos MORI (2011) Childcare Affordability Pilots (CAP09) – 100% Costs Pilot: the importance of cost as a driver of family decisions about work and childcare – a data analysis report

[158] Browne, J. and Neumann, D. (2017) Childcare costs in 2015, OECD Tax wedge and effective tax rates on labour, OECD, Paris; and Borkowska, M. et al. (2019) Employment pathways and occupational change after childbirth, Government Equalities Office

[159] OECD (2018) “Poor Children In Rich Countries: Why We Need Policy Action”, OECD Policy Brief on Child Well-Being

[160] Borkowska, M. et al. (2019) Employment pathways and occupational change after childbirth, Government Equalities Office.

9. KEY FINDINGS AND CONCLUSIONS

9.1 Overview

This section summarises the key findings from this review against the Terms of Reference (detailed earlier in Section 1.2) along with the conclusions on potential areas for improvement.

9.2 Summary of key findings

9.2.1 Supply and demand of childcare provision

Almost 60,000 registered childcare places were provided by more than 3,600 providers across NI in March 2022. This represented a 3% reduction in the number of registered places since 2020, stemming from the closure of 275 of providers, mainly childminders,[161] as well as recruitment and retention issues within group settings (discussed later in relation to workforce challenges).[162]

Findings from the primary research indicated that, on average, the parents surveyed used 23 hours of formal childcare per week. There was evidence of declining demand from parents since 2020.[163] High-income households and parents aged 35-44 years old were most likely to use formal childcare (with 33% and 27% of respondents respectively). 18-34 year olds were most likely to use a mixture of formal and informal childcare (31%), while those aged 45 or over were most likely to not use any form of childcare (44% of respondents aged 45-54 and 66% of respondents aged 55+ years). There was little difference in childcare usage between parents in rural and urban areas.

Despite evidence of declining demand from parents,[164] many of the providers surveyed indicated that the demand for places had increased beyond their current capacity (58%). Self-employed providers (e.g. childminders and Approved Home Childcarers) were more likely to be experiencing excess demand (66%) than private group settings or voluntary/community providers (51% and 42% respectively). However, only 14% of providers said they were planning to expand their provision in the next 12 months. What is more, 45% of

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[161] Data provided to the research team by Family Support NI on Registered Early Years Provision
[162] Byrne, B. et al. (2021) The Impact of Covid-19 on the Planning and Delivery of Children's Services: A Rights Review; Employers for Childcare (2021) Northern Ireland Childcare Survey; and National Day Nurseries Association and Education Policy Institute (2021) The Covid-19 Pandemic and the early years workforce
[163] Employers for Childcare (2021) Northern Ireland Childcare Survey
[164] Employers for Childcare (2021) Northern Ireland Childcare Survey

all providers surveyed had spare capacity, with providers who were making a loss more likely to have spare capacity (53%) than those making a profit (25%). Spare capacity was typically for school aged children (on average respondents reported that 72% of registered places for 4-11 year olds were filled, compared to 83% of registered places for 0-2 year olds and 80% of places for 3-4 year olds). Providers in the Southern and Northern Trusts were more likely to have excess demand (both 66%) and less likely to have spare capacity (35% and 36% respectively). Providers in the South Eastern and Belfast Trusts were less likely to have excess demand (50% and 55% respectively) and more likely to have spare capacity (52% and 47% respectively). However, providers from the Western Trust reported more excess demand (65%) and more spare capacity (48%) than average.

This combination of excess demand and spare capacity may be partly explained by changes in the profile of demand by age group. Interviews with providers indicated that demand for baby and toddler places had increased since the COVID-19 pandemic and was currently high, but there had been a noticeable decrease in demand for after-school care (in the parent survey, 24% of respondents with 5-11 year olds and 12% with 12-14 year olds reported accessing formal childcare, compared to 31% with 0-2 year olds and 34% with 3-4 year olds). This may be due to a preference, noted by some of the parents surveyed, for **more school based wrap-around care for school aged children (e.g. after-school clubs)**. However, a small number of stakeholders acknowledged that an expansion of school based after-school provision (e.g. homework clubs and sports clubs) may have a negative impact on demand for formal childcare provision, as these clubs were often able to offer cheaper rates to parents. In addition,

Parents of older children were also more likely to have reported a decrease their childcare needs since working from home (54% of parent survey respondents with children aged 12-14 years and 43% with children aged 5-11 years, compared to 25% of parents of 0-2 year olds and 23% of parents of 3-4 year olds).

There also appeared to be some misalignment between parents' working hours and provider operating hours for a minority of parents. Most provision starts between 7.00am and 9.30am and ends at 6.00pm on weekdays. Only a small minority of providers offer childcare on weekends. This caused difficulties for parents who worked shift patterns or outside of 'normal' working hours, particularly one parent families[165] who represent around a quarter of all families with dependent children in NI.[166] 15% of parent survey respondents who did not use formal childcare (or used fewer hours of formal childcare than they would like) said this was because formal childcare was not available when they needed it. 41% of respondents used informal childcare due to its convenience and greater flexibility compared to formal childcare.

The location of provision was also identified as an issue by a minority of respondents to the parent survey (4%):

- 6% of parents in rural locations not using formal childcare said that childcare was too far away to be convenient, compared to 2% in urban locations;
- 8% of one parent families indicated that a lack of transport impacted their ability to access formal childcare, compared to 4% of two parent families; and,
- The stakeholders who worked with newcomer families, noted that these families often lacked access to private transportation, which was a barrier to accessing formal childcare.

Around half of respondents to the parent survey said there was not enough information about childcare provision (51%). This was supported by most focus group participants who would welcome **more information on what childcare was available in their area and how to enrol their children.**

All of these issues were contributing to the use of informal childcare and, even unregistered childcare by a minority of parents.[167] Those using an unregistered childminder were more likely to be 55 years or older (14%, compared to 3% of respondents aged 18-34) and from very low-income households (10%, compared to 3% of respondents from high-income households). There was also anecdotal evidence that this was more common among parents with English as a second language.

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[165] 27% of respondents in one parent families and 32% of respondents in two parent families worked outside of 8am-6pm weekdays at least some of the time, with a further 42% of respondents from two parent families saying that their partner worked outside those hours at least some of the time.
[166] Office for National Statistics (2022) Families by family type, regions of England and UK constituent countries
[167] 10% of parent survey respondents used informal childcare due to a lack of appropriate formal childcare. 4% of respondents said their childminder was unregistered.

9.2.2 Accessibility of childcare for children with disabilities, special needs and other additional needs

The desk-based research indicated that the pandemic was likely to have had a negative impact on provision for children with disabilities, special needs and other additional needs.[168] However, findings from the provider survey indicated that childcare provision for children with disabilities, special needs and other additional needs was broadly in line with School Census data on the proportion of pupils in NI with SEN (18%).[169] On average, respondents said that children with disabilities, special needs or other additional needs accounted for:

- 24% of filled places in voluntary/community providers;
- 19% of filled places in self-employed providers; and,
- 11% of filled places private group childcare settings.

Nevertheless, almost half of parents surveyed found it challenging to access registered childcare for children with disabilities, special needs and other additional needs (46%), particularly wrap-around care for children in the special school sector. Parents of children with disabilities, special needs or additional needs were less likely to use formal or informal childcare than parents of children with no additional needs. 41% of respondents whose children had disabilities, special needs or additional needs had no external childcare, compared to 25% of those with no additional needs. Continuity of care was identified by the majority of stakeholders and parents alike as particularly important for children with disabilities, special needs and other additional needs. This led some parents to prefer childminders to group settings.

The majority of parents and stakeholders highlighted the need for **more information about what provision was available and more staff trained to look after children with a range of disabilities, special needs or additional needs** (other than autism or behavioural challenges). They also mentioned the need for greater flexibility to accommodate special school transport, school holidays and half day slots to work around regular medical appointments. Where parents had more than one child, siblings were often unable to attend the same childcare. These issues mean that many parents relied on grandparents for informal childcare, some focus group participants raised concerns about how they would manage when those grandparents got older. Some stakeholders also

[168] Griggs, J. and Bussard, L. (2017) Study of Early Education and Development (SEED): Meeting the Needs of Children with Special Educational Needs and Disabilities in the Early Years; and Department for Education (2021) SEND: Old Issues, New Issues
[169] Department of Education (2022) NI School Census 2021/22

suggested that challenges in accessing childcare for children with disabilities, special needs and other additional needs often reduced opportunities for them to interact with other children.

Parents with English as an additional language were less likely to use external childcare (44% of those surveyed, compared to 27% of those with English as a first language). The additional challenges they face predominately relate to finding **information about childcare, including availability, how to enrol and what financial support was available.** Other accessibility issues faced by this group were similar to those of other low-income households or those without an extended family or social network to help with informal childcare.

However, some childcare providers reported challenges in providing childcare for children with disabilities, special needs and other additional needs including balancing the needs of all children in their care (64% of survey respondents), the additional costs associated with catering for specific needs (41% of respondents)[170] and lack of confidence in their ability to care for children with disabilities, special needs and other additional needs. Provider confidence varied by type of need. Over half of providers could provide places for children with learning difficulties, whilst only a fifth could provide places for children with prolonged illnesses. It is concerning to note that 16% of providers surveyed did not think they had the skills and capacity to provide places for children with disabilities, special needs and other additional needs. A further 16% of providers answered, 'Don't know.' Many of the providers interviewed felt that having **access to multidisciplinary teams would help them to better support children with wider ranges of need.**

Although some funding is available from the Pathway fund, the Fair Play fund or Bright Start, only 13% of providers surveyed had received financial support to provide childcare for children with disabilities, special needs and other additional needs. Many of the providers interviewed believed they could provide more places for children with disabilities, special needs and other additional needs if targeted funding was more accessible. These issues are likely to be further exacerbated by the increasing number of children presenting with complex needs.

[170] This finding is supported by a survey of childcare and early years providers in England (Cattoretti, G. et al. (2019, revised 2022) Providers' finances: Survey of Childcare and Early Years Providers Research Report)

9.2.3 Assessment of the workforce challenges

The majority of stakeholders, providers and parents who took part in the primary research commented on the commitment and dedication of the childcare workforce as its key strength. There was some evidence from the desk-based research that a better qualified childcare workforce could have a more positive impact on children's outcomes.[171] The majority of the NI childcare workforce have a Level 3 qualification or above (80%), with 26% educated to degree level.[172] Voluntary/community providers typically have more qualified staff (90% of staff in the voluntary/community providers surveyed had a Level 3 qualification or above, compared to 74% of private group settings). Around half of respondents also reported that they or their staff would be undertaking some form of training, education or qualifications in the next 12 months. Large, private day nurseries were most likely to have training plans over the next year.

However, there was a substantial increase in the number of staff vacancies in the last year[173] and the majority of stakeholders and providers interviewed raised concerns about the impact of ongoing recruitment and retention issues[174] on the sector, particularly for larger groups settings. They said this stemmed from **relatively low salaries across the sector,**[175] **which were not considered to be commensurate with their working hours, level of qualification and responsibilities**[176] **when compared to other sectors**, e.g. primary education or retail. **There was also a perception amongst the majority of stakeholders, providers and parents interviewed that the sector was undervalued**.

Findings on staff vetting requirements and processes were mixed, with some of the provider and stakeholder interviewees expressing frustration about the time taken in what was already a challenging recruitment

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[171] Blandon, J. and Bonetti, S. (2018) Early years workforce qualifications and children's outcomes: An analysis using administrative data

[172] NISRA (2020) Qualifications in the Childcare Sector in NI 2018 to 2020, Labour Force Survey (LFS).

[173] Department for Communities (2022) Standard Occupational Classifications (SOC), Childcare and Related Personal Services

[174] Byrne, B. et al. (2021) The Impact of Covid-19 on the Planning and Delivery of Children's Services: A Rights Review; Employers for Childcare (2021) Northern Ireland Childcare Survey; and National Day Nurseries Association and Education Policy Institute (2021) The Covid-19 Pandemic and the early years workforce

[175]Office for National Statistics (2021) Employee earnings in the UK: 2021; and, Welsh Government (2018) Review of the Childcare Sector in Wales

[176] NatCen (2020) Understanding the Early Years Workforce – Qualitative research findings; and, The Sutton Trust (2020) Early Years Workforce Review, Revisiting the Nutbrown Review – Policy and Impact.

environment. Others stressed their importance in safeguarding children and providing reassurance to parents. Similar issues were raised in relation to the registration process for childminders in terms of the amount of time required, but ultimate benefits in safeguarding children. However, **concerns were raised by some stakeholders about whether parents were aware of the difference between registered and unregistered childcare**, which may contribute to the use of unregistered childcare by some.

Recruitment and retention issues created capacity issues for providers generally in terms of maintaining Minimum Standards for staff ratios. They were also said to negatively impact providers' ability to care for children with disabilities, special needs and other additional needs, especially for those in need of one-to-one support. Staff shortages have also created added pressure on staff training. This was due to a mix of:

- Qualified staff leaving the sector and their replacements needing to be trained in order to meet the Minimum Standards of qualifications for that role, especially for leaders and deputy leaders (to Level 5 or degree level qualification); and,
- Less staff cover to support time out of provision to attend additional training.

Other barriers to participation in training included the difficultly of childcare courses, limited perceived benefits, location of courses and personal circumstances (e.g. staff who were unwilling or unable to do extra hours due to the impact on eligibility for benefits or other personal commitments). Flexibility in terms of delivery mode and location were seen as important enablers. The quality of training provision and qualifications gained helped participants and employers to appreciate their value. Some of the stakeholders interviewed suggested that **an increase in practical time and work-based training could help reduce some of the pressure** in terms of needing staff cover to attend training.

9.2.4 Financial health of childcare providers

Care should be taken when interpreting these findings as they are largely based on self-reported data.

Both the desk-based and primary research indicated:

- Substantial cost increases[177] (reported by 39% of respondents to the provider survey and the majority of providers interviewed);
- Steady or falling monthly income (73% of respondents to the provider survey); and,
- Declining profitability for providers across the childcare sector[178] (from 29% of providers making a profit in 2021[179] to 18% of respondents to the provider survey in 2022).

It should be noted that these figures include voluntary/community providers who often have social objectives as their primary goal. If these providers were excluded from the analysis, the proportion of private sector respondents making a profit would increase to 23%. Many respondents to the provider survey expected this to continue over the next three years. While a range of government financial support is available to the sector, the desk-based research and stakeholder consultations found that **publicly available information about eligibility requirements for many of the schemes was limited**. There was also a perception amongst providers and stakeholders that this support was mainly for voluntary/community providers.

The capacity for fee increases to help generate extra revenue for settings depends on how sensitive parents are to increased prices (see discussion of affordability below). Around half of providers said they had increased their fees in the last three years and half of the providers plan to increase their fees in the next year alone. However, the majority of providers interviewed **expressed a reluctance to do so because this has negatively impacted the demand for their services in the past**. They feared that parents might leave the formal childcare sector altogether because of price increases, leaving providers trapped by rising costs and an inability to increase revenues. This could result in more

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[177] Archer, N. and Merrick, B. (2020) Getting the Balance Right: Quality and Quantity in Early Education and Childcare

[178] Blanden, J. et al. (2020) Many Childcare Providers Face Big Financial Problems as a Result of the Pandemic; and, Scottish Government (2021) Financial Sustainability Health Check of the Childcare Sector in Scotland

[179] Employers for Childcare (2021) The Northern Ireland Childcare Survey

closures across NI in the coming years, reducing competition, choice for parents/children and exacerbating excess demand.

9.2.5 Financial support and affordability for parents

The UK has one of the most expensive childcare sectors in the world.[180] The price of part time childcare for a child under 2 years old increased by 59% from 2010 to 2021.[181] In a recent UK-wide survey from mumsnet, 97% of respondents said that childcare in the UK was too expensive, and 50% said the costs were completely unaffordable or had a substantial impact on their standard of living. This was particularly true for low-income households, those on Universal Credit, one parent families, disabled parents and parents with a black ethnic background, perpetuating existing inequalities.[182]

On average, respondents to the parent survey reported spending £542 per month on formal childcare. This was equivalent to a quarter of the average household income in NI in 2019/20 (before housing costs).[183] However, this depended on the type of childcare used. Parents who used nannies or au-pairs spent more than twice as much per month, on average, when compared to parents who used school based after-school childcare.

Over half of respondents to the parent survey said that cost prevented them from accessing formal childcare (56%). Parents with babies and toddlers were more likely to report using less formal childcare than they would like because it was too expensive (64% of respondents with 0-4 year olds). Analysis of the average cost of childcare by age group showed little difference in the cost per hour. However, parents of 0-4 year olds tended to use more hours of childcare (26 hours, compared to 15 hours for 12-14 year olds). This meant they were spending more on average than respondents with older children (£152 a week for 3-4 year olds, compared to £80 for 12-14 year olds).

The majority of those who used informal childcare did so because it was either free or cheaper than formal childcare (71%). This was more common among parents of younger children. Most parents reported that, if childcare was free to

[180] OECD (2021) Net childcare costs for parents using childcare facilities.
[181] Economics Observatory (2022) Rising costs of childcare: which families are struggling the most?
[182] Mumsnet (2021) Mega survey of UK parents shows that childcare is failing families
[183] Note: Data is not available for 2020/21 due to changes in fieldwork activity that impacted on both the size and composition of the achieved sample (Department for Communities (2021) Households Below Average Income Northern Ireland 2019/20)

use, they would use it more (77% of respondents, rising to 82% of medium income households and 83% of low-income households).

Parents can access a range of tax and benefit schemes to help pay for childcare, including Tax-Free Childcare, Universal Credit (which replaced Child Tax Credit and Childcare Vouchers for new applicants) and Childcare Dependants' Grant.[184] The majority of respondents to the parent survey who used formal childcare accessed at least one of these supports (71%). A number of stakeholders also noted that the Advisor Discretion Fund had helped to address some of the concerns linked to the timing of Universal Credit payments. However, a substantial number of parents and stakeholders were concerned about **a lack of information on what support was available, who was eligible for it and how to access it.** This was also an issue for parents of children with disabilities, special needs or additional needs.

A minority of respondents to the parent survey (5%) said that some providers did not accept Tax-Free Childcare or Childcare Vouchers, particularly after-school provision or summer schemes. Some stakeholders argued for an increase in registered provision to include school based provision such as after-school clubs so that parents could avail of financial support for these too.

Many parents and stakeholders called for an increase in government financial support given directly to providers to help support the sector and protect parents from rising costs.

9.2.6 Assessment of the barriers to employment for parents

The majority of parents in NI with dependent children were employed (64% full time and 19% part time in 2021).[185] However, this varied by age of child:

- Parents of 0-2 year olds were more likely to be economically inactive and looking after the family home (10%, compared to 7% on average); and,
- Parents of 3-4 and 5-10 year olds were more likely to work part time (23% and 22% respectively, compared to 19% on average).

This was supported by findings from the primary research. 32% of respondents with children aged 0-2 years said they did not work because they wanted to be at home with their children, compared to 17% of parents with 5-11 year olds.

[184] The Childcare Voucher scheme closed for new applicants in 2018.
[185] Office for National Statistics (2022) Families and the labour market, Northern Ireland

A minority of survey respondents were unemployed (5% from one parent families and less than 1% from two parent families). They reported the main barriers to employment as:

- Being unable to find a suitable job (59% of one parent families and 17% of two parent families);
- Balancing work and parental responsibilities (51% of one parent and 19% of two parent families); and,
- Affordability of childcare (29% of one parent and 16% of two parent families).

Around half of respondents said a lack of access to formal childcare had prevented them or their partner from increasing their hours at work (49%, rising to 77% for very low-income households). Almost a third (31% of respondents) said it had prevented them or their partner from accessing or sustaining full time employment.

The vast majority of respondents whose children had disabilities, special needs and other additional needs said that challenges in accessing childcare had impacted on their employment opportunities (78%). Even where these parents were employed, a lack of accessible childcare provision often led them to require more flexible working hours, limiting the type of work they could do.

Other impacts on parents' employment included limiting promotion or progression opportunities, impacting their career trajectory and lifetime earnings.[186] This disproportionately impacts women,[187] one parent families and low-income households.[188] This exacerbates existing inequalities of access to employment opportunities[189] and reduces positive externalities of tax revenue generated by parents who are supported into employment through access to affordable childcare.[190]

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[186] Borkowska, M. et al. (2019) Employment pathways and occupational change after childbirth, Government Equalities Office.
[187] Ibid; Browne, J. and Neumann, D. (2017) Childcare costs in 2015, OECD Tax wedge and effective tax rates on labour, OECD, Paris.; and, Ladge, J. et al. (2020) The Importance Of Childcare in Re-opening the Economy
[188] Ipsos MORI (2011) Childcare Affordability Pilots (CAP09) – 100% Costs Pilot: the importance of cost as a driver of family decisions about work and childcare – a data analysis report
[189] Browne, J. and Neumann, D. (2017) Childcare costs in 2015, OECD Tax wedge and effective tax rates on labour, OECD, Paris; Borkowska, M. et al. (2019) Employment pathways and occupational change after childbirth, Government Equalities Office; and OECD (2018) "Poor Children In Rich Countries: Why We Need Policy Action", OECD Policy Brief on Child Well-Being
[190] Borkowska, M. et al. (2019) Employment pathways and occupational change after childbirth, Government Equalities Office.

9.3 Conclusions

9.3.1 Centralised childcare data for parents

The majority of parents who took part in our primary research would welcome better signposting or more centralised information to help them identify what provision was available in their area, including provision for children with disabilities, special needs and other additional needs, as well as information on when and how to enrol their children.

Many parents and stakeholders also highlighted low levels of awareness about the range of financial supports available to parents and the difficulty in accessing that support. More communication from the government about the financial supports that are available to parents, along with further guidance on how to access them could help increase the uptake of support and make childcare more affordable for some parents.

Providing that information in other languages was also seen as important in making childcare more accessible for newcomer families and those who were not fluent in English.

9.3.2 Alternative models of wrap-around care for school aged children

The provider survey and interviews indicated a decline in demand for school aged childcare within the sector, while some of the parents surveyed indicated a demand for more school based wrap-around care. This suggests that changes in the current delivery model are needed in order to meet parents' childcare preferences for school aged children and utilise some of the spare capacity reported by the sector.

9.3.3 Professionalising the sector

The majority of stakeholders called for targeted investment in the sector. Research showed that, creating a recognised and valued career path and progression routes within the sector, could help to make it a more attractive profession for potential applicants.[191] Linked to this, was a need to raise awareness amongst parents about how to check if childcare is registered and the benefits of using registered provision in terms of quality, safety and eligibility for government financial support.

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[191] NatCen (2020) Understanding the Early Years Workforce – Qualitative research findings

9.3.4 Pay and conditions

Many stakeholders and parents called for increased government funding for the sector, paid directly to providers, to subsidise wages and allow providers to offer more competitive salaries commensurate with the training requirements and responsibilities of individual roles. This would simultaneously protect parents from further increases in childcare fees. The argument for government intervention is supported by failures in the market that lead to inequality in the access to employment opportunities[192] and positive externalities in terms of tax revenue generated by parents who are supported into employment through access to affordable childcare.[193]

9.3.5 Access to multidisciplinary support

Many childcare providers felt that the children they look after with disabilities, special needs and other additional needs would benefit from providers having access to multidisciplinary teams or a dedicated health visitor to support the identification and assessment of a child's additional support needs. This was seen as particularly important for children who had not yet reached school age, as it would allow early interventions to be put in place.

9.3.6 More training on a range of needs

The primary research identified a perception amongst stakeholders, providers and parents that, while the childcare workforce was generally suitably trained to support certain needs such as autism and behavioural challenges, there was a need for further training and additional resources on the full range of disabilities, special needs and other additional needs. However, it was noted that some form of government support may be required to fund this as any additional training and resources would have financial implications for providers who were already struggling. There was also a call for more practical experience of working with children with disabilities, special needs and other additional needs to be included in initial training for new entrants to the sector.

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[192] Borkowska, M. et al. (2019) Employment pathways and occupational change after childbirth, Government Equalities Office.; Browne, J. and Neumann, D. (2017) Childcare costs in 2015, OECD Tax wedge and effective tax rates on labour, OECD, Paris.; Ipsos MORI (2011) Childcare Affordability Pilots (CAP09) – 100% Costs Pilot: the importance of cost as a driver of family decisions about work and childcare – a data analysis report; OECD (2018) "Poor Children In Rich Countries: Why We Need Policy Action", OECD Policy Brief on Child Well-Being; and, Ladge, J. et al. (2020) The Importance Of Childcare in Re-opening the Economy

[193] Borkowska, M. et al. (2019) Employment pathways and occupational change after childbirth, Government Equalities Office.

9.3.7 More work-based learning

Some stakeholders suggested that an increase in practical time and work-based training and qualifications could help ease the pressures that providers were facing in terms of releasing staff and finding adequate cover for staff training.

9.3.8 Centralised register for childcare professionals

Some providers highlighted the difficulty in having to re-vet staff who moved between different childcare providers, which they said caused delays in recruitment and made the sector less attractive than, for example, primary education. A potential solution to this is to have a single register for vetting childcare professionals.

9.3.9 Centralised information on financial support for providers

Some providers called for more information and a central source of information about the range of existing government financial support available to providers, including eligibility criteria and how and when to apply for funding.

APPENDICES

APPENDIX A: PROVIDER SURVEY

Design

The online provider survey was piloted with a small number of childcare providers in late August 2022 to help refine the survey questionnaire. Following feedback from that initial pilot, a second pilot of the provider survey was held in early September 2022.

Distribution

The provider survey was live from 9th September to 30th September 2022. The survey link and QR code were emailed to all registered childcare providers via Family Support NI on 9th September 2022. This was followed by two reminder emails in the final week of the survey period. Up to two reminders were sent directly to those who used the ‘save and continue later’ function within the survey tool.

Links to both the provider and parent surveys were also shared with around 50 separate organisations that work with the childcare sector or with children and families across NI. Reminders were also sent to these organisations in the final week of the survey period.

Both survey links were shared publicly using NCB’s networks and social media platforms from 21st September onward (following the period of national mourning from 9th to 19th September). These posts were retweeted and shared via the DE communications team and the wider research team.

Responses

The provider survey received total of 880 responses. 644 providers completed the survey in full. A further 236 providers completed over a third of the survey. This resulted in a total of 880 useable responses and a response rate of 24% (880 out of 3,606 registered childcare providers. As Table A.1 and Table A.2 show, the respondents were broadly in line with the profile of the sector in terms of type of provision and HSCT.

Table A.1: Provider survey responses by provider type

Service	Providers Registered		Responses	
	n	%	n	%
Childminder	2,288	63%	553	63%
Approved Home Childcarer	173	5%	42	5%
Day Nursery (Private and social enterprise)	323	9%	89	10%
Creche	75	2%	26	3%
Sessional care	-	-	135	15%
Out of school care/school age childcare (i.e. before or after-school)	443	12%	154	18%
Other	526	15%	58	7%
Total	**3,606**	**100%**	**880**	**100%**

Sources: Strategic Planning and Performance Group, Department of Health and RSM survey of childcare providers

Note: Response totals do not sum to 100% as respondents were asked to report all types of provision that they offered

Table A.2: Provider survey responses by HSCT

HSCT	Providers Registered		Responses		Responses excl. Unknown
	n	%	n	%	%
Belfast	546	15%	96	11%	16%
Northern	1,030	29%	153	17%	25%
South-Eastern	751	21%	124	14%	21%
Southern	626	17%	104	12%	17%
Western	653	18%	127	14%	21%
Unknown	-	-	276	31%	
Total	**3,606**	**100%**	**880**	**100%**	**100%**

Sources: Strategic Planning and Performance Group, Department of Health and RSM survey of childcare providers

Note: Where respondents did not share their postcode the HSCT was classed as 'Unknown'

APPENDIX B: PARENT SURVEY

Design

The online survey of parents and carers was piloted with a small number of parents in late August 2022 to help refine the survey questionnaire.

Distribution

The parent survey was live from 5th to 30th September 2022. It targeted parents of at least one child aged 0-14 years old. The survey link was sent to a sample of LucidTalk's online Opinion Panel (14,000+ members) which is balanced by gender, age-group, area of residence, and community background, in order to be demographically representative of NI. Survey links were also shared publicly using NCB's social media platforms from 6th September and retweeted and shared via the DE communications team. Reminders were sent to LucidTalk panel members on 21st and 28th September.

Links and QR codes for the parent survey were also emailed to all registered childcare providers by Family Support NI on 9th, 23rd and 29th September. DE sent the parent survey link to all schools on 22nd September.

As described in Appendix A, survey links were shared with around 50 separate organisations that work with the childcare sector or with children and families across NI, as well as on various Facebook groups aimed at parents and carers.

Responses

The parent survey received 4,828 completed responses. A data auditing process was then carried out to ensure all completed poll-surveys were genuine 'one-person, one-vote' responses, along with a preliminary weighting to obtain a NI balanced sample, and this resulted in 4,751 responses being considered and verified as the base data-set (weighted and unweighted). Table B.1 shows the profile of survey responses by use of childcare and HSCT. In order to produce a robust and accurate balanced NI representative sample, this base data-set of 4,751 responses was then weighted by gender, age-group, and residence area, and additional demographic measurements to reflect the demographic composition of NI. The final results are accurate to a margin of error of +/-2.9%, at 95% confidence. However, analysis of the parent survey findings by age group of child was based on unweighted survey data. These results are accurate to a margin of error of +/-3.5% to 4.0% at 95% confidence and should, therefore, be treated as indicative rather than representative of the NI population.

It is important to note that all surveys and polls may be subject to sources of error, including, but not limited to sampling error, coverage error, and measurement error. All reported margins of sampling error include the computed design effects for weighting.

Table B.1: Profile of parent survey respondents

HSCT	Belfast		Northern		South Eastern		Southern		Western		Unknown		Total	
Use of childcare	n	%	n	%	n	%	n	%	n	%	n	%	n	%
Informal only	176	4%	264	6%	202	4%	333	7%	129	3%	143	3%	**1247**	**26%**
Formal only	260	5%	177	4%	193	4%	268	6%	110	2%	119	3%	**1126**	**24%**
Mix of both	178	4%	160	3%	175	4%	264	6%	80	2%	93	2%	**949**	**20%**
None	246	5%	268	6%	206	4%	412	9%	133	3%	129	3%	**1394**	**29%**
Don't know/Prefer not to say	7	0%	6	0%	5	0%	13	0%	4	0%	1	0%	**35**	**1%**
Total	**867**	**18%**	**875**	**18%**	**781**	**16%**	**1290**	**27%**	**456**	**10%**	**485**	**10%**	**4751**	**100%**

Source: LucidTalk survey of parents/carers

Data Weighting

Data was weighted to the profile of all NI adults aged 18+. Data was weighted by gender, age-group, and residence area. This resulted in a robust and accurate balanced NI representative sample, reflecting the demographic composition of NI, resulting in 4,751 responses being considered in terms of the final weighted results - these are the results presented in this report. Data was weighted using a raking algorithm, in R, otherwise known as iterative proportional fitting or sample-balancing. Raking ratio estimation is a method for adjusting the sampling weights of the sample data based on known population characteristics.

Two weights were calculated. These are the normal weight and the trimmed weight – with the trimmed weight being the one that we use in the results tables shown in this report. The trimmed weight is preferable as it reduces the influence of outlying observations. The total amount trimmed is divided among the observations that were not trimmed, so that the total weight remains the same. The weights are trimmed at 64 and 0.1 meaning that no observation is allowed to exceed these limits of relative importance.

For this poll-project weights were used as follows: These were/are calculated from data such as the 2016 EU Referendum, the 2017 NI Assembly Election, the 2017 NI Westminster election, the 2019 NI European Election, the 2019 NI Westminster election, the 2022 NI Assembly Election and NI census 2021 estimate. Electorate election figures for gender, age, religion, constituency etc. were also used, plus previous polling information and results from LucidTalk NI polls in the last 5 years. With regards to gender, the weighting reflects the gender of parents within NI, i.e. 58% female and 42% male.