

**Policy and
Economic Appraisal
of the Options for
the NI Childcare
Strategy**

Final Report

September 2010

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Table of Contents

I.1	EXECUTIVE SUMMARY	I
1	INTRODUCTION & BACKGROUND	1
1.1	INTRODUCTION	1
1.2	TERMS OF REFERENCE	1
1.3	OUR APPROACH	3
2	AN OVERVIEW OF CHILDCARE IN NI	6
3	REVIEW OF STRATEGIC CONTEXT	19
3.1	INTRODUCTION	19
3.2	CONCLUSION	23
4	ASSESSMENT OF NEED & DEMAND	24
4.1	INTRODUCTION	24
4.2	SOCIO-ECONOMIC OVERVIEW	25
4.3	CURRENT SUPPLY OF CHILDCARE IN NI	32
4.4	OTHER PROVISION SUPPLEMENTING CHILDCARE	39
4.5	OTHER RELEVANT CHILDREN SERVICES	41
4.6	DATA ON CHILDCARE USAGE	45
4.7	OVERVIEW OF RURAL CHILDCARE ISSUES	48
4.8	CHILDCARE COSTS AND ASSOCIATED SUPPORT	50
4.9	PARENTAL VIEWS OF CHILDCARE PROVISION	54
4.10	SPECIFIC USER GROUP NEEDS	55
4.11	CHILDCARE WORKFORCE SUPPLY AND WORKFORCE DEVELOPMENT	60
4.12	ASSESSMENT OF FUTURE DEMAND FOR CHILDCARE	66
4.13	RESULTS OF STAKEHOLDER CONSULTATIONS	75
4.14	RESULTS FROM PRIVATE SECTOR SURVEY	80
4.15	CONCLUSIONS	85
5	CASE STUDIES/BENCHMARKING	96
5.1	INTRODUCTION	96
5.2	CONCLUSIONS	96
6	OBJECTIVES AND CONSTRAINTS	102
6.1	INTRODUCTION	102
6.2	POLICY VISION, AIMS & OBJECTIVES	104
6.3	CONSTRAINTS IMPACTING ON OPTION DEVELOPMENT	105
7	OPTION IDENTIFICATION	106
7.1	INTRODUCTION	106
7.2	OPTION DEVELOPMENT	106
7.3	SHORTLISTED OPTIONS	108

8	OPTION COSTS & BENEFITS.....	109
8.1	INTRODUCTION.....	109
8.2	DIRECT AND INDIRECT BENEFITS.....	109
8.3	RECURRENT COSTS.....	113
8.4	SUMMARY OF OPTION COSTS.....	117
9	NON-MONETARY COSTS AND BENEFITS.....	118
9.1	INTRODUCTION.....	118
9.2	CRITERIA AND WEIGHTINGS.....	118
9.3	RESULTS.....	119
10	RISKS AND UNCERTAINTIES.....	122
10.1	INTRODUCTION.....	122
10.2	NON-MONETARY RISKS.....	122
10.3	RISK EXPOSURE.....	123
11	SELECTION OF A PREFERRED OPTION.....	124
11.1	INTRODUCTION.....	124
11.2	RESULTS.....	124
11.3	CONCLUSIONS AND RECOMMENDATIONS.....	124
12	FINANCE, MANAGEMENT & MONITORING AND EVALUATION.....	125
12.1	INTRODUCTION.....	125
12.2	BENEFIT REALISATION.....	134

Appendix I	Terms of Reference
Appendix II	Strategic Context Overview
Appendix III	Key Stakeholder Consultees
Appendix IV	Socio-Economic Overview
Appendix V	Definition of Childcare Provision
Appendix VI	Overview - Roles & Responsibilities of Department & Sector Stakeholders
Appendix VII	Department & Childcare Partnership - Activities & Associated Costs
Appendix VIII	Historic and On-going Childcare Funding Streams
Appendix IX	Detailed Overview - Supply of Registered Childcare
Appendix X	FRS Data & Analysis
Appendix XI	Cost of Childcare
Appendix XII	C&YP Action Plan - Children with a Disability & Children from Ethnic Minority Backgrounds
Appendix XIII	Benchmarking Analysis

Preface

This Policy and Economic Appraisal of the options that could potentially underpin a new Childcare Strategy has been developed in close collaboration with a Cross-departmental Steering Group chaired by the Office of the First Minister and Deputy First Minister (OFMDFM), including representatives from the Department of Education (DE); the Department of Health, Social Services & Public Safety (DHSSPS); the Department of Finance and Personnel (DFP); the Department for Employment and Learning (DEL); the Department of Social Development (DSD); and the Department of Agricultural and Rural Development (DARD).

This report represents the completion of Phase 1 of a two phase process, which has been adopted by OFMDFM's Child Poverty Sub-Group in developing a Northern Ireland Childcare Strategy i.e.

- Phase 1: Completion of the policy and economic appraisal; and
- Phase 2: Development of a childcare strategy underpinned by the findings and recommendations set out in the policy and economic appraisal.

Phase 2 of the work will be taken forward as a separate exercise.

Constraints in the development of the report

This report must be considered in the context of a range of constraints that have impacted on the development of the appraisal, these are:

Data Limitations

One of the key issues highlighted during the appraisal process was the lack of availability of robust data on the demand and supply of childcare. Information is limited to the number of providers and the number of registered childcare places at a Trust level, however, ward level information is not readily accessible in a consistent manner and the utilisation/demand for these childcare places is not currently monitored. Until these data issues are addressed, a robust assessment of demand cannot be provided.

Accepting the above data limitations, this report contains **highly indicative** forecasts for future childcare demand. The forecast model is based on broad assumptions relating to female participation in the labour market and on population growth. Given the absence of relevant data, it does not reflect supply or parental preferences in terms of the type of childcare provision, nor does it identify the type of childcare provision required in the future. Due to the current limitations of this forecast, this report recommends the development of a robust systematic process for collecting and analysing information relating to demand and supply for all types of the childcare provision, at a regional and sub-regional level.

Option Development

As requested by the Steering Committee, this report presents a high level analysis of potential management / governance options (and their associated issues), rather than a detailed appraisal of the costs and benefits of those options. This requirement, which reflects a deviation from the assignment's original Terms of Reference, stems from a need for Government Departments to engage in detailed discussions at an Executive level about the merits and implications of differing management models, before the selection of a preferred option is carried out.

Next Steps

This report identifies that structural reform within Government is needed in order to bring forward a successful Northern Ireland Childcare Strategy. It also identifies a requirement for the development of a robust information system to provide comprehensive and up to date data on supply and demand for childcare. This report highlights that investment in these areas of policy development infrastructure is essential for a future strategy to be both evidence based and fit for purpose.

It is anticipated that the submission of this Policy and Economic Appraisal will initiate discussions between OFMDFM and DFP on the costs and funding of a future strategy. The indicative costings presented within this appraisal have been guided by information presented by each Department. These costs will be further revised to reflect the outcomes of: decisions taken by the NI Executive on the proposed Governance/Management arrangements for the implementation of the strategy; and public consultation relating to a draft Childcare Strategy. OFMDFM and/or the body tasked with implementing the strategy will liaise with DFP on an on-going basis during this planning period to update costs and secure an appropriate level of funding for the strategy.

Notwithstanding the data limitations outlined above, the report sets out a series of indicative costed actions and associated timetable which are designed to improve the strategic development of the childcare sector. The report sets aims and time-bounded objectives as follows:

The aims associated with a future Childcare policy are:

- To develop a clear structure for the effective development and delivery of childcare policy in NI;
- To develop and implement a coherent and adequately resourced childcare strategy;
- To ensure that the structures/systems reflect consultation from the community, voluntary and private sector;
- To provide childcare that will contribute to the anti-poverty, equality and welfare reform agendas; and
- To ensure that the sector provides quality childcare services.

The time-bounded objectives, which are associated with the above aims, are detailed below:

- **By March 2011**, to have established a new structure within Government for the effective development and implementation of Childcare policy in NI and;
 - to have consulted on, developed and published a Childcare Strategy and Action Plan;
 - to have established a baseline of existing levels of service provision to children with disabilities and children from ethnic minority groups and made assessments of future need;
 - **By September 2012**, to have established a system of data gathering, collation and analysis, which will aid future Government decision making on the type and level of intervention required to optimise policy objectives;
 - **By September 2012**, to have put in place an action plan that ensures that the inspection and registration process is effective in supporting the childcare sector; and
 - **By September 2013**, or earlier if possible, to have a childcare workforce development strategy and raise public awareness of the current range of financial support for childcare that is available.
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I EXECUTIVE SUMMARY

I.1 Scope of this Report

FGS McClure Watters has been commissioned by the Office of the First Minister and Deputy First Minister (OFMDFM) to carry out a Policy and Economic Appraisal of the main policy options that could potentially underpin a new Childcare Strategy.

The Terms of Reference (ToR) for the assignment is attached as Appendix I.

I.2 Current Arrangements for Policy Development & Delivery

- Childcare and Children's Services are currently provided by the following departments: the Department of Education (DE); the Department of Health, Social Services & Public Safety (DHSSPS); the Department for Employment and Learning (DEL); the Department of Social Development (DSD); the Department of Agricultural and Rural Development (DARD), all of which have different agendas in contributing to early years education and childcare i.e. the health, educational and social development of the child; a service to enable parents to work; training and workforce development; neighbourhood renewal; and anti-poverty.
- A Ministerial Sub-Committee, chaired by the OFMDFM, was developed in 2008 to facilitate joined-up working among the Departments and enable resources to be used effectively; and
- It is important to note that although policy responsibility for Early Years (children aged 0-6 years) transferred from DHSSPS to DE in 2006, the school aged sector (children aged 6-14 years) did not move and remains in a policy vacuum.

I.3 Strategic Context

Our review of the strategic/policy context framing childcare provision highlights the following key issues.

- The need for NI to meet the requirements set in the United Nation Convention on the Rights of the Child (UNCRC), namely:
"parties shall take all appropriate measures to ensure that children of working parents have the right to benefit from child-care services and facilities for which they are eligible"
- OFMDFM's commitment to working towards halving child poverty by 2010 on the way to eradicating child poverty by 2020 will require flexible and age-appropriate childcare support to allow parents to engage in training and employment;
- The forthcoming Child Poverty Bill places a statutory duty on the UK government and the devolved administrations to produce a child poverty strategy and childcare provision will be an important part of any such strategy. NI departments will be required to demonstrate

- the impact of their policies and actions on reducing child poverty and this will be reported by Ministers to the Assembly on an annual basis; and
- Changes in terms of Welfare Reform agenda, which aims to increase employment in order contribute towards the eradication of child poverty by 2020, are likely to create more demand for childcare services within Northern Ireland.

I.4 Key Issues Emerging from an Assessment of Need/Demand

When the issues highlighted by our review of the strategic context and assessment of need/demand are distilled, a number of key areas of need (and associated actions) emerge. These needs/actions and an indication of their relative level of priority are presented within the table below.

Table I.1
Summary of Key Areas of Need/Proposed Actions

Area of Need	Associated Issues	Level of Priority/Supporting Rationale
Structure for improved policy development and implementation	Existing structures within Government for the development/implementation of Childcare policy is fragmented and poorly co-ordinated. Stakeholder consultation identified the need for greater accountability and leadership within Government on childcare issues. Effective partnership working between Government, the private sector and the community/voluntary sector is essential for the development of an accessible, flexible and quality childcare sector.	High Priority – addressing these issues will be central to the development/implementation of an effective childcare strategy.
Improved information system to support investment decisions	Data on the demand and supply of childcare is not readily available in a consistent manner across NI. The absence of robust data is inhibiting effective decision making. It is noted that in England, local authorities are required to collect information about the supply and demand for childcare that meets the needs of working parents, as per the legislative duties within the Childcare Act (2006). NB. Local authorities are not expected to provide childcare directly but are expected to work with local private, voluntary and independent sector providers to meet local need.	High Priority – effective decision making will not be achieved in the absence of limited information/data on the demand and supply of childcare.

Area of Need	Associated Issues	Level of Priority/Supporting Rationale
Provision for Children with Disabilities and Children from Ethnic Minorities	NICMA (2007) research identifies that children with disabilities have been “ <i>accorded a low priority by public services, with parents experiencing services as limited, piecemeal and fragmented</i> ”. Stakeholder consultation has supported this view and has also highlighted that service provision for children from minority ethnic backgrounds is also poor.	High Priority – the provision of effective childcare for these groups is consistent with Equality and Lifetime Opportunities policies.
Inspection and Registration Processes	NICMA research suggests that there is an average seven month waiting list for the registration of childminders. Trusts are normally expected to complete the registration process within six months. Trusts have also indicated the need for 15 additional staff to meet current demands. Consultation with stakeholders have also highlighted that the inspection process is inconsistent across regions and provider type.	High Priority – the development of a flexible and high quality childcare sector is dependent on the provision of an efficient and effective inspection /registration process.
Workforce Development	A significant proportion of consultees stated that the childcare workforce is not valued as a career. Unlike England and Wales, there is currently no requirement for newly registered childminders to complete accredited introductory training in childminding. Unlike NI, England, Wales and Scotland have invested heavily in children’s workforce development in recent years.	High Priority – research and best practice indicates that the optimal way to deliver quality early years services for young children and their families is through an integrated approach to policy, funding and workforce development. If demand for childcare increases (as projected) the need for workforce development activity will be even more pronounced.
Public Awareness of Support for Childcare	Consultees have stated that there is lack of awareness among the public about what financial support is available to off-set the cost of childcare.	Lower Priority – although enhanced public awareness and use of available financial support may increase the use of childcare, addressing the structural, process and resource issues highlighted above is more fundamental to the delivery of accessible, flexible and quality childcare provision.

Demand

Forecasting childcare demand and supply is complex, hampered by the absence of robust supply and demand data being monitored within the sector and considerable unknowns. Accepting the data limitations, FGS McClure Watters have prepared forecasts for future childcare demand, based on available information.

- FGS McClure Watters have estimated changes in childcare demand associated with expected changes in employment. Three scenarios are presented in Section 4.12. The first applies the proportion of mothers in employment to the change in employment; the second applies the proportion of mothers not in employment while the third assumes that all forecast female jobs are taken by mothers of children under 15. While accepting that this third scenario is wholly unrealistic, it serves as a useful ‘in extremis’ estimate of childcare demand. Results indicate that the overall number of childcare places required will range from 46,502 to 53,459, an uplift of between **4,061** and **11,018** places from the current baseline of 42,441 registered childcare places.
- A fourth scenario is also proposed based on childcare usage data and population growth i.e. according to the Family Resource Survey analysis, in 2005/06, 51.5%, in 2006/07, 51.9% and in 2007/08, 52.2% of children age 0-15 used childcare. Taking a three year average (of 51.9%) and applying it to NISRA’s population by age forecasts suggests that demand for childcare will increase by **7,691 places** by 2020

Neither approach provides a definitive answer to the question of by how much will demand for childcare increase. The exercise does however provide a strong indication that the childcare demand will experience an upward trend. Going forward, implementing a comprehensive, robust ‘future demand’ model is recommended.

I.5 Lessons Learned from Other Jurisdictions

The key conclusions / critical success factors associated with the development and implementation of childcare policy in other regions include:

- **Investment in Early Years and Childcare contributes to reducing child poverty.**
 - The UK ranked 24th out of the 25 OECD countries in relation to the percentage of children (aged 0-17) in households with equivalent income less than 50% of the national median i.e. relative poverty. In contrast, countries such as Denmark, Finland, Norway and Sweden topped the table with child poverty rates a fraction of those in the UK¹.
 - Levels of child poverty are linked with public expenditure on early childhood education and care i.e. Denmark investment is the largest, equating to 1.2% of GDP compared with 0.3% in Ireland and 0.6% in the UK.
 - Higher government spending on family and social benefits is associated with lower child poverty rates. No OECD country devoting 10% or more of GDP to social

¹ UNICEF, (2007), Report Card 7, Child Poverty in Perspective: An overview of Child Wellbeing in Rich Countries, (Florence:Innocenti Research Centre)

transfers has a child poverty rate higher than 10%. No country devoting less than 5% of GDP to social transfers has a child poverty rate of less than 15%.

- **In other regions, Childcare is driven by a one central organisation therefore increasing leadership, strategic direction and accountability within the sector** e.g. Department for Children Schools and Families (DCSF) was established in England in 2007; In Rol, the Office of the Minister for Children and Youth Affairs (OMCYA) was established in 2005; and in Denmark, responsibility for early childhood services and care resides with the Ministry of Social Affairs, which was recreated in 2009.
- **Empowerment of local delivery bodies and increased partnership working has proven to be successful in terms of tailoring childcare support locally** e.g. In England, Scotland, Wales, Rol and Demark local delivery is established through local authorities/councils and childcare partnerships /committees.
- **Investment in a Childcare Workforce Development Plan and associated funding for enhancing qualifications in the sector has been recognised as important within other regions** e.g. In England a “Transformation Fund” of £125 million a year from April 2006 was launched to help transform and professionalise the Early Years Workforce; The Scottish Executive has investing nearly £37m into workforce development; and In Rol, the Government is currently developing a Workforce Development Plan which began with an extensive programme of research and consultation.
- **Improvement in the delivery of registration and inspection processes through regulated processes to ensure consistency is evident** e.g. In England, the Office for Standards in Education, Children's Services and Skills was established in 2007; In Wales, the Care Standards Inspectorate for Wales (CSIW) was formed; and the Scottish Commission for the Regulation of Care (the Care Commission) was set up April 2002.
- **Investment in childcare provision for all parents who need it has been encouraged** e.g. The Childcare Act 2006 places statutory duties on local authorities in England and Wales to secure sufficient childcare for working parents; In Denmark, all children in Denmark must be given the opportunity to attend a day-care facility i.e. ‘guaranteed day-care availability’. Institutional child-care is provided for children, newborn through ten years old.

In Denmark childcare services form an essential part of social policy. Flexible working hours, universal childcare coverage, extensive leave rights and generous individual benefits are the main elements of the Danish policy mix aimed at supporting families. These favourable conditions are reflected in a high level of gender equality in employment and the highest proportion of working women and mothers in the EU. Denmark has a female labour force participation rate of 76.1%, compared to 69.6% in the UK and 58% in Rol.

I.6 Policy Vision, Aims & Objectives

The Vision of the future Childcare policy is to:

“To support the delivery of an accessible, flexible and quality childcare sector, so that it is effective in reducing barriers to employment, particularly those experienced by disadvantaged groups, and supports child development and well-being”.

The aims associated with the policy are:

- To develop a clear structure for the effective development and delivery of childcare policy in NI;
- To develop and implement a coherent and adequately resourced childcare strategy;
- To ensure that the structures/systems reflect consultation from the community, voluntary and private sector;
- To provide childcare that will contribute to the anti-poverty, equality and welfare reform agendas; and
- To ensure that the sector provides quality childcare services.

The time-bounded objectives², which are associated with the above aims, are detailed below.

- By **March 2011**, to have established a new structure within Government for the effective development and implementation of Childcare policy in NI;
- By **March 2011**, to have consulted on, developed and published a Childcare Strategy and Action Plan;
- By **March 2011**, to have established a baseline of existing levels of service provision to children with disabilities and children from ethnic minority groups and made assessments of future need;
- By **September 2012**, to have established a system of data gathering, collation and analysis, which will aid future Government decision making on the type and level of intervention required to optimise policy objectives;
- By **September 2012**, to have put in place an action plan that ensures that the inspection and registration process is effective in supporting the childcare sector; and
- To support the provision of an adequate supply of qualified childcare workers to meet the growth in the number of childcare places, which is to be reflected within a Workforce Development Strategy, to be developed by **September 2013**, at the latest and earlier if possible.

² HM Treasury “Green Book” and DFP guidance requires SMART (Specific, Measurable, Agreed, Realistic and Time bounded) objectives to be set. Given the strategic nature of this appraisal and of the activities involved with each option, the quantification of measurable objectives is not possible.

I.7 Policy Constraints

The primary constraint that needs to be considered when developing policy options is funding/affordability. The NI Executive is currently operating within an extremely restricted funding environment and consequently any future investment in childcare will need to demonstrate a high level of value for money.

Another constraint impacting on option development is the limited nature of available data/information relating to the supply/demand of childcare by type and location. As a consequence of this, it is not possible to develop options that specify levels of investment by type or location of provision. Therefore, shortlisted options reflect 'high level' investment decisions only and are assessed using highly indicative costs and a qualitative assessment of benefit.

I.8 Policy Options

Options have been developed based on varying levels of activity/investment in key areas of identified need. As identified in the table below, in order to provide a structure for the analysis of options, we have categorised proposed actions/areas of activity into:

- **Essential Actions/Activities**, reflecting levels of activity required to address high priority needs; and
- **Desirable Actions/Activities**, which reflect either: (1) activities associated with lower priority needs; or (2) non essential activities associated with high priority needs.

Table I.2
Essential and Desirable Option Actions/Activities

Issue To Be Addressed	Essential Actions/Activities	Desirable Actions/Activities
Information Systems	<ul style="list-style-type: none"> • Development of a robust information system that gathers, collates, analyse and reports on sub-regional demand/supply data on a regular basis. • Development of an accessible central repository of information on demand/supply at a sub-regional level. • Development of central repository of information on cost/benefit of differing types of childcare provision to aid future decision making. • Review of the Extended Schools Programme criteria to assess the 	<ul style="list-style-type: none"> • Subject to a positive Economic Appraisal, implementation of a targeted 'Childminder Start-Up Package' and, subject to Economic Appraisal, implementation of this scheme.

Issue To Be Addressed	Essential Actions/Activities	Desirable Actions/Activities
	<p>potential costs/benefits of including childcare</p> <ul style="list-style-type: none"> Review of Sure Start projects to explore the costs/benefits of widening provision to provide an integrated package of education, childcare, family support, health service and employment support. 	
Service Provision for Children with Disabilities and Children from Ethnic Minorities	<ul style="list-style-type: none"> Establish baseline of existing levels of service provision to, and childcare needs of, children with disabilities and children from ethnic minority groups. 	<ul style="list-style-type: none"> Subject to a positive economic appraisal, implementation of a training programme and subsidy for childcare workers for the provision of childcare services for children with a disability Subject to a positive economic appraisal, implementation of a training programme and subsidy for childcare workers for the provision of childcare services for children from minority ethnic backgrounds.
Inspection and Registration Process	<ul style="list-style-type: none"> Funding of additional registration and inspection costs to meet existing demand. Support the development of a standardised, co-ordinated and effective approach to inspections. 	<ul style="list-style-type: none">
Workforce Development	<ul style="list-style-type: none"> Funding and development of a sector based workforce development strategy. 	<ul style="list-style-type: none">
Public Awareness of Financial Support for Childcare	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Development and implementation of awareness raising campaign

Based on the framework for option development presented above, the following options have been identified for further analysis;

- **Option 1: Do Nothing** – the base case, representing the maintenance of the status quo, which involves no investment in the identified areas of need;
- **Option 2: Essential Actions/Activities Only** – reflecting the following activities:
 - Development of a robust information system that gathers, collates, analyses and reports on sub-regional demand/supply data and value for money issues on a regular basis;
 - Establishing baseline of existing levels of service provision to, and childcare needs of, children with disabilities and children from ethnic minority groups;
 - Funding of additional registration and inspection costs to meet existing demand;
 - Supporting the development of a standardised, co-ordinated and effective approach to inspections; and
 - Funding and development of a sector based workforce development strategy.
- **Option 3: Essential and Desirable Actions/Activities** – reflecting the implementation of the above ‘essential’ actions/activities, plus:
 - Subject to a positive Economic Appraisal, implementation of a targeted ‘Childminder Start-Up Package’;
 - Subject to a positive Economic Appraisal, implementation of a training programme and subsidy for childcare workers for the provision of childcare services for children with a disability;
 - Subject to a positive Economic Appraisal, implementation of a training programme and subsidy for childcare workers for the provision of childcare services for children from minority ethnic backgrounds; and
 - Development and implementation of a public awareness raising campaign relating to the availability of financial support for childcare.

I.9 Quantitative and Qualitative Analysis of Options

Table I.3 identifies that Option 1 achieves the highest rank in quantitative terms (as measured by Net Cost) and the lowest in qualitative terms (as measured by weighted score). Option 3 ranks lowest in quantitative terms and the second in the qualitative assessment.

When the quantitative and qualitative analysis are considered together (as reflected in terms of Net Cost per weighted score), Option 3 scores the highest of the ‘Do-Something’ options. Consequently, Option 3 is considered to be the “Preferred Option”.

Table I.3
Monetary and Non-Monetary Results

	Net Cost (£)*	Rank	Non-Monetary Score**	Rank	NPC/ Non-Monetary Score	Rank
Option 1 – Do Nothing (Existing Costs)	£284,979,370	1	0	3	0	1
Option 2 – Essential Action Options (Existing plus Essential Costs)	£299,524,370	2	500	2	599,049	3
Option 3 – Essential & Desirable Action Options (Existing plus Essential Costs plus Desirable costs)	£306,024,370	3	615	1	497,601	2

*Indicative costs have been provided over the ten year period of the childcare strategy.

**Non-monetary evaluation criteria developed included: Improved accessibility and sustainability of provision; Improve quality (including child well being and development); Contribution to child poverty and other key policies; and Contribution to increased use of formal childcare

I.10 Non-Monetary Risks

The issue of project risk has been assessed by the identification of project risks/risk mitigation strategies and the profiling of risks in terms of impact and probability. Key areas of risk and uncertainty include:

- Higher than expected development/implementation costs;
- Inability to secure funding for strategy;
- Ineffective management/implementation;
- Failure to secure sector support; and
- Unfavourable Economic Appraisal Outcomes regarding identified Initiatives.

The level of risk associated with each option would be largely affected by the range of activities involved and scale of investment. Therefore, of the ‘Do-Something’ options presented, Option 2, the lower cost option, would have the lowest exposure to risk and Option 3, the higher cost/wider ranging option, would be exposed to the highest degree of risk.

I.11 Future Structure and Management Arrangements

The following potential models for the Governance/Management of the Childcare Strategy have been considered:

- **Option (a)** - “Do-Nothing” – no change/ retain current arrangements and lines of responsibility;
- **Option (b)** - Development of a new entity to take policy and delivery responsibilities for the provision of childcare;
- **Option (c)** - A single department takes lead responsibility for policy and delivery;
- **Option (d)** - An inter-departmental takes responsibility for policy and delivery on a collective basis;
- **Option (e)** - Devolution of childcare service delivery through Local Councils; and
- **Option (f)** - Devolution of childcare service delivery to Regional Childcare Partnerships.

Based on the analysis in Section 12, Option (c) - the development of a Lead Department, appears to be the only governance/management option that has the potential to deliver a high level of accountability/coherence and partnership working, within an acceptable timeframe, and within an affordable level of cost. Consequently, we recommend that this option is pursued.

In taking this option forward, Departmental representatives should identify and discuss the relative merits of each Department being allocated the responsibility for childcare. Given their previous work/interest in this policy area, it is envisaged that DE, DHSSPS, OFMDFM, DEL, DSD, and DARD would represent the most likely candidates for adopting this role.

Please refer to Section 12, Table 12.2 which provides an indicative framework for the monitoring of the strategy. Table 12.3 presents the anticipated benefits of the project, the activities to be undertaken in realising the benefit, the timing of activities and highlights the individual / organisation responsible for the activities.

1 INTRODUCTION & BACKGROUND

1.1 Introduction

FGS McClure Watters has been commissioned by the Office of the First Minister and Deputy First Minister (OFMDFM) to carry out a Policy and Economic Appraisal of the main policy options that could potentially underpin a new Childcare Strategy. Please note that this appraisal is not intended to be a childcare strategy; however the recommendations provide strategic activities on which a strategy should be developed.

The following section provides an overview of the Terms of Reference (ToR) for the appraisal and the structure of this report.

1.2 Terms of Reference

OFMDFM require a “Green Book” Policy and Economic Appraisal, which compiles with the Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE), Department of Finance and Personnel (DFP) 2009. The ToR for the assignment (refer to Appendix I) identifies that the options currently being considered by the Executive are:

1. Retention of the current position and lines of responsibility;
2. A lead department takes full responsibility for the provision of childcare (delivery and policy);
3. A single department takes policy responsibility but delivers this through contractual arrangements with a number of other departments; and
4. Devolution of childcare service delivery through:
 - a. District Councils; or
 - b. Regional childcare partnerships between education and health authorities.

The ToR also highlights that policy options should be assessed not only in terms of their economic implications but also to the extent that each can deliver on the main roles they are required to fulfil, namely:

- Providing coherence and joining up childcare services and facilitating partnership working;
- Child well-being and development;
- Promotion of childcare affordability;
- Sustainability;
- Raising quality;
- Improving accessibility;
- Contributing to the reduction of child poverty;
- Improving the employment, education and training of parents;
- Engaging employers; and
- Working in partnership with families and communities.

Key extracts from the assignments ToR are provided below for ease of reference.

Terms of Reference

The economic appraisal will need to assess the current level of childcare and gaps in provision. It should present objectively the evidence in support of increased provision. Provision is defined in terms of the main forms of childcare, including childminding, the home childcare scheme, day nurseries, out of school provision, crèches and summer schemes. Pre-school Education provided either in a nursery school, nursery unit or playgroup is considered to be early education and is therefore out of scope. However it is acknowledged that some parents may take account of such provision when making their childcare arrangement and the consultants should take this non educational aspect of pre school education into consideration.

The new childcare strategy will seek to address through this options appraisal, a greater coherence and an increased level of provision, particularly to help reduce poverty and promote the healthy development of children. This is the key aim of the options appraisal.

A cost benefit model of childcare delivery and outcomes should be developed. The costs of implementing each option should be assessed as well as an assessment of which model of childcare delivery would be most effective in terms of reducing child poverty, improving outcomes for children and stimulating parental employment and the economy. The socio-economic benefits of childcare expansion should be made explicit. The role of childcare in terms of meeting UNCRC considerations should also be addressed.

The appraisal shall address the following:

- A. The costs and benefits of each model of childcare implementation.
In terms of each of the options being appraised - the necessary changes to the current policy, legislative and implementation frameworks within and between departments, and the economic costs and benefits of different models of implementation shall be evidenced. This shall include in respect of each model being appraised, the costs and benefits of new structures involving changes to: Administrative systems; Legislation; Personnel & staffing implications involved in the implementation of new structures; and Initial set up and running costs.
- B. Regulation and inspection – costs and benefits of alterations to the existing system that result in increased demand for regulatory and inspection activities by different organisations involved in childcare delivery including the cost implications of a range of different demand scenarios. The need to standardise existing regulation and inspection procedures should be assessed as well as the role of existing bodies involved in childcare. Benefit and Poverty traps: The degree to which tax incentives, including help for working families has been effective in promoting employment among parents and childcare workers should be assessed, and recommendations made to address gaps and weaknesses.
- C. The needs of children with a disability and an assessment of the potential demand for childcare services among this group.
- D. In the case where childcare provision may be devolved and managed locally the appraisal will need to identify the duties of district councils, and, should it be created, an integrated health/education regional childcare partnership. The potential value of community planning to support the delivery of childcare should also be assessed. The role of Sure Start in England is very different to that in NI - the differences between the two models should be assessed in terms of the co-ordination of services and the mode of delivery. The cost implications of different devolved childcare models will need to be quantified.
- E. The childcare workforce – professionalism, training, adequacy of numbers (including urban and rural areas) and impacts arising from the expansion of this sector including costs associated with workforce expansion – promotional activities, impact on the existing economy of childcare provision and the impact of improved wage rates.

- F. Provision of information for parents.
- G. The needs of ethnic minority communities.
- H. The strengths and weaknesses of the systems currently implemented by Local Authorities in GB and by Pobal in the Republic of Ireland including the costs of their operation, data capture and any value these may have for cost assessment in NI.
- I. Monitoring the strategy – measures of success including meeting demand, partnership and cooperation, employment outcomes and outcomes for children.

1.3 Our Approach

We have adopted a structured approach that compiles with the HM Treasury and DFP guidelines, as per your ToR. The structure of the remainder of the report is detailed in the table below:

Table 1.1
Report Structure

Section	Description	Purpose
2	An Overview of Childcare in NI	Consideration of the historic and current structure of the NI Childcare Sector.
3	Review of Strategic Context	To set the objectives of the project within the context of relevant strategies and policies.
4	Assessment of Need & Demand	To establish the need and demand for the project based on primary research, e.g. consultations with stakeholders; and secondary research e.g. review of all relevant reports and statistics.
5	Case Studies/ Benchmarking	To identify strengths and weaknesses of the systems currently implemented in the following regions: England & Wales; Scotland; Republic of Ireland; and Denmark.
6	Objectives and Constraints	To highlight Specific, Measurable, Achievable, Realistic and Time bound (SMART) objectives for the project, thus aiding post project evaluation.
7	Options Identification	To identify proposed project options and to select a shortlist of options for full appraisal.
8	Option Costs and Benefits	To identify associated costs and revenues for each project option and rank all options according to their net present value.
9	Non-monetary Costs and Benefits	Assessment of non-quantifiable factors that will impact the project.
10	Risks & Uncertainties	Consideration of risks and uncertainties associated with the project.
11	Selection of a Preferred Option	To conclude on the findings from all previous phases and identify a preferred option, considering the viability, additionality, cost effectiveness and economic impact of the project.
12	Assessment of Project Financing, Marketing, Management and Post Project Evaluation	To illustrate and comment on proposed management and financing structure and set parameters for on-going monitoring and evaluation. Assess viability and marketing arrangements and benefit realisation.

The following table provides a cross referencing of ToR requirements against the location(s) where they are addressed within the report. The table also highlights the key constraints in meeting some of the ToR requirements due to data limitations.

Table 1.2
Terms of Reference & Report Section

Terms of Reference	Report Section	Constraints
The economic appraisal will need to assess the current level of childcare and gaps in provision. It should present objectively the evidence in support of increased provision.	Section 4.3-4.4 Section 4.6 Section 4.12-4.14 Appendix IX Appendix X	Assessing current levels of childcare demand and supply is complex, hampered by the absence of robust data being monitored within the sector and considerable unknowns. Throughout the appraisal process data collection was not readily available in a consistent manner.
A. The costs and benefits of each model of childcare implementation.	Section 6 Section 8 Section 9	The option development process has been developed in consultation with the cross-departmental Steering Group. Discussions with the Steering Group identified that rather than dealing with 'structural' issues, the option analysis should focus on 'delivery' issues and high level costs only, which would inform a significant proportion of the content of any future Childcare strategy. It was also agreed to provide a qualitative assessment of benefits as quantitative benefits, could not be developed due to data limitations.
B. Regulation and inspection – costs and benefits of alterations to the existing system that result in increased demand for regulatory and inspection activities by different organisations involved in childcare delivery including the cost implications of a range of different demand scenarios.	Section 2.1.6 Section 4.12 Section 8	Accepting the data limitations, FGS McClure Watters have prepared forecasts for future childcare demand, based on available information.
The need to standardise existing regulation and inspection procedures should be assessed as well as the role of existing bodies involved in childcare.	Section 2.1.6 Section 4.13-4.14 Appendix VI Appendix VII	
Benefit and Poverty traps: The degree to which tax incentives, including help for working families has been effective in promoting employment among parents and childcare workers should be assessed, and recommendations made to address gaps and weaknesses.	Section 4.8 Appendix XI	
C. The needs of children with a disability and an assessment of the potential demand for childcare services among this group.	Section 4.10 Section 4.13-4.14 Appendix XII	

Terms of Reference	Report Section	Constraints
<p>D. In the case where childcare provision may be devolved and managed locally the appraisal will need to identify the duties of district councils, and, should it be created, an integrated health/education regional childcare partnership. The potential value of community planning to support the delivery of childcare should also be assessed.</p>	<p>Section 6 Section 7</p>	<p>In agreement with the cross-departmental Steering Group, the options concentrated on delivery models and costs rather than the structural models which would facilitate the implementation of a new Childcare strategy. The Steering Group identified the need to discuss and agree structural options at a Departmental and Executive level.</p>
<p>The role of Sure Start in England is very different to that in NI - the differences between the two models should be assessed in terms of the co-ordination of services and the mode of delivery.</p>	<p>Section 4.5 Appendix VII</p>	
<p>The cost implications of different devolved childcare models will need to be quantified.</p>	<p>Section 8 Section 9 Section 10</p>	<p>As above. The Steering Group identified the need to discuss and agree structural options at a Departmental and Executive level prior to costing structural options.</p>
<p>E. The childcare workforce – professionalism, training, adequacy of numbers (including urban and rural areas) and impacts arising from the expansion of this sector including costs associated with workforce expansion – promotional activities, impact on the existing economy of childcare provision and the impact of improved wage rates.</p>	<p>Section 4.11 Section 4.13-4.14</p>	<p>Due to data limitations, it is not possible to distinguish the age breakdown of the future demand for childcare. As such, it is not possible to apply childcare worker to child ratios in order to calculate the additional childcare staff associated with increased demand.</p>
<p>F. Provision of information for parents</p>	<p>Section 4.9 Section 4.13-4.14</p>	
<p>G. The needs of ethnic minority communities.</p>	<p>Section 4.10 Section 4.13-4.14 Appendix XII</p>	
<p>H. The strengths and weaknesses of the systems currently implemented by Local Authorities in GB and by Pobal in the Republic of Ireland including the costs of their operation, data capture and any value these may have for cost assessment in NI.</p>	<p>Section 4.2 Section 5</p>	<p>Costs in relation to the operation of systems in place in other jurisdictions were not readily available from desk research and/or consultation sources.</p>
<p>G. Monitoring the strategy – measures of success including meeting demand, partnership and cooperation, employment outcomes and outcomes for children.</p>	<p>Section 8 Section 9 Section 13</p>	

2 AN OVERVIEW OF CHILDCARE IN NI

2.1.1 Definitions

A broad definition of Children Services can include: Childhood care, development and education for *all* children aged 0-14 years (i.e. early years and school aged children inclusive of children with a disability and those from ethnic minority backgrounds).

For the purpose of this appraisal, the following forms of childcare are taken into consideration: day nurseries, childminding and out of school clubs i.e. childcare which provide parents with the sufficient number of hours of care in order to enable them to partake in the labour market and/or education and training (NB. day nurseries and childminding offer full day care (8am-6pm), whilst out of school clubs offer care in the morning and after school period to extend the school day, thus providing full day care within parental working hours).

Childcare, such as Playgroups and Crèches, which offer c3-4 hours of care per day, can be used to supplement other forms of childcare or could enable parents to gain part-time employment or training.

Please refer to Appendix V which provides a definition for each of these forms of childcare.

Parents mix formal and informal childcare to extend their working day and to reconcile their work schedule with the needs of their children. 'Formal' care can be regarded as care in a registered setting such as a nursery or playgroup, or with a registered childminder. 'Informal childcare' is unregistered and is usually provided by a friend or relative. Some 'formal' arrangements are free, since some families receive free places in playgroups or other settings, whilst some 'informal' arrangements, including occasionally those with grandparents, can be free or paid for.

According to a survey commissioned by the Equality Commission for NI³, the choice of childcare type seems to be made on grounds of quality where more than one alternative is available and affordable. Many chose registered childminders because they are more affordable than day nurseries. Some preferred a day nursery because it gave their child opportunities to socialise with others or because they preferred their child to be with several adults rather than one – but they could not always afford a nursery. Conversely others preferred a 'one to one' care arrangement, especially for very young children, or thought that the nurseries in their area were 'regimented', 'institutional' or 'not very good'.

Although outside the scope of this appraisal, additional Children Services are also taken into account to include: the Pre-School Education Expansion Programme (PSEEP); the Extended Schools Programme; and the Sure Start Programme. The Department of Education do not define these programmes as childcare, however as it is acknowledged that some parents may consider such provision when making their childcare arrangement it has been included.

³ The availability, use of, and demand for Childcare Services among the parents of children aged 0-14 in NI by Dr. Anne Gray and Prof. Irene Bruegel (2003) NB. A postal questionnaire was sent in May 2002 to 10,000 households believed to have children under 12. 14% response rate (1,395 replies). In almost all cases the reply came from a woman; only 32 respondents were male, of whom 4 were lone fathers. A follow-up survey was carried out with 100 postal survey respondents.

2.1.2 *Children First – NI Childcare Strategy*

'Children First: The Northern Ireland Childcare Strategy A Policy Statement (1999)', sets out the Government's proposals to increase the quantity and improve the quality of affordable childcare for children up to the age of 14 in NI.

The strategy was in response to the following three main childcare challenges: quality of childcare was variable; the cost of childcare was too high for many parents; and in some areas there were not enough childcare places and access to them was hampered by poor information. The Principles of Children First were as follows:

- **Social Inclusion** – to promote social inclusion;
- **Quality** – to promote quality in both provision of childcare and the quality of suitably trained childcare workers;
- **Affordability** – to provide a range of affordable childcare, *“more choice for all families, especially those on a modest income”*;
- **Accessibility** – access to childcare in every community with a *“substantial increase in the number of childcare places available in different settings”*;
- **Flexibility** – the promotion of 'family friendly' policies among employers in NI;
- **Information** – access for parents to accurate information on childcare and advice on financial support; and
- **Partnership** – a range of professions and agencies working in partnership with parents and employers.

The specific actions under each of the Principles of 'Children First' were:

- £9.9m provided for the implementation of **Sure Start** in NI. The programme aims to work with parents and children under 4 in areas of social disadvantage to promote physical, intellectual and social development of pre-school children;
- £27.4m for the **expansion of pre-school education** for 3 and 4 year olds to cover 85% of pre-school children by 2002;
- £9.9m from the **New Opportunities Fund** to support the establishment of out-of-school childcare;
- £7.0m to support training opportunities in childcare through the **New Deal** by 2002; and
- The Training and Employment Agency was to develop a childcare training strategy for NI.

2.1.3 *Historic Structure*

The following section briefly outlines the key government departments and their role/responsibilities in terms of Childcare in NI during the implementation of the Children First-NI Childcare Strategy. The structure and linkages between these departments and other key stakeholders is presented in Figure 2.1.

At regional level, an **Interdepartmental Group on Early Years (IDGEY)** was established in 1995 and from 1999-2005 undertook the role of providing inter-departmental cooperation to direct the Children First policy.

The following three departments are represented on this group: the Department of Education (DE); the Department of Health, Social Services & Public Safety (DHSSPS); and the Department for Employment and Learning (DEL). The Social Services Inspectorate (SSI) and the Education and Training Inspectorate (ETI) are also represented on this group.

At a **sub-regional level**, there are two key types of bodies which support the implementation of 'Children First' i.e. four Childcare Partnerships (CCPS) and Pre-school Education Advisory Groups (PEAGs).

The four CCPS (i.e. the Northern; Southern; Eastern; and Western) are responsible for driving activity to implement Children First across their designated geographical area by:

- Assessing the demand for childcare and family support services;
- Direct investment to meet identified need;
- Raising the quality of childcare; and
- Ensuring that reliable information on childcare services is readily available.

NB. Since 2000, the CCPs role has been extended to include funding and managing the Sure Start Programme.

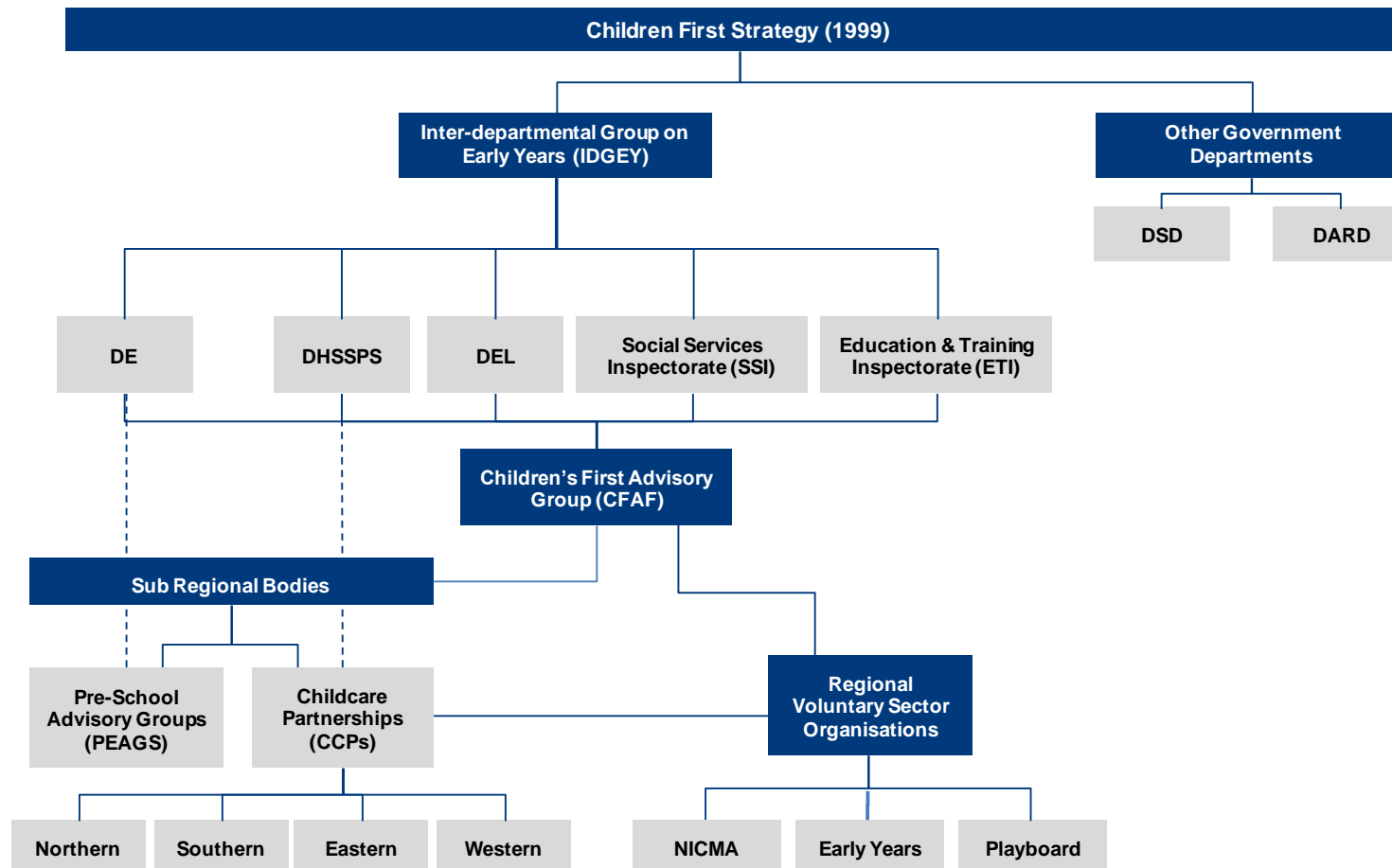
A PEAG was established in each Education and Library Board area, representing all relevant local interests i.e. Education and Library Boards, Health Boards and Trusts, Council for Catholic Maintained Schools, the voluntary/private sector, integrated and Irish-medium education.

Its role was part of the Pre-School Expansion Programme, introduced by DE in 1998 to increase the level of pre-school provision. At that time only 45% of children received a free year of pre-school education prior to commencing school. By 2005, this figure had increased to places available for an estimated 95% of the cohort. The additional places were to be provided in the statutory, voluntary and private sectors. PEAGs have some overlapping membership with the CCPs.

There were also three regional voluntary sector organisations, which deliver childcare services in NI i.e. NI Childminding Association (NICMA); NI Pre-School Playgroup Association (NIPPA) (currently known as Early Years – the organisation for young children); and PlayBoard.

A link between the two sub-regional bodies and the regional voluntary sector organisations with the aforementioned IDGEY was established through, the **Children's First Advisory Group (CFAF)**, an advisory forum. This forum includes representatives from each of the three departments on IDGEY, the four CCPs and voluntary sector nominees.

Figure 2.1
Historic Structure of Sector



DHSSPS commissioned a Review of Children First in March 2005 on behalf of IDGEY, the results of which were published in August 2005. The key objective of this review was to assess the extent to which the key aims of the strategy have been met, gaps and provision and potential models for future strategies. Recommendations included:

- Reshape the childcare vision for NI;
- Allocate mainstream funding to the childcare strategy;
- Strengthen accountability for childcare action;
- Create robust leadership structures for childcare;
- Implement childcare from an integrated platform; and
- Strengthen local capacity to action childcare priorities.

In relation to the structure of the sector in delivering Children First, the following issues and suggested improvements were identified in this review:

Table 2.1
Issues & Suggested Improvements Identified in the Review of Children First

Issue	Suggestions for Improvement
<p>Lack of ministerial accountability and departmental ownership: Although the Chair of the IDEY group rotated between the three departments, the structure lacked clear ownership and leadership from any one department. This group did not have a Minister, or other senior authority such as a Permanent Secretary, to whom it can be accountable.</p>	<p>Make the inter-departmental body accountable to a Minister of a lead department and/ or Children’s Minister.</p>
<p>Lack of a shared vision and subsequent lack of coordination and integration: It was reported that IDGEY has been unsuccessful in terms of its ability to integrate the interests of its three member departments. The general view was that Children First did not benefit from a shared, inter-departmental vision on childcare. Instead it has relied on the statutory remit, role and priorities of individual departments which are related to childcare.</p>	<ul style="list-style-type: none"> • A lead department should be appointed to coordinate and drive childcare issues at departmental level. • Cooperation is needed at inter-departmental level to thread core themes through the childcare strategy i.e. care, health, education, training, workforce development, neighbourhood renewal, anti-poverty and strong voluntary sector cooperation.
<p>Further enhancement of the role of regional voluntary organisations required.</p>	<p>Regional focus should be provided on critical functional areas by IDGEY through time limited sub groups. The sub groups should work closely with and/ or be represented by the key regional voluntary organisations which can advise on key functional areas.</p>

Issue	Suggestions for Improvement
<p>Issues regarding CFAF ability to carry out its role in providing a link between the CCPs, the PEAGs and other sub regional implementation bodies with IDEY: DHSSPS met regularly with each of the CCPs and this has provided a link between the CCPs and IDGEY. Similarly DE met regularly with a PEAG liaison group to maintain links. Confusion exists regarding the role and responsibilities of CFAF. There are views amongst the CCPs and other stakeholders that this confusion stems from the lack of integrated commitment to <i>Children First</i> at departmental level.</p>	<p>Any future structure needs to consider the efficacy of maintaining a body whose sole function is an advisory one. The potential models for future childcare delivery do not recommend an advisory body.</p>
<p>Concern regarding potential duplication of effort at sub-regional level: Although the CCPs and PEAGs are two separate bodies, they have common membership. This raised concerns regarding duplication of effort. In addition, because the CCPs and PEAGs are separate bodies, this weakens the extent to which there is integration of education and care for children. Calls have been made for the CCPs and PEAGs to be merged in order to support an integrated approach across care and education settings. In achieving integration of care and education structures, the distinct functions of the CCPs and PEAGs should be supported i.e. the remit of the CCP is to deliver <i>Children First</i> locally and that of the PEAG is to deliver the PSEEP.</p>	<p>Care and education structures should be formally integrated at sub-regional level.</p> <p><i>(NB. Since this review, the PSEEP is now well established, resulting in the PEAGs remit being reduced which can be regarded as much more limited than CCPs. CCPs have a broader, wide-ranging operational role in respect of support and the development of children's services).</i></p>
<p>Role of local level bodies and service providers: In addition to the Early Years' Teams which undertake registration, inspection and monitoring of early years' services on behalf of the HSS Trusts, there were a number of bodies which support the <i>Children First</i> policy at local grass roots level. For example, in the EHSSB, there were four District Childcare Partnerships which are coterminous with HSS Trust areas, and in the SHSSB area there were a number of Early Years' Fora. The local knowledge which such bodies possess and their strong linkages with the community are viewed to be invaluable to the delivery of childcare services as well as communicating the needs of communities to the CCPs.</p>	<p>Coordination of action at the local level should be strengthened.</p>

Source: DHSSPS Review of Children First (2005)

2.1.4 *Current Structure*

The recommendations relating to improving the structure of the delivery of Childcare in NI as highlighted in the review of Children First have not wholly been implemented. However, there have been a number of changes since 2005, as highlighted below:

- The IDGEY structure no longer exists, the investment in childcare and children services is currently provided by the following departments: DE; DHSSPS; DEL; DSD; and DARD, all of which have different agendas in contributing to early years education and childcare (Please refer to Appendix VI and Appendix VII which highlights the focus of each department as well as the roles of other key sector representatives);
- In August 2005, Lord Rooker was appointed as the Minister for children and young people to bring greater co-ordination to children's policy and legislation across government. The Minister for Children and Young People role was to act as champion for children and young people within government, complementing the role of the Children's Commissioner. Maria Eagle took over the role following her appointment to the NI Office Ministerial team in May 2006.
- Childcare policy transferred to DE in November 2006, whereby the development of a NI childcare strategy was to be taken forward by DE. However, priorities and the difficulties between policy development and service delivery meant that a strategic decision was taken by DE to produce an Early Years strategy for children aged 0-6 years. DE and the DHSSPS are currently working together to establish clear lines of responsibility and co-operation to resolve difficulties between policy development being held in one Department and services delivery by another;
- Although policy responsibility for early years (children aged 0-6 years) transferred to DE, the school aged sector (children aged 6-14 years) did not move and remains in a policy vacuum;
- In 2006, OFMDFM launched a 10-year strategy for Children and Young People in NI - 'Our Children and Young People - Our Pledge'. The success of this pledge will be measured by improved outcomes in key areas of our children and young people's lives i.e. Healthy; Enjoying, learning and achieving; Living in safety and with stability; Experiencing economic and environmental well-being; Contributing positively to community and society; and Living in a society which respects their rights;
- The Children and Young People's funding package was launched in 2006. It allocated £28.4m in 2006-07 and £33.25m in 2007-08 to provide funding under the following themes: Extended Schools; Early Years Provision; Improving education provision and support for looked-after children and vulnerable young adults; Youth Outreach Initiative; Child Protection; and Children with special needs and disabilities;
- Patricia Lewsley has been appointed as the second Commissioner who took up post on the 8 January 2007. The principal aim of the Commissioner in exercising her functions is to safeguard and promote the rights and best interests of children and young people, as per the United Nations Convention on the Rights of the Child (UNCRC);

- A Ministerial Sub-Committee (MSC) (re-established in March 2008), chaired by the OFMDFM who have responsibility for Children and Young People, was developed to facilitate joined-up working among the Departments and enable resources to be used effectively (Please refer to Figure 2.2 which illustrates linkages within the current structure).

According to DE's Strategic Plan for Education (April 2006 – March 2008) improved integration of provision for children from 0-6 years will be achieved through the transfer of Early Years policy and funding from DHSSPS to DE under the lead of a senior official. It was envisaged that this would enable Sure Start (0-4 years) and other early years activities to link more effectively to the pre-school education programme and help provide a seamless service to very young children and their parents.

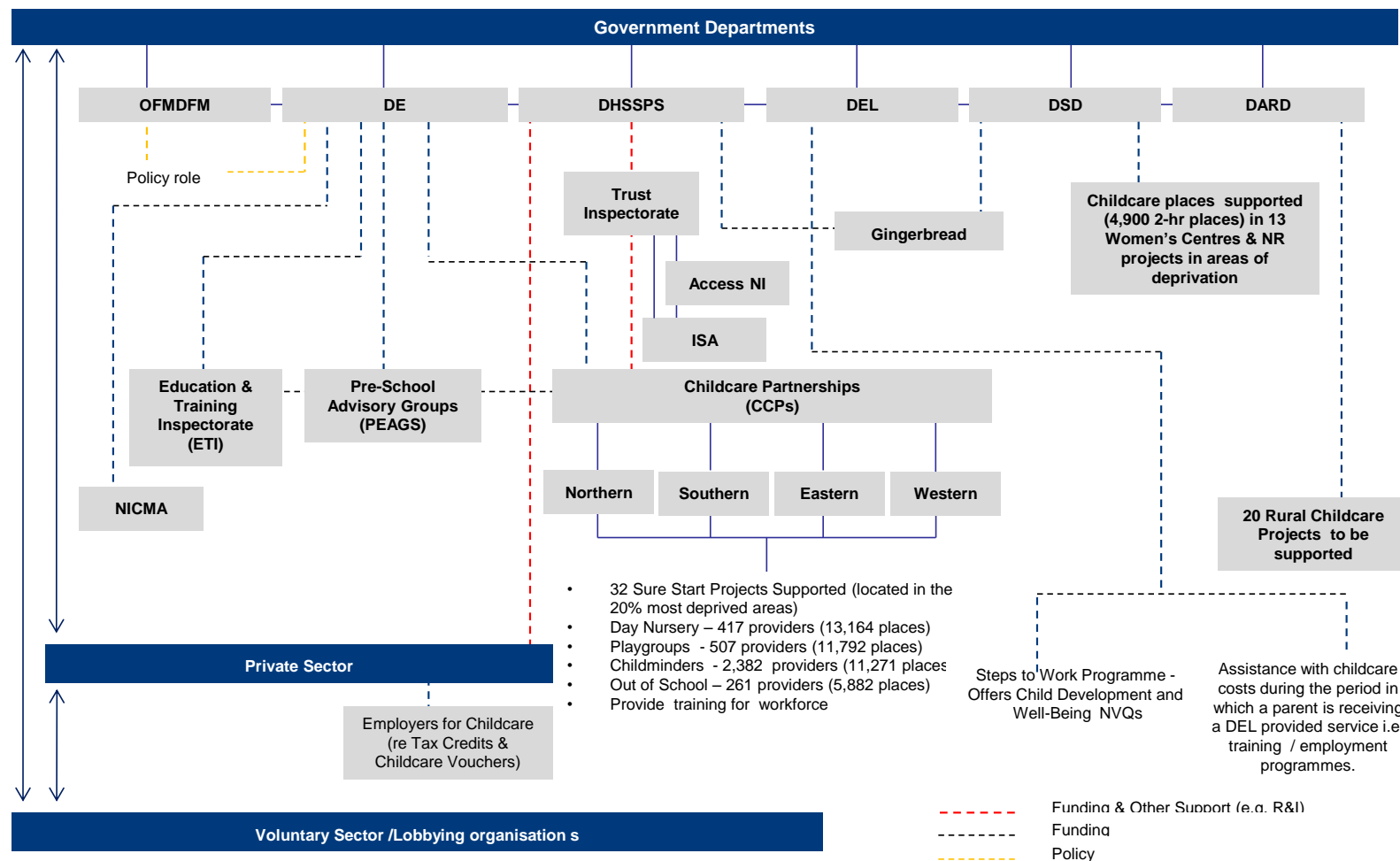
It was intended that this strategy would be published for consultation by November 2008 and that the policy recommendations on Early Years would be finalised by December 2008. By March 2009, DE intended to produce an Early Years 5 year implementation plan and one year action plan. . (NB. Since the submission of this report DE have launched a draft Early Years Strategy for consultation.)

According to DE's Resource Accounts for 2008-2008, work continued on developing the strategy on early years to include *"liaison with stakeholders to seek views and ensure a partnership and participatory approach to the formulation of policy. A paper was developed that drew together information from stakeholders; international, national, local evidence and research; and information and recommendations from Education and Training Inspectorate surveys and reports"*. The strategy is now due to be launched in 2010.

During a debate in the Assembly on a NI Childcare Strategy in April 2009 there was cross party support of the urgent need for a *'coherent and properly resourced childcare strategy'*.

It is important to note that an active strategy encompassing the preschool and school-age aspects of childcare is still not in place.

Figure 2.2
Current Structure of Sector



2.1.5 Funding

A cocktail of funding from Government, the Lottery, the EU, Charitable Organisations and other sources have helped to support the childcare sector, many of which have now ended. This fragmented approach to funding has created substantial uncertainty in the sector due to the lack of a core sustainable funding stream with resulting difficulties in recruitment and retention.

The following historic and current funding streams can be identified. Please refer to Appendix VIII for further details regarding the level of funding awarded per year.

Table 2.2
Funding Streams (1995-present)

Historic Funding Streams	£m
Childhood Fund: Peace I (1995-1999) & Peace II (2000-2006) – Measure 2.5 Investing in Childcare & Measure 2.8 Accompanying Infrastructure & Equipment Support	£41.00
Childhood Fund: Peace II – Measure 1.5 Positive Action for Women (2000-2006)	£8.26
BIG Lottery Fund – New Opportunities Fund (NOF) - Out of School Hours Childcare (1999-2003)	£12.90
BIG Lottery Fund NOF - Building Quality Childcare (1999-2003)	£6.00
DHSSPS Sure Start Programme Funding (2000-2006)	£24.90
DHSSPS Sustainability Fund (2004-2005)	£2.00
DE Pre-School Education Expansion Programme (1998-2005)	£58.00
DEL New Deal Programme (1998-2006)	£8.90
DEL Childcare Bursary Programme (2000-2005)	£0.36
Children and Young People's Funding Package (2006-2008)	£61.30
Children and Young People's Funding Package - voluntary and community children's projects (2006-2008)	£14.60
Total	£238.22
Recent and/or On-going Funding Streams	£m
DE EYDF(2007-present)	£4.26
DE Sure Start Programme Funding (2007-present)	£52.60
DE Sustainability Fund/Early Years Fund (2007-present)	£8.61
DE Pre-school Education Expansion Programme (2007-present)	£39.17
DE Extended School Programme (2006-present)	£45.21
DEL's Childcare for Further Education Students	£1.76
DEL Steps to Work Programme	£1.80
DEL's Dependants Grants Entitlements	£6.76
DEL's funding allocated to ESF Projects (25% of total)	£0.25
DSD Women Centres Childcare Fund (2006-2010)	£2.95
DSD Childcare Places funded through Neighbourhood Renewal (2008-2010)	£1.23
DARD Rural Childcare Programme (2009-2011)	£1.30
Total*	£165.90
Overall Investment	£404.12

*Approximately £76.29m has been allocated in 2009/10 period (46%)

The policy vacuum in relation to School Aged Children has resulted in an interim ad hoc approach to funding. Historically, funding to support this sector was mainly provided through Peace I and II and the Big Lottery.

Funding continued with the launch of the Children and Young People's Funding Package (2006-2008). PlayBoard on behalf of the funded SAC sector has lobbied both to secure funding extensions until March 2011 (Please refer to Section 4.3.4 for further information). A NI Childcare Strategy should identify an appropriate policy lead for afterschool care.

It is important to note that the childcare sector is not only supported by public funding streams, support has also been provided by parents paying for provision and subsidies provided through tax credits.

It is vital that the development of a sustainable childcare strategy is matched with appropriate ring fenced funds to allow the sector to forward plan and to build on current staffing expertise.

2.1.6 Legislation, Registration & Inspection

Legislation

The Children Order (NI) 1995 provided the legislative framework for the development of childcare law. The legislation brings together public and private law relating to children in NI within a single statute. Its purpose is to promote and safeguard the welfare of children.

Under Article 19, 'Day care for pre-school and other children' (i.e. "day care" means any form of care or supervised activity provided for children during the day, whether or not it is provided on a regular basis), an 'Authority' shall provide such day care for children in need who are aged 5 or under; and not yet attending school. The authority shall provide for children in need who are attending any school such care or supervised activities as is appropriate outside school hours and during school holidays. This is the statutory duty with which DHSSPS through the Trusts have to discharge, which is DHSSPS' priority.

Article 19 also states what the Authority may do with providing day care for those children not in need, however it is important to note that there is **no statutory duty to provide universal childcare**.

Registration

The Children Order (NI) also provides detailed guidelines necessary for providers to adhere to in order to become legally registered to deliver childcare services on a fee-for-service basis to the general public in order to protect children.

Registration is carried out when a new facility is set up or when a childminder goes into business and is reviewed on an annual basis. During this process each childcare provider must meet certain minimum standards in order to be approved, and continue to do so to maintain their registration status.

The standards cover areas such as qualifications and experience of staff, quality of care, premises, equipment, health and safety, policies and procedures.

Trusts aim to ensure that a decision on applications for registrations are normally reached within three months of receipt of the completed application form in the case of child minders and providers of sessional day care (playgroups, out of school clubs), and six months in the case of full day care services.

Inspection

DHSSPS have a statutory duty to regulate and inspect (under Article 118) and to review provision under Article 20 in conjunction with Education and Library Boards and District Councils. The Childcare Partnerships assist the Department in meeting its statutory duty to review provision

The Health and Social Care Trusts (HSCT) are required to inspect domestic premises in which registered child minders are working and non-domestic premises where day care for children aged under twelve is being provided at least once a year. The HSCT may also authorise someone to enter any premises in its area if it has reasonable cause to suspect that a child is being looked after by a child minder who is not registered and is not exempt from the requirement to register or by an unregistered person providing day care in non-domestic premises.

The main purposes of the inspection are:

- To enable the Trust to satisfy itself that children are appropriately cared for and services are being provided to an acceptable standard;
- To provide reassurance to parents;
- To ensure that the facilities provided are in accordance with the information held on the register; and
- To encourage day care providers and child minders to raise standards.

DHSSPS currently provide funding of **£3,830,195** to the Health and Social Care Boards for staffing costs (105 staff) relating to registration and inspection processes. Please refer to Appendix VII, Table 15 for a detailed breakdown of funding and associated staff by Trust area.

There has been discussion regarding the future potential role of the Regulation and Quality Improvement Authority (RQIA) in terms of 'inspecting the inspectors' to ensure a consistent approach is employed across all providers. RQIA is an independent body responsible for monitoring and inspecting the availability and quality of health and social care services in NI, and encouraging improvements in the quality of those services. RQIA is responsible for registering, inspecting and encouraging improvement in a range of health and social care services delivered by statutory and independent providers.

If day nurseries offer Pre-school Education Expansion Plan (PSEEP) places they must also be inspected by DE, through the Education & Training Inspectorate (ETI). This inspection evaluates the quality of provision across a range of activities, including: the nature of the pre-school curriculum, the number and duration of sessions, the number of children, the staff/child ratios, the qualifications held by staff, the accommodation, and the provision of support from a qualified teacher or an early years specialist. It should be noted that all day nurseries, whether PSEEP or not, are still registered by HSCT.

ETI inspects all settings whether newly built statutory schools and units or voluntary and private settings generally within a year of their joining PSEEP. After the initial inspection, subsequent inspections take place approximately every 5 years. NB. Voluntary/private settings involved in the PSEEP are now subject to two inspection regimes - the ETI inspection (c every 5 years) for educational purposes and the HSS Trusts' inspections (every year) for registration purposes. In order to ensure the most effective use of time and resources, ETI aims to work closely with the Trust by using the information contained in the most recent Trust inspection report in drawing up and prioritising the inspection programme.

Workforce Regulations

The Vetting and Barring Scheme (VBS) was established under the Safeguarding Vulnerable Groups (SVG) (NI) Order 2007 and was launched on the 12 October 2009. The VBS has been created to make it easier for organisations working with vulnerable groups to recruit suitable workers in a safe way. The SVG Order will replace the 'Protection of Children and Vulnerable Adults' (POCVA) check on a person's criminal history and will extend the current vetting and barring arrangements in NI.

The scheme will further enhance good recruitment and selection practices by ensuring that good judgements have been made about staff and volunteers who wish to work with children and/or vulnerable adults.

Individuals intending to work with vulnerable groups apply to a central body for registration, i.e. the Independent Safeguarding Authority (ISA). The ISA is a non-departmental public body of the Home Office to provide independent decision making. In Northern Ireland applications are administered by Access NI who subsequently submit the forms to ISA.

The existing workforce will be phased into the VBS in stages, but within 5 years, all individuals working or volunteering closely with children and vulnerable adults will be required to become members of the scheme and register with the ISA. Continuous monitoring will also ensure that an individual working or volunteering with vulnerable groups, is removed from that work when harm or a risk of harm is demonstrated.

The scheme will operate across NI, England and Wales, providing a consistent and co-ordinated approach in protecting those who are vulnerable and in ensuring that people working with those who are vulnerable are not unsuitable. Scotland will have a broadly similar and closely aligned scheme.

DHSSPS currently provide funding of **£690,000** to the Health and Social Care Boards for vetting and barring costs.

Please refer to Appendix VII for a detailed breakdown by Trust area.

3 REVIEW OF STRATEGIC CONTEXT

3.1 Introduction

The key international, national and local strategy and policy documents which are relevant to this assignment are listed in Table 3.1 below. An overview of the aims, objectives and implications of these strategic documents is summarised Table 3.2, with further detail presented in Appendix II.

Table 3.1
Relevant Strategy/Policy Documents

Strategic / Policy Documents
United Nations Convention of the Rights of the Child (UNCRC) (1990)
Organisation for Economic Co-operation & Development (OECD) - Recommendations for Effective Childcare Policy
The Children (NI) Order (1995)
Children First: The Northern Ireland Childcare Strategy A Policy Statement (1999)
OFMDFM - Ten-year Strategy for Children and Young People in NI (2006-2016)
OFMDFM - A Gender Equality Strategy (2006-2016)
OFMDFM - Lifetime Opportunities, NI's Anti Poverty & Social Inclusion Strategy (2007)
NI Programme for Government (2008-2011)
OFMDFM - Play and Leisure Policy (2009)
Review of Public Administration
New Targeting Social Need/Tackling Social Exclusion
Disability Discrimination Act 1995 (as amended by Article 5 of the Disability Discrimination (NI) Order (2006)
Section 75 of the NI Act (1998)
Department of Education (DE) Business Plan (2008-2009)
Department of Health, Social Services & Public Safety (DHSSPS) - Corporate / Business Plan (2009-2011)
Department of Employment & Learning (DEL) - Corporate Plan (2008-2011)
DEL Success through Skills Strategy (2006)
Department of Social Development (DSD) – Corporate Plan (2008-2011)
DSD - Positive Steps – The Government's Response to Investing Together; Report of the Task Force on Resourcing the Voluntary and Community Sector (March 2005)
DSD - Neighbourhood Renewal - People and Place Strategy (2003)
DARD - Strategic Plan (2006-2011)
Department of Agriculture & Regional Development (DARD) - Business Plan (2008-2009)

Table 3.2
Overview of Relevant Strategy Documents

Strategy / Policy Document	Summary of Policy / Document
United Nations Convention of the Rights of the Child (UNCRC) - (1990)	The UNCRC is the most complete statement of children's rights and provides an internationally agreed framework of minimum standards necessary for the well-being of the child to which every child and young person under 18 years is entitled. The UNCRC states in Article 18 <i>“parties shall take all appropriate measures to ensure that children of working parents have the right to benefit from child-care services and facilities for which they are eligible”</i> . <i>The NI Commissioner for Children and Young People (NICCY), which was established in 2003 aims to safeguard and promote the rights and best interests of children and young people as per the UNCRC. Patricia Lewsley is the second Commissioner who took up post in 2007.</i>
Organisation for Economic Co-operation & Development (OECD) - Childcare Policy	The OECD has made the following recommendations in terms of developing an effective childcare policy: An integrated policy approach ; Continued public investment; A focus on improving and assuring quality; Effective training for the workforce; A reliable data collection system; and data is analysed and used with research information to evaluate policy.
The Children (NI) Order 1995	The Children Order brings together for the first time the law relating to the care, protection and upbringing of children (0-12 years) . The Order is widely regarded as the single most important source of child law and it affects all who work for and care for children, whether as parents, paid carers or volunteers.
Children First: The Northern Ireland Childcare Strategy A Policy Statement (1999)	The NI Childcare Strategy, which targeted the age range 0-14 years was in response to three main childcare challenges i.e.: Quality of childcare was variable; The cost of childcare was too high for many parents; and In some areas there were not enough childcare places and access to them was hampered by poor information. The Principles of Children First were: Social Inclusion; Quality; Affordability; Accessibility; Flexibility; and Partnership.
OFMDFM – Ten-year Strategy for Children and Young People in NI ‘Our Children and Young People - Our Pledge’ (2006-2016)	OFMDFM’s overall pledge is to deliver on a shared vision that all children and young people living in NI will thrive and look forward with confidence to the future. (Age range: 0-18 years . For children who are/have been in care or children with a disability, the age limit extends to 21 years). Although the main Strategy document does not deal specifically with the issue of childcare, the related Action Plan includes: development of a strategy to tackle child poverty ; the introduction of extended schools, primarily in areas of disadvantage; Geographical expansion and enhancement of Sure Start; and introduction of legislation to improve structural arrangements for the protection of children.
OFMDFM - A Gender Equality Strategy (2006-2016)	The strategy identifies key action areas for tackling gender inequalities, including childcare / caring as roles for both women and men. The strategic objectives of which include: To achieve better collection and dissemination of data; To achieve equal value for paid work and equitable participation in unpaid work; and To actively promote an inclusive society e.g. gender action measures include the provision of childcare which is reliable, affordable and accessible , and measures to improve women’s access to, and progress in, the labour market.
OFMDFM - Lifetime Opportunities, NI’s Anti Poverty & Social Inclusion Strategy (2007)	‘Lifetime Opportunities’ - working towards halving child poverty by 2010 on the way to eradicating child poverty by 2020 . In terms of Early Years, the goal is to ensure that every child should have a chance to develop their full potential in infancy regardless of social background and to support their parents to help achieve this. The goal for Young People (5–16), is to allow all children and young people to experience a happy and fulfilling childhood, while equipping them with the education, skills and experience to achieve their potential to be citizens of tomorrow.

Strategy / Policy Document	Summary of Policy / Document
NI Programme for Government (PfG) (2008-2011) specifically PSA 3 and PSA 6	Within the PfG Public Service Agreements (PSAs), there appear to be no specific references to the childcare sector, however, PSA 3 (addressing the barriers to employment), PSA 6 (To ensure that children are cared for , live in safety, are protected from abuse, receive the support they need to achieve their full potential), PSA 7 (Making people's lives better) and PSA 10 (Helping our children and young people to achieve through education) have the potential to impact on childcare.
Review of Public Administration (RPA)	The RPA will introduce the most far-reaching reform of the system of public administration in NI for a generation. Under this model 11 new Councils will be created made up of combinations of the current 26 council areas. In terms of childcare, this service could be devolved to Local Councils (similar to responsibilities of Local Authorities in UK).
New Targeting Social Need/Tackling Social Exclusion (NTSN)	NTSN is a government policy which aims to tackle social need and social exclusion in NI, by targeting efforts and available resources on people, groups and areas in the greatest social need. It includes tackling the problems of unemployment and increasing employability (including knowledge and skills as well as childcare and ability to travel to work). NTSN identifies that Social exclusion may affect areas of deprivation and people, in particular, young people, long-term unemployed (particularly between ages 18-24), vulnerable groups such as lone parents.
Disability Discrimination Act 1995	The DDA (amended by Article 5 of the Disability Discrimination (NI) Order (2006)) makes it unlawful for services such as childcare settings to discriminate against disabled people. DDA also sets out the two main duties for childcare providers i.e. not to treat a child with disabilities 'less favourably'; and to make 'reasonable adjustments' for children with disabilities.
Section 75 of the NI Act 1998	This Act placed a statutory obligation on public authorities in carrying out their various functions in NI, to have due regard to the need to promote quality of opportunity for all Section 75 categories can include children and young people with multiple identities; with a disability; children and young people from minority ethnic communities; young offenders; children of Irish travellers; care leavers and younger children.
Department of Education (DE) Business Plan (2008-2009)	DE's vision is to educate and develop the young people of NI to the highest possible standards, providing equality of access to all. One of the key actions for DE during the 2008/09 Business Plan was to take forward a range of policies, including a comprehensive Early Years Strategy (0-6 years) that focuses on the development and wellbeing of each child.
Department of Health, Social Services & Public Safety (DHSSPS) – Corporate / Business Plan (2009-11)	DHSSPS's mission is to improve the health and social well-being of the people of NI. Goals for 2009-2011 include: Improve and protect health and well-being and reduce health inequalities; Ensure the provision of health and social care ; and improve outcomes for all children and young people in NI. NB. Under Article 18-20 of the Children (NI) Order 1995), DHSSPS are responsible for the following areas relating to childcare: The provision of childcare places for children and/or families with specific needs; The registration and inspection of childminders and private, voluntary and community day-care nurseries and crèches; and To maintain and review provision through the Children's Services Planning process.

Strategy / Policy Document	Summary of Policy / Document
Department of Employment & Learning (DEL) – Corporate Plan (2008-2011)	DEL’s vision is “ <i>a dynamic, innovative and sustainable economy where everyone achieves their full potential</i> ”. The aim of the Department is to “ <i>promote learning and skills, prepare people for work and to support the economy</i> ”. The Department is the Managing Authority for the £285m NI European Social Fund Programme 2007-13, which includes two inter-related Priorities. Priority 1 will support activities to reduce unemployment and economic inactivity , by helping those experiencing significant employment gaps and other disadvantaged groups within the labour market into sustained employment (to reduce barriers to employment e.g. DEL provides a childcare allowance to participants). Priority 2 will help to increase workforce skills by funding training to skill level 2 and skill level 3 and essential skills (DEL provides NVQ in Child Development and Well-being , therefore helping to up-skill the workforce).
DEL Success through Skills Strategy (2006)	The implementation of the skills strategy is grouped under four themes: Understanding the demand for skills; Improving skills levels of the workforce; Improving the quality and importance of education and training; and Tackling skills barriers to employment, which states, “ A contributor to this theme is the Governments Welfare to Work Agenda, through which individuals will, where possible, be assisted to address their main barriers to employment. These barriers include ill health, childcare, mobility..... ”
DSD - Neighbourhood Renewal- People & Place Strategy (June 2003)	The Strategy outlines four interlinking strategic objectives: Community, Economic, Social and Physical Renewal. Under the strategic objectives “Economic Renewal” an objective has been set which involves “ helping people in the most deprived neighbourhoods to overcome any barriers to work such as poor transport or a lack of suitable childcare ”.
DSD - Positive Steps – (March 2005)	DSD Positive Steps identifies that the voluntary and community sector makes a significant contribution to life in NI. The strategy identified marginalised young people and the participation of women in marginalised and disadvantaged communities as cross cutting areas of work. “ <i>The core activities and outputs of organisations promoting the participation of women in marginalised and disadvantaged communities provide vital services to local communities such as adult training and childcare and should be supported by the relevant statutory agency</i> ”.
DSD – Corporate Plan (2008-2011)	The Department’s aim is “ <i>together, tackling disadvantage, building communities</i> ”, with a policy objective, “ <i>to improve the physical, economic and social environment of neighbourhoods, towns and cities in NI with a particular emphasis on tackling disadvantage</i> ”. This plays a critical part in regenerating the economy and, both directly and indirectly, create new job opportunities that will offer people the chance to move into employment and, for many, out of a cycle of disadvantage and deprivation.”
DARD - Strategic Plan (2006-2011)	DARD’s vision is for NI is a thriving and sustainable rural community and environment. The Department’s role will be in helping to promote access to and provision of services, contributing to a confident, rural community. DARD has developed a £1.5m Rural Childcare Programme , with the aim of addressing rural specific needs in response to a report prepared by a Rural Childcare Stakeholders Group.
Department for Work & Pensions ‘Reforming Welfare for the Future’ (2008)	The Welfare Reform measures introduced by the Labour Government in December 2008 require lone parents to move from Income Support to Jobseekers Allowance. This legislation will be implemented across all UK regions and will require lone parents with children aged 10 or over from October 2009 and 7 or over from October 2010, to seek work and actively engage with the labour market. This will help to achieve Government’s target of 70% of lone parents in employment by 2010.

3.2 Conclusion

Our review of the strategic/policy context framing childcare provision highlights the following key issues.

- The need for NI to meet the requirements set in the UNCRC, namely:
 - “parties shall take all appropriate measures to ensure that children of working parents have the right to benefit from child-care services and facilities for which they are eligible”;
- ‘Children First: The Northern Ireland Childcare Strategy A Policy Statement’ was introduced in 1999 to deal with three key issues which were known at that time to be barriers, cost, quality and provision. Over ten years later, the vast majority of stakeholders have agreed that these issues are still prevalent. Consequently, there is an urgent need for an effective Childcare Strategy in NI to be developed and implemented.
- Although the Children (NI) Order 1995 was a ground breaking development, it is noted that this is now 15 years old and should be considered in the context of a new Childcare Strategy;
- There is separate policy ‘agendas’ in each of the Departments attached to childcare i.e. a service to enable parents to work; the health, educational and social development of the child; training and workforce development; neighbourhood renewal; and anti-poverty. It is important that these areas are reflected in any future strategy in an integrated manner;
- OFMDFM’s commitment to working towards halving child poverty by 2010 on the way to eradicating child poverty by 2020 will require flexible and age-appropriate childcare support to allow parents to engage in training and employment;
- The forthcoming Child Poverty Bill places a statutory duty on the UK government and the devolved administrations to produce a child poverty strategy and childcare provision will be an important part of any such strategy. NI departments will be required to demonstrate the impact of their policies and actions on reducing child poverty and this will be reported by Ministers to the Assembly on an annual basis;
- Changes in terms of Welfare Reform agenda, which aims to increase employment in order contribute towards the eradication of child poverty by 2020, will create more demand for childcare services within Northern Ireland.

Please also refer to Section 5 and Appendix II and Appendix XIII, which provides an overview of strategies in place in England, Scotland, Wales and the Republic of Ireland, which indicate a more explicit and robust focus on childcare than is the case in NI.

4 ASSESSMENT OF NEED & DEMAND

4.1 Introduction

This chapter details key issues relating to the need/demand for childcare, as well as issues relating to the structure and processes by which childcare policy is currently developed and delivered in Northern Ireland. These areas of need are articulated through providing:

- A socio-economic overview of Northern Ireland (NI);
- Details of the Current Supply of Childcare with NI;
- Details of Other Provision Supplementing Childcare;
- Details of Other Relevant Children Services;
- Data on Childcare Usage;
- An Overview of Rural Childcare Issues;
- Details of Childcare Costs and Associated Support towards Costs;
- The Results of a Previous Survey of Parental Views of Childcare;
- Specific User Group Needs;
- An Overview of Childcare Workforce and Workforce Development Issues;
- An Assessment of Future Demand for Childcare;
- The Results of Stakeholder Consultation;
- The Results from Private Sector Survey; and
- Conclusions regarding the rationale for government intervention, additionality and displacement.

This appraisal involved a wide ranging process of consultation with key stakeholder groupings. Overall, the following consultations were carried out:

- 33 separate face-to-face consultations and 7 telephone consultations (to include Senior Officials in DE, DHSSPS, DEL, DSD and DARD. In addition, the views of the four childcare partnerships and community and voluntary organisations were sought);
- 1 focus group with the members of the Early Years Strategic Alliance (EYSA);
- 1 focus group with Community Sector representatives hosted by the Belfast Health & Social Care Trust;
- 1 roundtable discussion with the Centre for Social Justice organised by Employers For Childcare;
- 1 meeting with c40 private sector representatives hosted by Early Years – the organisation for young children; and
- Follow up survey of private sector representatives (15 returns).

Please refer to Appendix III for a list of key stakeholder consultees.

4.2 Socio-Economic Overview

The ‘Starting Strong II: Early Childhood Education and Care (ECEC) review in twenty Organisation for Economic Cooperation and Development’ (OECD) countries noted that there have been four broad contextual changes which have impacted on family life and particularly on early childhood education and care. These include:

1. The need to plan for the **demographic challenges** of falling fertility and increased immigration, particularly in European countries;
2. The need to break the cycle of **poverty** and inequality that begins in early childhood
3. The rise in the **service economy** being accommodated by the **influx of women** into salaried employment; and
4. The need to strike a **balance** between work and family responsibilities in a manner more equitable to women.

The following section provides a brief overview of the key socio economic trends in NI, including demographics, deprivation, child poverty and labour market trends. Please refer to Appendix IV for further details.

Population⁴

- In 2008, the total population of NI was **1,775,000 people**, an increase of 0.9% (15,900 people) from the preceding year.
- In terms of urban/rural split with NI, 65% of individuals live in urban areas and 35% living in rural areas with fewer than 4,500 inhabitants.
- There were **355,870 children** aged 14 and under living within NI in 2008, representing **20%** of the total population.
- The Eastern area has the highest proportion of children aged 14 and under (36%), followed by a quarter (25%) living within the Northern area. The Southern area encompasses 21% of all children and the Western areas represent the smallest percentage of children, accounting for 18% of the population.
- NI has a high percentage of children compared to other parts of the UK (i.e. England – 17.6%, Scotland – 16.5%, Wales – 17.2%) and is on par with the Republic of Ireland (21%).
- According to NISRA, the number of children aged 14 and under is expected to increase from 2008 by 4.9% to approximately 373,000 by 2023.
- NI is experiencing an upward trend in the number of births. In 2008 there were 25,631 live births – an increase of 5% from the previous year, representing the sixth consecutive annual increase (i.e. 2006 – 23,275 live births, 2007: 24,500 live births)⁵. This increase will impact on the level of childcare provision required.

⁴ Statistics and Research Agency’s (NISRA’s) 2008 mid year estimates

⁵ NISRA – ‘Is there a baby boon in Northern Ireland’ Naomi O’Neill & Claire Watson (August 2009)

- Overall the number of live births has increased by 16.7% from 21,962 in 2001 to 25,631 in 2008.
- It is important to note that the number of children aged under 16 in NI has generally fallen i.e. from 444,000 in 1981 to 423,000 in 1986, 411,000 in 1998 and 381,000 in 2005, and 355,870 in 2008. The percentage fall in the number of children over the 18 year period between 1981 and 1998 was 7.4% amounting to a decrease of 33,000 children. The percentage fall in the number of children in the 8 year period between 1998 and 2005 was 6.6%, amounting to a decrease of some 25,130 children.

Deprivation

- There is considerable variation in multiple deprivation across NI.
- The majority of the most deprived areas in NI are in Belfast and Derry, with some notable pockets in Lisburn, Craigavon, Strabane and Newry and Mourne local government district. A small cluster is also evident in Coleraine. The majority of areas in the least deprived decile are in the east of Northern Ireland⁶
- NISRA assigned the number of live births registered between 2001 and 2008 to SOAs using 2005 NIMDM and ranked areas from '1' being the most deprived and '10' being the least deprived. This exercise indicated that the highest number of live births is within the top 5 most deprived areas (13,732) compared with the 5 least deprived areas (11,897). The highest number of live births is recorded within the 4th and the 1st most deprived areas (i.e. 2,795 and 2,794 respectively). The least number of live births is evident within the least deprived area (1,883)⁷.

Labour Market Trends

*NI Employment Trends*⁸

- c766,000 people in employment (Nov 2009–Jan 2010), increase of 4,000 over the year.
- NI's working age employment rate remained well below the UK average (72.2%) and was the lowest of the twelve UK regions.
- c52,000 unemployed people, up 4,000 over the year.
- The unemployment rate is estimated at 6.3%, up 0.4% over the year.
- The seasonally adjusted number of economically inactive persons in the period was estimated at 570,000. This figure has increased by 5,000 over the year.
- The working age economic inactivity rate for NI is 28.0%. This is significantly higher than the UK average rate (21.5%) and is the highest of the twelve UK regions.

⁶ NISRA: NI Multiple Deprivation Measure Report March 2010

⁷ NISRA – 'Is there a baby boom in Northern Ireland' August 2009)

⁸ Department of Enterprise, Trade and Investment Monthly Labour Market Report (March 2010)

*Women in the NI Labour Force*⁹

- The number of women in employment (16+) has increased by 51% from 228,000 in 1984 to 345,000 in 2009, compared with an increase of 23% for men. In GB the increase was 35% for women and 9% for men.
- 46% of those currently in employment are women, compared to 41% in 1984. (47% and 41% respectively in GB).
- For women of working age (16-59) the activity rate is 65% compared to 75% for men of working age (16-64). 74% compared to 83% in GB.
- The female economic activity rate (working age) has risen by 8% since 1984 (+8% in GB). The male rate has fallen by 9% since 1984 (down 5% in GB).
- The working age economic activity rate for women has increased by 2% over the last 5 years in NI but fallen by 1.9% over the last year.
- 72.1% of working age females with one dependant is in work. This falls to 68.5% for females with 2-3 dependants¹⁰. 67.7% of working age females with a youngest child aged under 12 are in employment falling to 65.4% for those with a youngest child under 6 years old.

*Skills*¹¹

- Productivity, wage levels and employment are all part of the NI Government's published economic goals ("to ensure our people have the right skills to deliver economic prosperity now and in the future") therefore skills should be an intrinsic part of achieving these goals.
- Skills levels in the NI workforce have been improving steadily over the last decade with the per cent of the workforce with sub-degree, degree and postgraduate qualifications (NQF 4-8) increasing from just over 20% to almost 30%.
- NI also has a relative under-representation of managerial and professional occupations.
- The central baseline forecast for the NI economy between 2008 and 2020 is of approximately 5,000 net new jobs pa.
- The current economic climate means that there are fewer jobs available, especially to those who may have been out of the workforce for a considerable period. Effective day care provision can be used as a mechanism to allow parents to regain skills and develop new skills through adult education and training possibilities.
- Currently, the absence of accessible, affordable, quality childcare poses a major stress factor, particularly in women's lives, and is a major barrier to accessing or returning to education, training and employment.¹²

Lone Parents

- There are nearly 92,000 lone parents in NI, caring for 150,000 children. 87% of those families are headed by a mother, and 60% of lone parents are in debt.

⁹ Labour Force Survey (Statistics at April-June 2009)

¹⁰ Labour Force Survey (2008)

¹¹ Oxford Economics "Forecasting Future Skill Needs in NI" (April 2009).

¹² Mc Colgan et al. Childcare on the Borderlines: A cross-border community audit of the usage and experience of formal and informal childcare services. Derry Well Woman and University of Ulster. 2006.

- Lone parents have the highest risk of poverty among all household types. Between 20% and 25% of all families in NI are one-parent families¹³.
- In the UK, the proportion of dependent children living with lone parent families rose from 22% to 23%
- In the UK, the number of dependent children living with cohabiting couples and lone parents both increased, by 0.6 and 0.1 million respectively between 1998 and 2008. The proportion of dependent children living with cohabiting couples rose from 8% to 13%, and the proportion of dependent children living with lone parent families rose from 22% to 23%¹⁴.
- The Welfare Reform measures introduced by the Labour Government in December 2008¹⁵ require lone parents to move from Income Support to Jobseekers Allowance (JSA). This will require lone parents with children aged 7 or over from October 2010, to seek work and actively engage with the labour market. Moreover, the current Coalition Government have introduced a further change with lone parents required to transferred to JSA once their youngest child is aged 5 from 2011-12.
- This legislation will be implemented across all UK regions, regional anomalies persist in NI in terms of labour market disparities (higher levels of economic inactivity and lower wages) and vital supports to assist lone parents in their transition into the labour market. In recognition of the current problems with childcare provision in NI, extra flexibility is given which is not available in Britain e.g. if it is clear from the outset that no suitable childcare is available in an area, the requirement to attend the office fortnightly will be waived. Instead, the lone parent will be asked to attend only every thirteen weeks.

Child Poverty

- People are considered to be living in poverty if their income and resources are so inadequate as to prevent them from enjoying a standard of living, which would be regarded as acceptable by society generally.
- In 1998/99, there were approximately 135,000 children in NI living in relative income poverty (before housing costs)¹⁶ (c341,000 people overall).
- From this baseline, the NI PfG goal is to work towards the reducing child poverty by 50% by 2010 and to eliminate child poverty by 2020. This means lifting 33,750 children out of poverty by 2005 and a further 33,750 (total 67,500) children out of poverty by 2010 on the way to eradication by 2020 (Aim: Lifting 91,300 children out of poverty, reaching a target of 43,700, c10% of projected 2020 population)¹⁷.

¹³ www.gingerbreadni.org

¹⁴ Office for National Statistics

¹⁵ Department for Work & Pensions 'Raising Expectations and Increasing Support: Reforming Welfare for the Future' 2008

¹⁶ Children and Young People's Strategy Action Plan (2008 – 2011): Data Source: Family resources Survey. NB. Given that it is not possible to reach zero on a relative low income measure, the term 'eradication' is regarded as having a child relative low income poverty rate amongst the best in Europe

¹⁷ The NI 2020 target of 43,700 is based on the DWP operationalisation to be among the best in Europe. The best in Europe currently equates to 10% of children and 43,700 represents 10% of the population projection for those aged under 18 years in 2020.

- Government is taking forward a range of measures to tackle child poverty through OFMDFM's 'Lifetime Opportunities' strategy for tackling poverty and social inclusion issues (Refer to Appendix II).
- By 2004/05, the quarter reduction target (i.e. 33,750) was almost met in NI on an after housing cost basis (24%, n=32,400, base=127,000) but lagged behind on the before housing cost (BHC) basis (18%, n=24,300, base =135,000)¹⁸.
- The 2007/08 Households Below Average Income report¹⁹, recorded the following findings in relation to children who were living in poverty BHC:
 - More than half of children in NI live in households with incomes in the bottom two quintiles of the income distribution and approximately one in ten were in the top quintile.
 - Children in households with two adults were less likely to be in lowest income quintile than children in households with one adult.
 - Four-fifths of children in lone parent families were in the bottom two quintiles. Within this group, those children in families where the parent was not working were most affected, with 94% falling into the bottom two quintiles BHC. Children in part-time working, lone parent families were slightly better off, whilst those whose lone parent worked full-time were best off of the lone parent families.
 - Families where both adults were in full-time work were best off, with 52% BHC having incomes in the top two quintiles, followed by families with one adult in full-time work and one in part-time work.
 - The greater the number of children in a family, the increased likelihood of low-income (BHC).
 - The family and household characteristics of children living in low-income households in NI²⁰ showed that of the children living in households below 50% of the mean and 60% of the median income.
 - Approximately 45%+ lived in lone-parent families (BHC).
 - Nearly two-fifths lived in workless, lone parent households (BHC).
 - Children in lone-parent families were nearly three times as likely to be at risk of low-income as those in couple families BHC.
 - Children from workless households were at a much greater risk of low-income both BHC and particularly 'after housing costs' (AHC).
 - Children in families where there are four or more children had a much greater risk both BHC and AHC; with half of children in this category falling below these thresholds BHC.
 - Approximately one-third of children living in families in the West of the Province or in Belfast were at risk.

¹⁸ OFMDFM 'Estimating Child Poverty in NI in 1998/99 (March 2007)

¹⁹ DSD's Households Below Average Income report 2007/08 (NB. A child is defined as an individual under 16 yrs, or an unmarried 16-19 yr old in full-time education)

²⁰ "Low-income" is defined using thresholds derived from fractions of both the UK mean and median income

International Benchmarks

- In 2007, a report published by UNICEF²¹, the United Nations Children's Fund, which is guided by the Convention on the Rights of the Child, highlighted that the lowest rates of relative income poverty (under 5%) have been achieved in the four Nordic countries. Child poverty remains above the 15% mark in the United Kingdom and Ireland.
- The UK ranked 24th out of the 25 OECD countries with only the United States faring worse in relation to the percentage of children (aged 0-17) in households with equivalent income less than 50% of the national medium i.e. relative poverty. In contrast, countries such as Denmark, Finland, Norway and, topping the table with child poverty rates a fraction of those in the UK.
- Higher government spending on family and social benefits is associated with lower child poverty rates. No OECD country devoting 10% or more of GDP to social transfers has a child poverty rate higher than 10%. No country devoting less than 5% of GDP to social transfers has a child poverty rate of less than 15%.
- James Heckman, Nobel Laureate for Economics, report *“The Productivity Argument for Investing in Young Children”*, describes how individual productivity can be fostered by investments in young children, particularly children in poverty or other adverse circumstances. Overall, the longitudinal study recently documented *“a return to society of more than \$17 for every dollar invested in the early care and education”*
- UNICEF’s Childcare in Transition report²² stated that for national economies, the availability of childcare that allows parents to return to work can increase GDP and public revenues, cut poverty rates, reduce welfare budgets, and boost returns on public investments in education.
- This report also highlights minimum standards regarding early childhood services. These standards are directed towards what governments can do to ensure that the child care transition is managed in the best interests of both children and their societies’ futures.

Table 4.1
Benchmarks/Minimum Standards for Childcare

Standard	Description
A minimum entitlement to paid parental leave	On the birth of a child, one parent is entitled to leave of at least a year (to include pre-natal leave) at 50% of salary (subject to upper and lower limits). For parents who are unemployed or self-employed, the income entitlement should not be less than the minimum wage or the level of social assistance. At least two weeks parental leave should be specifically reserved for fathers.
A national plan with priority for disadvantaged children	All countries going through the child care transition should have undertaken extensive research and evolved a coherent national strategy to ensure that the benefits of early childhood education and care are fully available, especially to disadvantaged children.

²¹ UNICEF, (2007), Report Card 7, Child Poverty in Perspective: An overview of Child Wellbeing in Rich Countries, (Florence:Innocenti Research Centre)

²² UNICEF, The child care transition, Innocenti Report Card 8, 2008

Standard	Description
A minimum level of child care provision for under threes	Subsidised and regulated child care services should be available for at least 25 per cent of children under the age of three.
A minimum level of access for four-year-olds	At least 80% of four-year-olds participate in publicly subsidised and accredited early education services for a minimum of 15 hours per week.
A minimum level of training for all staff	At least 80% of staff having significant contact with young children, including neighbourhood and home-based child carers, should have relevant training. As a minimum, all staff should complete an induction course. A move towards pay and working conditions in line with the wider teaching or social care professions should also be envisaged.
A minimum proportion of staff with higher level education and training	At least 50% of staff in early education centres supported and accredited by governmental agencies should have a minimum of three years tertiary education with a recognised qualification in early childhood studies or a related field.
A minimum staff-to-children ratio	The ratio of pre-school children (four-to-five year-olds) to trained staff (educators and assistants) should not be greater than 15 to 1, and that group size should not exceed 24.
A minimum level of public funding	The level of public spending on early childhood education and care (for children aged 0 to 6 years) should not be less than 1% of GDP*. <i>NB. Only 6 of 25 OECD countries for which data are available reach or surpass this mark i.e. Iceland, Denmark, Sweden, France and Norway.</i>
A low level of child poverty	Specifically, a child poverty rate of less than 10%. <i>NB. The definition of child poverty is that used by the OECD – the percentage of children growing up in families in which income, adjusted for family size, is less than 50 per cent of median income.</i>
Universal outreach	As no direct measure is currently possible, the suggested proxy measure is the extent to which basic child health services have been made available to the most marginalised and difficult-to-reach families. Specifically, the benchmark of 'universal outreach' is considered to have been met if a country has fulfilled at least two of the following three requirements: <ul style="list-style-type: none"> a) The rate of infant mortality is less than 4 per 1,000 live births; b) The proportion of babies born with low birth weight (below 2,500 grams) is less than 6%; and c) The immunization rate for 12 to 23 month-olds (averaged over measles, polio and DPT3 vaccination) is higher than 95%.

*NB. The above 10 benchmarks have been drawn up in consultation with government officials and academic experts and from OECD countries in Asia, Europe, & North America, with additional input from UNICEF & the World Bank**

*Governments of OECD countries are currently spending an average of 0.7% of GDP on early childhood services. The countries at the top of the overall benchmarks table (Appendix IV, Table 6-7) are spending approximately double the OECD average. Only six OECD countries meet eight or more of the benchmarks and they are the same six countries that top the table of government expenditures on early childhood services (Iceland, Denmark, Finland, Sweden, France, and Norway).

4.3 Current Supply of Childcare in NI

4.3.1 Introduction

Childcare is recognised as being extremely important in enabling people to pursue employment and training opportunities as well as positively impacting on child development. Therefore, the adequate provision of childcare is essential.

The following section provides an overview of the current supply of childcare providers and places and the current childcare workforce.

Please also refer to Section 8, Table 8.2 which provides an illustrative list of areas benefits e.g. social, economic, educational and health benefits associated with childcare.

Please refer to Appendix IX for a more detailed overview of the supply of childcare by type and the advantages and disadvantages of each type of care.

4.3.2 Overview of Current Supply – Registered Childcare

Overall Supply (March 2009)

The following forms of registered childcare provide parents with the sufficient number of hours of care in order to enable them to partake in the labour market i.e. day nurseries and childminding offer full day care (8am-6pm), whilst out of hours school clubs offer care in the morning and after school period to extend the school day, thus providing full day care within parental working hours. Playgroups offer c3-4 hours of care per day which could be used to supplement other forms of childcare or could enable parents to gain part time employment.

DHSSPS statistics for 2009 report **4,379 providers offering 42,441 registered places** overall across the four childcare partnerships i.e. Eastern (Belfast & South Eastern Trust), Northern, Southern, Western. The vast majority of providers are **childminders (72%)**; offering over one-third of all places (36%), followed by Playgroups and Day nurseries, which offer 25-26% of all places each.

Table 4.2
Number of Childcare Providers and Places by Type of Provision & by Trust Area

Trust Area	Day Nursery		Playgroups		Childminders		Out of Schools		Total		% of Total	
	Providers	Places	Providers	Places	Providers	Places	Providers	Places	Providers	Places	Providers	Places
Belfast	77	2,893	89	1,587	478	2,252	79	1,942	723	8,674	17%	20%
South Eastern	35	1,593	75	1,883	1,178	5,983	30	604	1,318	10,063	30%	24%
Northern	79	3,046	125	2,948	692	3,836	331	1,436	1,227	11,266	28%	27%
Southern	43	2,147	59	1,649	283	1,125	21	477	406	5,398	9%	13%
Western	37	1,536	96	2,408	535	2,214	37	882	705	7,040	16%	17%
NI	271	11,215	444	10,475	3,166	15,410	498	5,341	4,379	42,441	100%	100%
% of total	6%	26%	10%	25%	72%	36%	11%	13%	100%	100%		
Average place per provider		41		24		5		11		10		

Source: DHSSPS

Please refer to Appendix IX for a detailed overview of provision indicating that:

- The vast majority of day nurseries (72%) are in the private sector and the number of places in this sector has increased by 38% since 2003;
- The vast majority of playgroups (84%) are in the voluntary and community sector and the number of places in this sector has decreased by 27% since 2003;
- The number of registered childminding places dropped by 25% between 2003 and 2009 and;
- Overall half (55%) of all Out of School provision is within voluntary agencies. This type of provision has dramatically increased from 2003 by 135%.

Table 4.3

Number of Childcare Providers and Places by Type of Provision 2003-2009

	Day Nursery		Playgroups		Childminders		Out of Schools		Total	
	Providers	Places	Providers	Places	Providers	Places	Providers	Places	Providers	Places
2003	197	7,798	607	14,648	4,224	21,164	212	4,773	5,240	48,383
Average place per provider		40		24		5		23		9
2009	271	11,215	444	10,475	3,166	15,410	498	5,341	4,379	42,441
Average place per provider		41		24		5		11		10
Difference	74	3,417	-163	-4,173	-1,058	-5,754	286	568	-861	-5,942
% Increase / Decrease	38%	44%	-27%	-28%	-25%	-27%	135%	12%	-16%	-12%

Source: DHSSPS

DHSSPS – Children placed & paid for by the Trust

Under Article 18 of the Children (NI) Order (1995), HSS Trusts have a duty to provide a range of services for children in 'need' within their locality.

A child is considered 'in need' if:

- He is unlikely to achieve or maintain, or to have the opportunity of achieving or maintaining, a reasonable standard of health or development without the provision for him of services by an authority (Trust);*
- His health or development is likely to be significantly impaired, or further impaired, without the provision for him of such services; or*
- He is disabled.*

In 2009, a total of 637 children in need have been placed and paid for by DHSSPS, representing 1.5% of all places.

Table 4.4

Number of Children Places & Paid for by the Trust (2009)

Trust Area	No. of Children Placed and Paid for by the Trust			Total	% of Total
	Day Nursery	Playgroups	Childminders		
Belfast	131	37	74	242	3%
South Eastern	9	4	69	82	1%
Northern	76	1	95	172	2%
Southern	58	3	32	93	2%
Western	22	8	18	48	1%
Northern Ireland	296	53	288	637	1.5%

Source: DHSSPS

4.3.3 *Regional Overview – Number of Children per Registered Places*

Overall analysis of data reveals that there are regional disparities in terms of provision. Salient points to note include:

- The Eastern Area has the greatest number of registered day nursery places in relation to the child population (i.e. 9.6 children (aged 0-4 years) for each available place), compared to the Western Area which has the lowest level of day nursery provision (i.e. 13.2 children (aged 0-4 years) for each available place).
- In the Western Area, there is the greatest number of community led playgroups for children aged 0-4 years than any other region (i.e. 8.4 children (aged 0-4 years) for each registered place). This is almost twice as many places than is apparent within the Southern area (i.e. 15.9 children (aged 0-4 years) for each registered place). (NB. As the majority of playgroups are only registered to take children aged 3, children under this age cannot *generally* be in a registered playgroup, therefore taking the total population of 3 years olds in NI (23,221 in 2009) in relation to the total number of registered playgroup places (10,475), equates to 2.2 children for every registered place). The number of registered childminders offering places is greatest within the Northern Area (i.e. 15 children (aged 0-14 years) for each registered place), which is significantly more than when compared to the Southern Area which has the lowest (i.e. 67 children (aged 0-14 years) for each registered place).
- In relation to school aged children, the highest concentration of places is within the Eastern Area (i.e. 33 children (aged 0-14 years) for each registered place), which is three times greater than is available within the Southern area (i.e. 103 children (aged 0-14 years) for each registered place).
- In general, the Southern Area has the least number of places per the child population in three of the main forms of childcare (i.e. playgroups, childminders and school clubs), followed by the more deprived Western Area which has the fewest number of places in terms of day nursery provision. In comparison, to the least deprived areas of the Eastern Area which has the greatest level of provision in terms of day nurseries and out of school clubs.

Table 4.5
Regional Overview of Childcare Provision – No. of children per registered place

Type	Number of children per registered place				
	Day Nurseries		Playgroups	Childminders	Out of School Clubs
	Full day (c7-9hours)		Half day (c3-4hours)	Full day (c7-9hours)	Half day (c3-4hours)
No. of hours	0-4 years	0-14 years	0-4 years	0-14 years	5-14 years
HSC Trust	9.6	28.4	12.4	20.9	33.2
Belfast					
South Eastern					
Northern	9.8	29.6	10.2	15.1	41.9
Southern	12.2	34.9	15.9	66.7	102.5
Western	13.2	41.3	8.4	28.6	48.9
Northern Ireland	10.6	31.7	11.4	23.1	44.3

Source: DHSSPS/NISRA/FGS

If all places across each form of **registered childcare** in NI is considered, there is **1 place for every 8.4 children under fourteen**, representing 12% (places: 42,441) of the total child population (number of children: 355,870).

This was the case in England over 10 years ago, i.e. in 1998 there was 1 place for every 9 children. However, there is currently **1 place for every 3 children in England under eight** due to a renewed emphasis of the government to meet demand (Please refer to Section X and Appendix XIII for further benchmarking analysis).

Table 4.6
Number of Places vs. Number of Children

Trust Area	Total No. of Places	Day Nursery	Playgroups	Childminders	Out of School	Total	Population			
							0-4	5-9	10-14	Total
Belfast	18,737	28.4	36.7	15.5	50.0	6.8	42,970	40,030	44,420	127,420
South Eastern										
Northern	11,266	29.6	30.5	23.5	62.7	8.0	29,930	28,950	31,180	90,060
Southern	5,398	34.9	45.5	66.7	157.3	13.9	26,160	23,760	25,110	75,030
Western	7,040	41.3	26.3	28.6	71.8	9.0	20,270	20,600	22,490	63,360
Northern Ireland	42,441	31.7	34.0	23.1	66.6	8.4	119,330	113,340	123,200	355,870

Source: DHSSPS/NISRA/FGS

If it is assumed that the main recipients of childcare fall between the ages of 0 to 10 years (256,850 children), there is **1 place for every 6 children aged 10 years and under**.

4.3.4 Overview of School Aged Childcare

As stated in Section 2.1.4, policy responsibility for Early Years (0-6 years focus) transferred from DHSSPS to DE on 1st November 2006. The School Aged Childcare (SAC) (4-14 years) sector did not move to DE, therefore, this sector is lacking strategic vision and leadership at a department level. The previous childcare strategy ‘Children First’ catered for children aged 0-14 years, which recognised that out of school childcare was identified as a priority in NI **“The aim is to have an out of school project available in every community”**, building a network of providers offering quality, affordable out of school child care.

The policy vacuum for this sector has resulted in an interim ad hoc approach to funding.

Historically, support for Afterschools was provided by DEL through EU funding Peace Measure 1.5 - Positive Action for Women until August 2005. This supported 90 afterschool projects. As a result of strong lobbying from Playboard, the lead agency for children and young people’s play in NI, the Peace Measure 1.5 was extended to support out of school hours projects that would otherwise have closed between August 2005 and December 2005. Even though DEL originally funded these organisations, no one Department would agree to take responsibility. Lord Rooker then tasked DHSSPS to act solely as a funding conduit until the issue of appropriate ownership could be determined. The 90 after-schools projects initially supported were assessed by Playboard NI and DHSSPS to ascertain which projects were sustainable; i.e. could they match the funding they receive; could they survive until March 2006 or beyond; and were they considered to provide a critical service. 55 of the projects fell within these categories.

The DHSSPS role, as a funding conduit to afterschool projects, was to cease on 31 March 2008. However, in the absence of funding by other Departments and the fact those after-schools follow the school calendar year DHSSPS provided funding for the period 1 April 2008 to 31 December 2008. After correspondence from DHSSPS to OFMDFM in June 2008, OFMDFM agreed to look at resolving the issue of which Department had policy responsibility for Afterschools. Funding has since been provided to the afterschools through Playboard from a mixture of funding coming from several Departments – OFMDFM, DHSSPS, DE and DETI.

PlayBoard on behalf of the funded SAC sector has lobbied to secure funding extensions until March 2011. The ad hoc funding for SAC has resulted in many projects operating with continual fear of closure. The lack of a sustainable funding source has limited the sectors ability to forward plan and to build on current staffing expertise.

“As access to funding diminishes, the infrastructure to date carefully nurtured by PlayBoard may disintegrate with significant consequences for the children, parents and wider society. There is a danger that the “roller coaster” of stop start funding may undermine the foundations developed and negate previous effort to promote quality accessible services²³.

²³ Playboard ‘School Aged Childcare Matters!’ Scoping Study (2009)

The table below provides an overview of available information regarding outcomes gained as a result of investment in Playboard's SAC activities. In 2009, investment of £818,816 resulted in 2,338 children and their parents availing of support, which facilitated 2,149 parents being able to access employment and 154 accessing training. As of 1 January 2010, there are 2,120 children attending projects facilitating 2,370 parents to access employment.

Table 4.7
Outcomes Resulting from Provision of SAC

Outcome	2006-2008 57 Projects	2009 52 Projects	Jan 1 st 2010 49 Projects
Funding	£1,631,361	£818,816	£ not provided
No. of staff	262	-	255*
No. registered places	1,436	1,334	1,325
No of children attending projects	2,800	2,338	2,120**
No. of parents able to access employment	2,829	2,149	2,370
No. of parents able to access training	210	154	-
Social Services referrals	169	-	-
Other reason for childcare i.e. Respite	185	-	-
No. of schools serviced by projects	275	-	174
No. of Projects within the 36 Neighbourhood Renewal Areas	32	17	-
No. of Projects within the top 20% of the most deprived areas	-	22	-
No. of Projects in urban areas	-	29	-
No. of Projects in rural areas	-	23	-
* 52 staff employed full-time (>25 hours per week), 133 staff employed part-time (< 26 hours per week), 70 staff employed in a relief capacity **Children attending projects include: <ul style="list-style-type: none"> • 191 (9%) children attending who have an additional support need; • 102 (4.8%) children have been referred by social services (NB. many children under review of social services were not formally referred by the agency to the out of school provision and the number will likely be higher than that stated); and • 90 (4.2%) children attending have an Ethnic Minority Background. 			

Source: Playboard

Please note that under the Playboard model, groups are expected to demonstrate a degree of sustainability as a 'social economy' model where parents are expected to contribute to the costs, therefore it is not a totally free funded service. If parents are in employment then they may be able to access Tax Credits for registered care.

Playboard recently carried out a survey of parents in order to gain an appreciation of the characteristics of their customer base, one-third of parents responded to survey (n=442, base = c1,326) which indicated that:

- 80% of the sample were in employment with the remainder being unemployed/inactive and on benefits (mainly Job Seekers Allowance, Income Support and Housing Benefit);
- One-fifth of the sample (20%) has no workers, two-fifths (40%) have one worker and two-fifths have two adult workers.
- Playboard thus supports parents who are mainly in work and in many cases (40%) both parents are working, and therefore likely to rely heavily on childcare provision.

- When counting 'jobs', the survey suggests that 526 jobs are supported by Playboard childcare. This would gross up to over 1,500 (actual figure is just over 2,000) assuming the sample is representative.
- Over three-quarters of the couples in the survey are working compared to around 70% of the lone parents in the survey.
- The fact that 70% of the lone parents in the survey are working suggests that Playboard supports lone parent employment. The lone parent employment rate in the general population is closer to 52%.
- Playboard supports a relatively high proportion of low income households to stay in work and also supports the employment rates of lone parents.
- Playboard supports many two worker households on low income to stay in work.
- Playboard's clientele are roughly 40% 'poor' and 60% are 'less poor' to 'affluent'. About 40% of their clients are clustered in deprived areas with the rest fairly evenly spread across all other areas.

Playboard have indicated that the total investment required to support their school aged childcare programme at current levels would be c£4,500,000 over a five year timeframe to March 2015 (c£900k per annum). This would secure the following: 7,180 registered places; 14,000 attending the projects; 14,145 parents accessing employment; and 1,050 parents accessing training.

4.4 Other Provision Supplementing Childcare

Women's Centre Childcare Provision

Women's Centres Regional Infrastructure Partnership (WCRP) is a partnership of four lead regional and sub-regional women's organisations linking with fourteen frontline women's centres across NI. The fourteen centres are spread across NI with seven from the Greater Belfast and Lisburn area, four in the North West and three in Dungannon, Magherafelt and Craigavon.

The four key lead partners of the Partnership are the Women's Resource and Development Agency (WRDA), Women's Support Network (WSN), Northern Ireland Rural Women's Network (NIRWN) and The Women's Centre, Derry.

There are four aims of the partnership i.e. encouraging collaborative and strategic work on key areas such as influencing policy; identifying needs and gaps in relation to training; education and **childcare services**; improving communication on good practice and lessons learnt across the sector; and sourcing potential sources of funding.

Across the 13 women's centres, there are 1,364 children registered, which provides valuable support to parents within deprived areas. Overall, 4,914 2-hour childcare places are provided weekly. In addition, women centres employ 109 staff to deliver this provision, therefore contributing to employment in deprived areas.

Table 4.8
Women's Centres – Summary of Childcare Provision

Summary of Provision	
Individual Children accessing childcare services at the Women's Centres	1,364
Number of Childcare Places provided each week (1 place = 2hrs)	4,914
Number of places supported through DSD	2,900
Number of places supported through other funding	2,014
Childcare staff supported (DSD funded)	62 staff (1,666 hours)
Childcare staff supported (other funders)	47 staff (1,457 hours)

Source: WSN

The table below shows the range of childcare provision offered by the 13 Women's Centres in 2009/10. A 'childcare place' in this context equates to two hours, whilst advantageous for parents in terms of respite and to allow them to undertake training, the impact is less than provision for a longer period to facilitate the uptake of employment.

Table 4.9
Women’s Centres – Childcare Provision

Centres provide the following services:	No. of Centres	Centres providing		TOTAL number of children on a waiting list
		0 – 4 years Childcare	0 – 4 years Childcare	
Free childcare for education and training programmes	13	13	4	56
Sessional day care (up to 4 hours)	13	13	4	27
Social Services Referrals *	11	11	3	13
Special Needs Childcare *	9	9	3	0
Drop in Childcare (flexible)	8	6	2	7
Out of Schools Childcare *	8	2	6	1
Summer Scheme Childcare	7	7	7	33
Respite Childcare *	6	6	2	5
Full Day Care (4 hours +)	5	5	0	20
Sure Start Childcare	5	5	-	
<i>Total</i>				162
*Those Centres providing special needs childcare cited children with a range of special needs including Down syndrome, Cerebral palsy, asthma, ADHD, autism, speech and language difficulties, and developmental delay. Centres have trained staff to understand the needs of children with special needs.				

Source: WSN

All of the Women’s Centres have waiting lists, equating to 162 children overall. Current resources and staffing levels limit the number of places that can be provided at any given time so demand can not always be met.

DSD are currently the primary funder of Women’s Centres. In February 2009, DSD announced funding to ensure the provision of childcare places within women’s centres, which were in risk of closure in some of NI’s most deprived areas, asserting that *“provision of adequate childcare is a key factor in tackling poverty, in promoting economic development and in building strong and successful communities. Current provision is inconsistent and complicated and much of it operates at risk of closure”*. This funding will sustain childcare places for a further twelve months, to include a Women’s Centres Childcare Fund²⁴ of c£890,000, supporting 2,900 places. Further detail regarding women centres supported and funding allocations by through DSD can be found in Appendix VII.

An overview of other funders can be found in the table below, indicating that funding will cease by March 2011 and there is great deal of uncertainty regarding the future funding available to continue to support some 4,914 weekly 2-hour childcare places and 109 childcare staff.

²⁴ The Women’s Centre Childcare Fund was established as an emergency/interim measure to secure existing childcare services in 13 key women’s centres previously funded under the Children & Young People’s Fund, pending the development of a NI Childcare Strategy.

Table 4.10
Women’s Centres – Summary of Childcare Provision

Agency / Funder	No of Centres	Funding Allocated	% funding	When funding ceases
DSD Women’s Centre Childcare Fund	13	£889,126	67%	March 2011
DSD Small Pockets of Deprivation Fund		£26,541	2%	
Health and Social Care Trusts	7	£39,813	3%	March 2010 / March 2011
Early Years – the organisation for young children (formerly NIPPA)	5	£145,976	11%	March 2010 / March 2011
Sure Start	3	£39,812	3%	March 2010 / June 2010
Lottery funding	2	£66,353	5%	March 2014 / June 2010
Children in Need	2	£66,353	5%	June 2011 / November 2010
DEL - ESF	2	£39,812	3%	March 2011
DENI Pre-school expansion	1	£13,271	1%	March 2010
		£1,327,054		

Source: WSN

DSD also provide £610,000 of Neighbourhood Renewal funding, which supports 2,000 2-hr childcare places.. In February 2009, the Minister committed a further £610,000 to sustain childcare places for another year.

4.5 Other Relevant Children Services

The following section provides an overview of the other provision which families can and do take account of this provision when making childcare arrangements.

- Pre-School Education Expansion Programme (PSEEP);
- Extended Schools Programme; and
- Sure Start Programme.

Please refer to Appendix VII for further information relating to these initiatives.

PSEEP

DE’s Pre-School Education Expansion Programme (PSEEP) was introduced in NI in 1998. It aims to provide a good quality pre-school education place for all those whose parents wished to avail of it. The Programme ensures a good start for all children, and is educational and developmental in its focus, it is not childcare.

In the PSEEP the free pre-school place for children in their pre-school year (aged 3 years) is for 2.5 hours per day, 5 days per week, for 38 weeks per year. Due to historic patterns of provision, many statutory settings (Nursery Schools and Nursery Units in Primary Schools) offer full-time provision of 4.5 hours per day, 22.5 hours per week for the pre-school year. (NB. Compulsory school age is younger in NI than in England. If a child is 4 on or before 1 July they must commence Primary 1 the September term following. All children of compulsory school age attend school on a full-time basis).

Places were to be provided by the Education and Library Boards, through the PEAGS (Pre-School Education Advisory Groups) in partnership with and utilising expertise and provision in both the statutory sector and in the voluntary and private sector. This has resulted in the provision of a free place for **98%** of children in their immediate pre-school year, almost universal take up, a significant increase from 1997/98 where only 45% of children were funded. On an overall basis, **21,205 places** for children have been provided (including 14,078 places in nursery schools and classes and 7,127 places in the voluntary and private sector) costing £47,667,000.

In England, all three and four year olds have a legal entitlement to 12.5 hours free early education provision for the academic year (currently 33 weeks annually). This is to be extended to 15 hours per week by September 2010 for 38 weeks. The current Coalition Government aims to continue with the previous Labour Government's position on nursery provision..

Northern Ireland – Extended Schools Programme

DE's Extended Schools Programme is targeted on reducing differentials and improving the life chances of children and young people who have limited access to current services, particularly from deprived and disadvantaged areas. The Programme is open to Nursery, Primary, Post-Primary and Special Schools that meet the criteria for the Programme.

Launched in May 2006, almost £44 million of funding has been provided through the Extended Schools Programme over the last 4 years, allowing those schools serving areas of the highest social disadvantage to provide a wide range of services or activities outside of the traditional school day to help meet the needs of pupils, their families and the wider community. The diverse menu of activities on offer includes breakfast or homework clubs, sport, art, drama, ICT and many other innovative programmes including those aimed at encouraging parental, family and community engagement.

The current funding available through DE for Extended Schools is **£9.8m**, which provides support to **471 schools** (representing **39%** of all schools (1,223 schools in NI)) across each of the Education and Library Board areas (average £20,932 per school).

England – Extended Schools Programme

The Extended Schools model in England is different in terms of its focus i.e. the aim of the Extended Schools Programme is to make schools act as 'hubs for community services' by providing access to a range of activities and services linked to the development of children and young people.

In England this includes childcare provision aimed at supporting parents to enter and remain in the labour market. Services made available under Extended Schools can include study support, 8am to 6pm wrap-around childcare in primary schools, health services, support for parents, adult learning and community activities. In England £1.3 billion has been made available for the period 2008–2011 for such provision. There is now over **20,400 schools (95%)** providing access to the core offer of extended services based on the needs of their local community and working in partnership with the private and voluntary sector.

It is important to note that in NI the Extended School programme does not aim to provide this level of wrap-around care. However, this is an option that should be considered as part of a future NI strategy. If funding was made available, the Extended Schools programme could offer an opportunity to help address childcare needs of school age children both after school and during school holidays.

Northern Ireland - Sure Start

The Sure Start Programme is a Government initiative that was introduced in 2000/01, and which aimed to give children a good start in life. Sure Start projects offer a range of services to all parents with children aged 0-4 years living in the Sure Start area, including outreach and home visiting, family support, healthcare advice, high quality play and learning opportunities and support for children with particular needs. Sure Start covers at least the 20% most disadvantaged wards, using the NISRA MDM 2005 statistics.

In 2009/10, DE made £18.5 million available to **34 local Sure Start projects**, each of which involves a partnership of statutory, voluntary and community organisations working together to provide coordinated, targeted local services which focus on improving overall health and child development. In 2008/09, **34,000 children and their families** had access to this programme, representing 28% of the total population of children aged 0-4 years (i.e. 119,330 children).

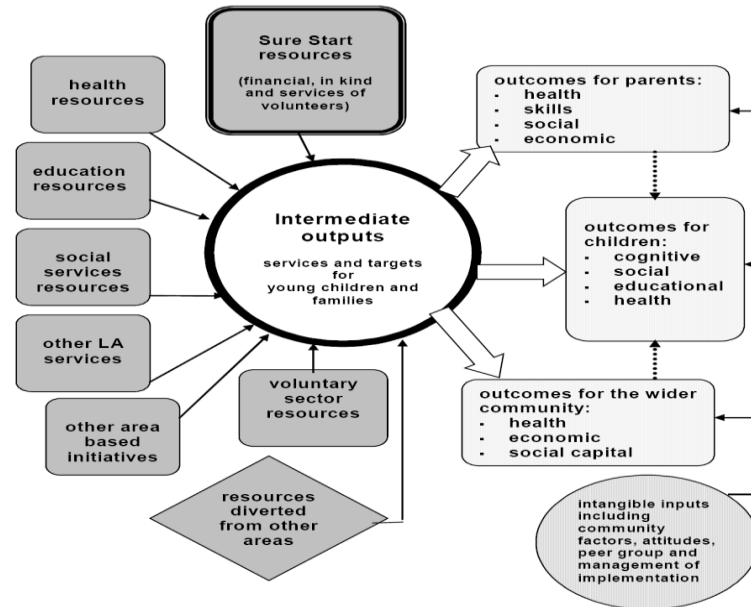
DE is responsible for the overall strategic and financial management of the Sure Start Programme in NI. There are however several layers of accountability within the Sure Start management structure, ranging from the Sure Start Management Committees who are responsible for decisions at a local level, to the CCP who are the key link with DE to ensure that Sure Start delivery on the ground reflects existing and evolving policy. This includes the approval of business plans and the allocation and monitoring of Sure Start funding. An additional £1.81m has been allocated to the Health Boards for the CCP, therefore the total budget for the Sure Start Programme from DE in 2009/2010 was over £20.31m.

England - Sure Start Children's Centres

As of March 2010, England has met its target of 3,500 Sure Start Children's Centres, enabling over **2.7 million children** under 5 and their families to access a range of integrated services, representing 86% of the total population of children aged 0-4 years (i.e. 3,129,400 children).

Sure Start Children's Centres build on the lessons learnt from Sure Start Local Programmes in being community based, responsive to local needs and focussed on tackling early disadvantage. The Centres provide easy access to a range of community health services, parenting and family support, outreach services, integrated early education and childcare, and links to training and employment opportunities for families with children under 5. They are a key mechanism for improving outcomes for young children, while reducing inequalities, and helping to bring an end to child poverty.

Figure 4.1
Sure Start Framework - England



Source: *Social Cohesion Practical Experiences and Initiatives- The Experience of Sure Start in England*

The Childcare Act 2006 imposed duties on local authorities in England to ensure that early childhood services are provided in an integrated and accessible way that maximises the benefits to children and their parents. The Act seeks to ensure that children’s centres are an established part of the infrastructure of support available to young children and their parents.

Examples of NI ‘Children Centres’

Although not specifically Sure Start Children Centres, there are a few examples where integrated services are available in NI e.g. the Dry Arch Children’s Centres and Orana Family Support Centre which encompass Sure Start projects among other family support and childcare provision. An overview of these centres is provided in Appendix VII, as an example of the success of integrated services.

4.6 Data on Childcare Usage

The following section provides an overview of the analysis of the Family Resources Survey (FRS)²⁵ year for which data is available for NI.

NB. Registered Childcare includes: playgroup or pre-school; day nursery or crèche; Nursery school & primary school reception & primary school nursery; Out of school club; Childminder; Holiday scheme & family / combined centre & Boarding school & other formal & Nanny au pair.

Non-registered Childcare includes: Grandparents; Childminder & nanny au pair & friends or neighbours and other non relatives; and Non resident partner / ex spouse / ex partner & child's brother or sister & other relative.

Please refer to Appendix X for supporting information and tables in relation to this analysis.

Children using registered and non-registered childcare

- The number of children (aged 0-15 years) using registered and non-registered childcare is increasing from 2005/06 figures to 2006/07.
- The number of children using **registered childcare** has risen by 7.8% from 2005/06 to **109,766 children** in 2007/08.
- In relation to non-registered childcare, from 2005/06 to 2006/07, there was an increase in usage of 5.8%. However, from 2006/07 to 2007/08, a decrease of 2% is evident with regard to the level of non-registered childcare use. Overall, from 2005/06 to 2007/08, there was a 3.6% rise (**145,753 children using non-registered childcare** in 2007/08).
- Please note as a child may use both registered and non-registered childcare, however the separate totals cannot be added together as this would entail double counting. However, it is possible to eliminate double counting and produce a total number of children using any form of childcare in each year, highlighting a 1% increase in usage (c0.5% increase per year) to the 2007/08 level of **198,334 children using any form of childcare**.
- Applying these yearly totals to the mid-year population estimates for those aged 0-15 years implies that in 2005/06, 51.5%, in 2006/07, 51.9% and in 2007/08, **52.2% of children used childcare**.

Family Type

Overall

- The proportion of children from lone parent and couple families in receipt of registered and non-registered childcare has remained relatively constant from 2005/06 to 2007/08 i.e. circa one-quarter of lone parents and three-quarters of couple families accessing these forms of childcare; and
- On an overall basis, with double counting removed, the percentage of couple families availing of childcare has increased by 2.3% to 146,037 families. However, there has been a fall of 2.5% to 52,297 lone parent families accessing childcare.

²⁵ Survey collects detailed information on the incomes and circumstances of private households from April-March each year.

Registered

- In 2007/08, 75% (base: 81,870) of children who were in receipt of registered childcare were in couple families, compared to one-quarter (25%, base: 27,896) in lone parent families
- The percentage of couple families availing of registered childcare has increased by 8.1% and lone parent families by 6.9%.

Non- Registered

- The most prevalent form of childcare is within the non-registered category. In 2007/08, 72% (base: 105,277) of children in receipt of non-registered childcare were in couple families compared to 28% (base: 40,476) of children in lone parent families.
- The level of non-registered childcare has also increased i.e. 4.3% and 1.9% for couple and lone parent families respectively.

Age of Child

- The composition of children in receipt of childcare, indicates that registered childcare comprises a higher proportion of younger children than non-registered e.g. In 2007/08, 57% of children in receipt of registered childcare were aged 0-4 years compared with 42% of children in receipt of non-registered childcare.
- The reverse is true for older children. In 2007/08, 43% of children in receipt of registered childcare were aged 5-14 years and 56% of children in receipt of non-registered childcare were aged 5-14 years.

Research Findings – Supply:

- Childcare is a crucial part of any child poverty strategy and yet it is proposed that childcare in NI remains “*woefully inadequate*” and “*women cite the lack of affordable quality childcare as the main barrier to seeking employment*”²⁶
- A report commissioned by DSD, “*Women Living in Disadvantaged Communities – Barriers to Participation*”²⁷ brought together research carried out into the barriers women who live in disadvantages urban and rural communities face when they are trying to access public services, training, education and employment.
- Childcare came out as the primary barrier women face - the time travelled for a rural woman trying to obtain childcare, the costs involved, the lack of choice and availability were all aspects which made a differential impact into the life of rural women.
- There is substantial variation in the availability of childcare places across NI e.g. there are less than half the nursery places per 1,000 children under five in the west, compared to the east. There is a correlation to the number of places and deprivation, with 350 per places per 1,000 in Ards and North Down compared to 130 in the more deprived Foyle area. In Belfast, south and east have 330 places, whereas in the more deprived areas of north and west Belfast, there are 190 places²⁸.

²⁶ Early Years Strategic Alliance, Early Years Manifesto, Section 4

²⁷ Women Living in Disadvantaged Communities – Barriers to Participation” Dr Helen McLaughlin (Oct 2009) on behalf of the Women’s Centres Regional Partnership (WRCP) - Partnership of four lead regional and sub regional women’s organisations (i.e. Women’s Resource and Development Agency, Women’s Support Network, Northern Ireland Rural Women’s Network and The Women’s Centre, Derry) linking with fourteen frontline women’s organisations across NI.

²⁸ LFS (2007)

- The lack of access to suitable and affordable age appropriate childcare is one of the most significant barriers to women's equal participation in the labour market and also a significant contributor to NI's high levels of child poverty²⁹.
- A survey of over 2,000 women in NI found that lack of suitable childcare was the single most prohibitive factor for women in NI who want to work³⁰.
- Nearly a quarter of employed mothers were "*constrained in the hours they worked by childcare problems*". A further 20% said they were constrained in their choice of job by childcare needs³¹.
- Childcare services do not take account of the true working lives and needs of women and parents. There is concern that childcare does not suit flexible working patterns e.g. shift work, part-time work, or certain kinds of full-time work³².
- There is an issue relating to "*discontinuous childcare arrangements over the course of the day, with care being available for example for 2 hours in the morning and 2 hours in the afternoon. This is not helpful for parents working full-time and presents difficulties for parents in terms of coordinating their childcare arrangements*"³³.
- Childcare is often available too late for parents who need to drop children off before work or for parents working late / weekend shifts³⁴.

²⁹ Early Years Strategic Alliance. *Early Years Manifesto*. 2007 Possibilities Development Partnership. *Lone Parents Speaking Out: the views of lone parents in NI on employment*. June 2008.

³⁰ Employers for Childcare. *The Childcare Barrier: is childcare the most prohibitive factor for women in NI who want to work?* June 2003.

³¹ Equality Commission for NI. *Submission by the Equality Commission for NI to the United Nations Committee on the Elimination of Discrimination Against Women*. 2003.

³² Women's Support Network. *Shankill Women Having Their Say*. Lynn Carvill. November 2006.

³³ Mc Colgan et al. *Childcare on the Borderlines: A cross-border community audit of the usage and experience of formal and informal childcare services*. Derry Well Woman and University of Ulster. 2006.

³⁴ Mc Colgan et al. *Childcare on the Borderlines: A cross-border community audit of the usage and experience of formal and informal childcare services*. Derry Well Woman and University of Ulster. 2006.

4.7 Overview of Rural Childcare Issues

In June 2007 the Minister for Agriculture and Rural Development for NI set up a stakeholder (short-term advisory) group to look at the key issues relating to rural childcare provision. The group produced a report which takes a specific look at rural childcare and presents a picture of rural circumstance. The main conclusion drawn from the report was that rural areas do face particular and distinct challenges in relation to the delivery of and access to rural childcare services. These include³⁵:

- Issues of accessibility due to lack of public transportation; mobility issues (car access); varying work patterns; and on farm ties;
- Scattered population contributing to the likelihood of increased costs in service provision;
- Limited infrastructure, buildings and inadequate IT, reducing opportunities for training; access to information and networking;
- Changing family structures and employment patterns both off farm and outside rural areas (often longer commuting patterns); and
- Disadvantage is often hidden – unlike those in urban areas, the more disadvantaged families in rural areas often live amongst those better off.

Among other recommendations, the report recommended that a rural childcare programme with the aim of addressing rural-specific needs and circumstances be implemented. The £1.3m Rural Childcare Programme was subsequently launched in 2009.

For the purposes of the Rural Childcare Programme, childcare is defined as any activity that is designed to provide care for children up to the age of 12 that allows their parents/guardians to participate in the workplace or participate in training to enhance their employment prospects. To date, 20 rural childcare projects are live, against a target of 10. The projects address a number of priorities / actions in a rural context. These include:

Table 4.11
Rural Childcare Programme – Projects per Priority Area

	Number of Projects per Priority area
Access – This action will aim to make childcare provision more accessible to rural families	11 (with 6 other projects impacting on this priority to a slightly lesser extent)
Early Years Integration - This action will aim to improve opportunities for integration and building community relations at an early age	3 (with 14 other projects impacting on this priority to a slightly lesser extent)
Quality and Safety - This action will aim to improve the quality of rural childcare	5 (with 13 other projects impacting on this priority to a slightly lesser extent)
Sustainability and Affordability - This action will aim to improve the sustainability and affordability of rural childcare provision	1 (with the other 19 projects impacting on this priority to a slightly lesser extent)
Total	20 live projects

In addition to the above, at least 5% of DARD's Northern Ireland Rural Development Programme (Axis 3 quality of life measures) is directly targeted at children and young people in rural areas.

³⁵ Rural Childcare Stakeholder Group 'Rural Childcare – Investing in the Future' (2008)

Further evidence regarding challenges in rural areas was reported by the Northern CCP, who convened a task force to look at the experiences of families living in rural areas in relation to childcare³⁶. The following areas of concern emerged:

- Within both individual settlements and within wards, parents lacked a choice of services, there were instances of no access to any facilities or, if access, no available places;
- Childcare was generally not flexible enough as rural families must travel further to and from work and increased commuting time requires extended hours of childcare to allow for early drop off and/or late collection; and
- The rate of uptake of free pre-school places is 79% in rural areas of the Northern Board (as defined by the survey), while the availability is 98%.

Going forward, DARD has established a Rural White Paper Stakeholder Advisory Group (RWPSAG), which is currently tasked with taking forward the development of the White Paper which will outline the challenges and issues facing rural communities within the scope of five themes: Rural Vision, Rural Governance, Rural Services, Rural Places and Rural People. The White Paper seeks to address these issues and set out a long-term strategic vision for the development of rural areas throughout NI. A draft Rural Water Paper for public consultation is expected later in 2010.

³⁶ Northern CCP, Childcare Issues Affecting Families in Rural Areas (2007)

4.8 Childcare Costs and Associated Support

4.8.1 Weekly Childcare Costs

Day Nursery

- The estimated cost of a day nursery in NI is £156 per week per child, equating to c£8,112 a year (52 weeks). This is £13 higher than estimated costs for Scotland and Wales, which are £143 (£7,436 a year) and £142 (£7,384 a year) respectively³⁷.
- In England, the costs of childcare varies, depending on the region, from £200 for a day nursery in inner London, £177 in outer London, £158 in the East of England and £136 in the North West and North East. NI costs for day nurseries are higher than seven of the ten regions in England.

Childminders

- In relation to childminder costs, in NI the estimated cost is £155 per week per child, equating to c£8,060 a year (52 weeks). This is higher than estimated costs for Wales and Scotland, which cost is £148 (£7,696 a year) and £154 (£8,008 a year) respectively.
- NI costs for childminding are also higher than six of the ten regions in England i.e. East Midlands (£135), North East (£136), North West (£137), Yorkshire & Humberside (£139), West Midlands (£141) and the South West (£153). Higher costs for childcare are apparent in the East of England (£158), Outer London (£177), South East (£182) and Inner London (£200).

Please refer to Appendix XI for further statistics relating to costs.

Affordability³⁸

- In 2009, the median gross weekly earnings for *all* employees (**full time and part time**) in NI was £356.7, approximately 90% of the UK figure (£397.3). Therefore, indicating that day nursery and childminding weekly costs represent **44%** of weekly pay for parents in NI on an overall basis.
- The median gross annual earnings for **full-time** employees in NI grew by 4.7% to £23,152 in 2009, compared to 2.6% growth in the UK (to £25,816).
- The median gross weekly **full-time** wage in NI in 2009 was £439.1, which was approximately 90% of the figure in the UK (£488.7). Based on this weekly wage, parents can expect to pay over one-third (**36%**) of their weekly earnings on childcare. NB. NI full-time earnings increased by 5.1% over the period, compared with an increase of 2.0% in the UK.
- The median gross weekly **part-time** earnings in NI was £159.5 (over 4% higher than the figure in the UK (£152.9)), which would cover childcare costs for one child (£155-156 per week per child) with only £4 to spare, in the absence of any other childcare support.

³⁷ http://www.fsa.gov.uk/financial_capability/pgtm/calculators/calculator7.html

³⁸ DETI – NI Annual Survey of Hours and Earnings (Nov 2009)

- The proportion of day nursery costs in relation to weekly wages for all employees (**full time and part time**) is higher in NI than any other region in the UK i.e. costs for day nursery care represents 36% of employees' wages in NI compared to 30% in Scotland, 32% in Wales and 28%-35% across England.
- The same is true in relation to the childminder costs vis a vis weekly wages i.e. costs for childminding represents 35% of employees wages in NI compared to 33% in Scotland, 34% in Wales and 28%-34% across England.

Please refer to Appendix XI for further supporting statistics.

4.8.2 Support for Childcare Costs

Child Tax Credits

- Parents can receive support for childcare costs in the form of Child Tax Credit. This is tax-free income for households with children. There is a family element, which is paid to any household with a dependent child with an annual income of less than £50,000*, and a child element payable for each child (i.e. 80% of eligible costs up to £175 a week for one child and £300 a week for two or more children)³⁹. There are extra amounts for each child with a disability.
- Almost 20% of working-age households in NI are receiving tax credits, a higher proportion than in any Great Britain region. At 16%, the Great Britain average for tax credit recipiency is around a quarter lower than the NI figure⁴⁰.

The proportion of working-age households receiving tax credits is higher in all of the Western districts than in any of the Eastern districts (with one exception, namely Magherafelt).

- 17% of Child Tax Credit recipients in NI are receiving tax credits to cover the cost of childcare. Across the regions of Great Britain, this proportion ranges from 16% in Wales to 23% in the North West of England.
- NI is obliged under legislation to maintain a similar benefits system to Great Britain. Therefore the influence in ensuring affordable childcare is limited to the provision of services and encouraging higher take-up of tax benefits.

*The new Coalition Government have announced that tax credits will be reduced for families earning over £40,000 next year. But low income families will get more Child Tax Credit - the amount per child will rise by £150 above the rate of inflation next year.

Please refer to Appendix XI for further statistics relating to tax credits.

³⁹ Rates shown are for the tax year 6 April 2009 to 5 April 2010.

⁴⁰ HM Revenue & Customs (April 2009)

DEL – Support for Parents in Training

DEL provides support to help lone parents to find work through its Steps to Work (StW) programme, which offers access to a personal adviser and a range of services. Lone parents have the opportunity to gain a work-related qualification; meaningful and relevant experience of the workplace through quality job placements; assistance with essential skills; and help with developing the skills that are needed to search for work and to sustain employment

DEL is responsible for childcare support during the period in which a parent is receiving a DEL provided service. This support takes the form of a childcare allowance which can last for a day in the case of a parent needing childcare to attend an interview, but can extend up to 52 weeks in respect of StW. From April 2009-Dec 2009, 515 participants on the New Deal and StW Programmes received £471,000 towards the cost of childcare (c£914 each). Please refer to Appendix VII for further information.

DEL also currently funds 73 projects under the 1st call of the Northern Ireland European Social Fund Programme (NIESF) 2007-13. The period of funding for this call is 1 April 2008 to 31 March 2011. The projects are aimed at improving the skills of individuals and groups so that they are better placed to return to work. Although, not all of these projects offer childcare provision to their participants, DEL has aggregated the budgeted spend in relation projects which have allocated for childcare provision over this 3 year period. The total amount allocated is estimated as £1.1million.

Please note that this represents 100% of the budgeted figure. The European Social Fund (ESF) will fund up to 40% of this amount and DEL up to 25%. The projects are required to source the remaining 35% from other public sources.

Employer Support

Childcare offered by employers can include:

- **A workplace nursery:** This is a nursery operated by or for the employer. Free or subsidised places at the nursery count as a tax-free perk of the job. There is no limit on the value of this form of help.
- **Direct payment for childcare:** Employers may pay direct for childcare through any registered childcare arrangement. This is a tax-free benefit up to a maximum of £55 a week regardless of the number of children.
- **Childcare Vouchers:**
 - Childcare vouchers are available to all working parents, whose companies operate childcare voucher schemes;
 - Childcare vouchers are not means-tested;
 - Childcare vouchers are independent of tax credits;
 - Working parents can save up to £99 per month each on registered childcare through exemption from tax and National Insurance Contributions; and
 - Companies which provide childcare vouchers for employees can save up to 12.8% on the value of vouchers through exemptions from National Insurance Contributions (on vouchers up to the value of £55 per week).

Research Findings - Limitations

- Although Tax Credits pay for 80% of the cost of childcare, this is only for registered childcare which may not be readily available if a parent works atypical hours e.g. evening work or shift work.
- Consequently, financial help with childcare costs through the childcare element of Tax Credits or Childcare Vouchers cannot be claimed by parents who make the choice to leave children with relatives, which is a further financial barrier for both ‘caring’ relatives and working parents. However, a relative, such as a grandparent can become registered as a childminder as long as they look after at least one other non-related child and that the care takes place in the relatives home (not the child’s home).
- Lack of awareness about what support does exist, and a difficulty in understanding the current system for accessing support. The system of subsidy through the childcare element of the Working Tax Credit is administratively complex and there is confusion among many parents in this survey about exactly what financial support is available and in what circumstances⁴¹.
- Barriers to uptake of benefits and tax credit (by those families living in severe child poverty) need to be tackled so that the impact of existing support is maximised. Resources should be directed at promoting take up and knowledge of benefit and tax credit entitlement amongst those living in severe poverty.
- *The expense of childcare constituted a real barrier for women who wish to access it. Some women were convinced that working was rarely worthwhile ... as most of the earnings were needed for childcare. There was a general belief that women would not be much better off working because of the high costs of childcare.*⁴²
- *Lone parents also considered the cost of childcare to be prohibitive..... there was a strong perception among this group too that the cost of childcare would outweigh any financial gain from returning to work.*
- *There is a mismatch between a social security policy which requires lone parents to look for work and a labour market policy which does not support parents in these circumstances e.g. the right to request flexible working arrangements only applies to those who have been with their employer for 26 weeks and does not presently extend to parents of older children above 5 years of age unless the child is disabled. Much more needs to be done to encourage employers to offer vacancies on a flexible working basis*⁴³.
- Lone parents are twice as likely as other employment market entrants to leave work within the first year and that there was “considerable cycling between benefits and work”⁴⁴.
- 34% of parents in the Northern area felt that childcare was very expensive, especially when there were two or more children within the household⁴⁵

⁴¹ Possibilities Development Partnership. Lone Parents Speaking Out: the views of lone parents in NI on employment. June 08.

⁴² Women’s Support Network. Shankill Women Having Their Say. Lynn Carvill. November 2006

⁴³ Law Centre (NI) ‘A Law Centre (NI) Briefing: Lone Parents Regulations (October 2008)

⁴⁴ Possibilities Development Partnership. Lone Parents Speaking Out: the views of lone parents in NI on employment. June 08.

⁴⁵ Northern Childcare Partnership. Report on Childcare Issues affecting Families in Rural Areas. March 2007.

- The experiences of black and ethnic minority communities suggest that the problem of accessing understandable information on benefits and services is even greater for women from these communities⁴⁶.

4.9 Parental Views of Childcare Provision

NICMA commissioned a survey of 1,024 adults in NI to gauge their views about childcare. The survey's key findings were as follows:

- More than four-fifths of respondents (83%) thought the NI Executive should give priority to the provision of good quality, affordable childcare for all that need it;
- Nearly one-third (30%) of parents who had recently looked for childcare said they had found their search 'fairly' or 'very' difficult — parents in rural areas were more likely to find their search difficult;
- More than half of all parents (52%) said the quality of care was an important consideration in seeking childcare;
- Day nurseries were viewed more favourably than childminders in terms of the quality of care they were perceived as providing, but there appeared to be less awareness of what childminders can offer;
- There was a strong preference among many parents for care provided by someone who knows the child;
- Word of mouth recommendation was by far the most favoured method of finding childcare;
- 91% supported the introduction of mandatory basic training as part of the registration process for Childminders, and
- 83% supported the introduction of a special package of support for all new childminders.

DHSSPS have launched its 'Families Matter: Regional Families and Parenting Strategy' in 2009, which included the development of a web-based Family Support Information System. The database will:

- Allow professionals and parents to be able to access up to date information on family support services available in their area;
- Avoid incorrect referrals by professionals to services that are not appropriate or do not exist; and
- Allow for timely referrals to the service.

Please note that childminders and day care providers will be included in this database, therefore providing a central point for parents to access information.

The searchable, web-based database will map family support services (in the statutory, voluntary and community sectors) to locality levels across NI using GIS technologies giving full profile details of each service with easy access for all users. The searchable database and mapping technology will be accessed through a specifically designed website

⁴⁶ NICEM's 2006 report

An extensive data collection exercise is underway to profile a wide range of services provided by HSC Trusts, Education and Library Boards, PSNI and the community and voluntary sector. Additionally the searchable database component of the system is currently under construction.

The database will enable families and young people to easily access a range of information about services from schools, doctors, dentists etc to services that can provide extra support or very specific help. A family may for example wish to identify childcare provision in their area or locate services for a child with a diagnosis of e.g. Autism.

People will be able to search the database as they would with a search engine and the database will return both a profile of any relevant service and locate the service, similar to a “Google Earth” map.

Additionally frontline practitioners, for example GPs, health visitors, social workers, will access the system to signpost clients to an appropriate service. The system will enable practitioners to access information and print off directories of specific services in their areas. The system will help to ensure that clients are referred/signposted to the most appropriate service to meet their needs.

The information contained on the database and related web pages will be kept up-to-date on a regular basis by dedicated staff and will contain a notice-board for organisations to publicise activities such as short-term courses etc.

It is expected that the Family Support Information System will be available from 2010.

4.10 Specific User Group Needs

This section provides an overview of the specific needs of children with a disability and children from ethnic minority backgrounds.

Children with a Disability

Children with disability are defined as *‘children who have a physical, sensory or learning disability or prolonged condition which impacts on daily living in such a way that, without the provision of adequate support services, they would not achieve their optimal potential for personal development and social inclusion’*.⁴⁷

There is limited up-to-date information on the number of children with a disability in NI however in 1992, the Policy Planning and Research Unit (PPRU) identified 14,600 children (0-16 years old) within NI who had some level of disability, approximately 18% of whom are within the most severe category. This resulted in an estimated 35 children with a disability per 1,000 children under 16 compared to 32 in the rest of to the UK⁴⁸. Between 3 and 4% of

⁴⁷ Southern Health and Social Services Board. Children Services Plan 1999-2002. Lurgan: James Hamilton

⁴⁸ Equivalent rate in Great Britain is 32 children with a disability per thousand children under 16 years old

children using day care are disabled, with over one in five children with a disability going to a childminder.⁴⁹

The Children Order 1995 places a duty on Trusts to provide services for children with a disability within their area so as to minimise the effect of their disabilities and give such children the opportunity to lead lives which are as fulfilling as possible. In making arrangements for integrating children with a disability with other children in a day care or pre-school education setting, particular attention should be paid to the physical environment, staff/child ratios and training. It may at times be desirable for there to be services catering specifically for children with a disability and special educational needs but these might, with advantage, be attached to a service used by all children so that joint activities can be arranged from time to time.

The issue of limited access of childcare facilities for children with disabilities was evidence in the Northern Ireland Survey of Activity Limitation and Disability (NISALD) which indicated that only 16% of parents/guardians with a disabled child have regular childcare arrangements in comparison with 48% of families with children under the age of 16 have some form of childcare arrangements⁵⁰.

In 2007, NICMA commissioned the National Children's Bureau to carry out research in relation to the day care needs of young children with disabilities. This scoping paper revealed that: *"Children with a disability have been accorded a low priority by public services in Northern Ireland, with parents experiencing services as limited, piecemeal and fragmented."*

The report specifically reviewed childminding services and outlined the following barriers faced by parents with children who have a disability in gaining appropriate child care:

- Difficulty in finding a suitable childminder who is willing to take a disabled child and who has sufficient competence and confidence to care for a disabled child;
- There is a mismatch between where children live and the location of providers;
- Lack of transport especially in rural areas and outer city estates;
- Lack of available specialist childminder services;
- There is an economic cost to a childminder looking after a disabled child. They may have to reduce the number of children they care for in order to meet the needs of a child with disabilities;
- Need for adequate and appropriate training of childminders: not just basic childcare training, but also generic disability awareness training and an understanding of specific conditions;
- Lack of support for childminders who care for children with a disability;
- The need for multi-agency and partnership working. Statutory services do not have the capacity to deliver on all of the needs of children with a disability and their parents, and some voluntary agencies have specialist expertise;
- Parents require more flexibility and greater choice, especially if they are to meet the needs of their child with a disability alongside those of the whole family;

⁴⁹ Gray, A. and Bruegel, I. (2003) The Availability, Use of and Demand for Childcare Services Among the Parents of Children aged 0–14 in Northern Ireland.

⁵⁰ NISRA: Continuous Household Survey (2005/06)

- Parents have a lack of confidence in the quality of service provided by care providers;
- Lack of information about what services exist and what their child is entitled to; and
- Lack of physical access to buildings – needed for users of wheelchairs or other necessary equipment.

NICMA have included within their scoping paper potential actions to meet these identified needs including:

- Early years and disability professionals and parents need to come together in partnership to plan how services for disabled young children will be developed and delivered;
- Need to provide families with a disabled child with flexible, accessible services and with more than one option to meet all of their needs;
- Need to explore service models which could meet the day care needs of children with a disability and their parents e.g.:
 - One-stop-shop service where early years, education and health professionals can be accessed in one setting (e.g. Sure Start; Wrap-Around service; Segal House);
 - Childminders operating out of their own homes;
 - Childminders caring for children in the child's own home;
 - Extension of the sponsored childminding model currently operating in some health and social services trust areas to include sponsored childminding for children with a disability
 - Networks of childminders; and
 - Networks of childminders linked with extended schools to provide an alternative to large group after-school care.

The barriers faced by parents with children who have disabilities have also been emphasised within “*Children with Disabilities Strategic Alliance Manifesto*⁵¹” which revealed the following additional key facts relating to children with disabilities:

- Children with complex needs are more likely to experience exclusion from mainstream and support services due to perceived risks and the lack of appropriate training for staff in this area;
- The current over reliance on diagnosis and eligibility criteria as a means to determine access to services results in some children with a disability being excluded from the services they require;
- Children with a disability and young people are not routinely able to access and benefit from public services in the same way as their peers. There is a general lack of awareness amongst public service providers about the specific needs of children with a disability and young people;
- Lack of staff training specific to the requirements of children with a disability and young people can also hinder inclusion in service provision;
- Additional costs associated with disability can mean that families caring for children with a disability have fewer resources than other families to pay for the childcare they need;
- Children with a disability and young people, particularly those from families with low incomes, experience disadvantage in education, health and family life;

⁵¹ Children with Disabilities Strategic Alliance (CDSA) 2009 Manifesto (NB. CDSA brings together organisations across the Children's and Disability sectors)

- Families consistently report great difficulties in getting the information they need, including information about available support services. Accessible, age appropriate information for children and young people with disabilities is rarely produced; and
- Families with children with a disability face considerable difficulties in finding accessible, appropriate childcare when their children are young. Finding alternative care arrangements as children with a disability become older and leave school can prove to be even more difficult for families.

Please refer to Appendix XII which provides an overview of the Children and Young People Committee Action Plan for Children with a Disability across each of the four CCPs.

In addition, Appendix XII also provides an overview of the range of services provided by Barnardo's to support children with a disability e.g. 'Forward Steps' Programme, which provides early intervention for pre-school children who have been diagnosed with ASD and their families; 'Play for All' Programme, which is an inclusive play service for children with disabilities and their siblings; and 'Homelinks', which provides short breaks in the form of daycare and overnight breaks for children with disabilities.

Children from Ethnic Minority Backgrounds

Ethnic Minority can be defined as a "*Group of people who have a different ethnicity, religion, language or culture to that of the majority of people in the place where they live*"⁵²

The Children Order 1995 requires Trusts in making arrangements for provision of day care, to "*have regard to the different racial groups to which children within their area who are in need belong*" and in the exercise of their power to cancel someone's registration on the grounds of *seriously inadequate care to have regard to the child's "religious persuasion, racial origin and cultural and linguistic background"*.

The Ethnic Minority Population in NI

The 2001 Census collected information on the ethnic background of people in NI recording 14,279 minority ethnic people in NI, amounting to just less than 1% of the total population⁵³. A breakdown of each ethnic minority group has been outlined in Appendix XII.

The Northern Ireland Council for Ethnic Minorities (NICEM) suggested that Census figures were out by 100%⁵⁴, meaning that the minority ethnic population of NI was even - in 2001 - closer to 30,000-35,000.

⁵² www.allwords.com

⁵³ It should be noted that there has been disagreement over this figure as the Census did not include white minority ethnic groups as part of the minority ethnic population e.g. Portuguese but rather included these groups under the White ethnicity category. Other Eastern European groups were also not recorded as 'minority ethnic', who were estimated to account for roughly 2,000 residents, a number that has grown substantially since then.

⁵⁴ NICEM Minority Ethnic Young People and Their Experiences of Disadvantage, Discrimination and Racism in Education and Social Service Delivery in NI

The Ethnic Minority School Population in NI⁵⁵

There is an increasing diversity of ethnic minority groups within NI, which is also reflected in the school-aged population.

- In 2009/10 minority ethnic pupils make up 2.4% (n=7,776) of the total pupil population in NI, including nursery schools and special schools (excluding number suppressed and not disclosed).
- Of the post-primary age group (11-18 year olds), minority ethnic pupils account for at least 2,332 pupils (Excluding numbers suppressed) equating to 1.5% of post primary pupils.
- School figures the numbers of minority ethnic pupils needing EAL support (and not all do) is around 6,500.

Due to the increasing number of children from minority ethnic backgrounds, long-term planning for the delivery of childcare services to new migrants is essential. It is important that childminders and day care staff are provided with adequate training e.g. cultural awareness, Specific dietary and cultural needs of children; potential for core funding for bilingual community workers who can act as a bridge between the parents and service providers; and training of members of the minority community to work in the childcare sector.

Please refer to Appendix XII which provides an overview of the Children and Young People Committee Action Plan for Children from minority ethnic backgrounds across each of the four CCPs.

In addition, Appendix XII also provides an overview of the range of services provided by Barnardo's to support children from ethnic minority background e.g. Tuar Ceatha Project (Belfast, South Eastern and Northern HSC Trusts) helps to improve the lives of ethnic minority children and their families. The service accommodates children aged two years six months to four years of age, promoting their inclusion into mainstream education. There are currently 27 children attending and 12 children recorded on a waiting list. Barnard's also provides support to parents from ethnic minorities by providing crèche facilities at no cost.

⁵⁵ NICEM & DE (2009/10)

4.11 Childcare Workforce Supply and Workforce Development

4.11.1 Current Supply

Childcare and early years workers provide care, education and support for children from birth to 12 years in regulated settings. They work with children who have a range of abilities and needs, providing learning and play opportunities.

General Supply

According to the NI Social Care Council (NISCC), the regulatory body for the social care workforce, there are over 40,000 people employed in Social Care and Social Work and approximately 9,415 people working in Childcare and Early Years. This represents almost 7% of the total NI workforce. The workforce comprises a wide range of staff grades working in a range of settings. Over 80% of the workforce is female.

NISCC is responsible for setting standards for their conduct, training and practice. The childcare and early years workforce is not a NISCC registered workforce, although there are regulations and guidance in place concerning staff ratios (please refer to Appendix V) and other aspects of good practice and all childcare facilities are regulated and inspected by the HSCT and/or DE (where they offer PSEEP places) on a regular basis.

Childminders

As highlighted in Section 3.4, there are currently 3,166 registered childminders in NI, which represents the most common form of day care for working parents, providing 72% of full day care provision in NI offering over a third of all places (36%).

Approximately 60% of registered childminders are members of the NICMA, DE provides annual funding of £70,000 towards the core costs of the NICMA, to support their provision of training, information and advice for registered child minders providing home-based childcare.

As a result of funding through the Sure Start Programme, NICMA are developing Childminding Networks in the following areas across NI: Newtownabbey; Derry; Cookstown; Brownlow & Lurgan; Carrickfergus & Larne; Strabane; Coleraine; Clogher Valley; and Shankill. A Childminding Network is a formal group of registered childminders who are recruited in a particular geographical area and assessed and monitored to quality standards by a Childminding Network Co-ordinator. The network is a means of ensuring that childminders provide a high quality care and education service to children and families. A network can consist of 10-30 Childminders, depending on local requirements, providing up to 90+ childminding places for children aged 0-12 years.

In November 2009, NICMA outlined proposals to encourage more individuals to choose childminding and to go through the registration process. This would involve a 'Childminder Start-Up Package' consisting of a Start-Up Grant and one-to-one mentoring support for each new childminder, to tackle recruitment and retention problems within childminding.

These networks have the potential to benefit areas of social deprivation in which childminding provision is low. Individuals in such areas find the start-up costs associated with becoming a childminder a barrier to registration. The proposal requires **£300,000 annually** for an initial period of three years. It would enable the roll-out of the childminders' start-up package across NI, with priority given to the areas most in need of childminding provision. **A full appraisal of this programme would be required before a recommendation could be made in terms of whether or not it should be implemented.**

Homechildcare Provider Approval Scheme

The Government has recently introduced a new form of approved childcare. The Home Childcarer Approval Scheme enables parents to employ a childcarer in their own home who is suitably qualified and checked to work with children. This scheme would be a means to accessing flexible care outside of the traditional hours of 9am-5pm care in the child's own home. This care may be especially suitable for children with additional needs for whom other childcare settings may be inappropriate.

While DE has policy responsibility for the Scheme, the Health and Social Care Trusts have responsibility for administering it. All applications and vetting checks are therefore carried out by the Trusts Early Years Teams in the HSCT. Approval is valid for 1 year with the onus on the Homechildcarer to apply for renewal on an annual basis. The Trusts have confirmed that over the past 4 years a total of 81 Homechildcarers have been approved (averaging 20 per year).

DHSSPS – Inspection & Registration

As indicated in Section 3.4, the number of registered childminding places has fallen dramatically in recent years (dropped by 25% between 2003 and 2009). This may be attributed to delays in some cases in obtaining registration, which is providing an incentive for childminders to remain unregistered, putting at potential risk the children they look after.

Under the regulations and guidance which support the implementation of the Children (NI) Order 1995, the Trusts are normally expected to complete the registration process within three months. But a recent survey of newly registered childminders carried out by NICMA revealed that they had faced an average wait of seven months to be registered⁵⁶. According to Ofsted, the body which is responsible for childminder registration in England, this compares to an average wait of just 81 days (c3 months) in England⁵⁷.

There are also other contributing factors such as the regulatory and administrative burden on the Trusts which has adversely impacted the time taken to process registrations and inspections.

In order to meet their statutory requirements for registration and inspection, the Trusts have stated an additional requirement for c15 staff in order to meet demand (costing £392,000), with the exception of the Belfast Trust which and has not requested increased staffing as demand is being met (Table 4.12).

⁵⁶ Survey was carried out in November 2007. Survey forms were sent to 210 NICMA members who registered within the 12 months prior. There was a 24% response rate (50)

⁵⁷ Ofsted (2007)

A more detailed breakdown of staff costs and roles and responsibilities can be found in Appendix VII.

Table 4.12
Number of Staff – Registration & Inspection

Trust	Number of Staff	£	Additional Requirement to meet current demand.	£	Notes/Rational provided by Trusts
Belfast	26.34	£901,396	None required – meeting demand	N/A	N/A
South Eastern	19.36	£668,939	2 Social Workers	£58,000	"60 inspections not completed & the waiting list for the registration of childminding is significant"
Northern	23.9	£772,270	3.5 Social Workers, 2 Admin staff	£134,500	"Estimated on current need"
Southern	20.25	£757,128	2 Social Workers, 1 Admin	£74,500	
Western	14.3	£295,000	4.31 Social Workers	£125,00	"321 outstanding inspections and 63 outstanding registrations"
	104.15	£3,394,733	14.81 (11.81 Social Workers, 3 Admin Staff)	£392,000	

NB. Average figure of £29k for a Social Worker and £16.5k for administrative staff
Source: HSCTs/ DHSSPS

4.11.2 Workforce Qualifications

Childcare and early years workers can undertake work-based vocational and professional qualifications and go on to do part-time or full-time degrees. With appropriate training and qualifications staff can become supervisors, managers, open their own business or become Early Years Specialists.

The current recognised professional qualifications are National Vocational Qualification (NVQs) at the appropriate level required to do a specific job. For those staff employed in pre-school education programmes, the minimum entry qualification is currently set at NVQ Level 2 and 3.

The following table summarises the Further and Higher Education Sectors enrolments in childcare courses and the level of study and mode of attendance from 2006/07 to 2008/09, averaging 2,627 enrolments per year.

Professional/Technical Enrolments on Applied Social Work courses 2006/07 – 2008/09

Subject Area	Level 1 and entry			Level 2			Level 3			HE			Total		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
Child Care 2006/07	56	79	135	377	396	773	612	995	1,607	68	154	222	1,113	1,624	2,737
Child Care 2007/08	33	212	245	458	291	749	681	840	1,521	89	149	238	1,261	1,492	2,753
Child Care 2008/09	42	15	57	395	297	692	677	705	1,382	86	174	260	1,200	1,191	2,391

Source: DEL

In addition to the above, DEL's, 'Steps to Work Programme', although not specifically a childcare workforce training programme, offers participants, amongst other things, the opportunity to undertake an NVQ level 2 in certain core skills. One of these core skills areas is Child Development and Well Being. This programme subsumes the main New Deal Programmes in NI.

Programme participants are allocated an Adviser who provides support and guidance regarding training and employment opportunities. The programme is eligible to anyone over 18 years old (or lone parents aged 16 years old or over) who is not working (or working less than 16 hours each week). In the period April 2009 to December 2009, 225 participants undertook an NVQ in Child Development and Well Being through the New Deal and StW Programmes, a 52% increase from the previous year. Please refer to Appendix VII for further details.

The StW Programme is demand led, there are no targets for number of places or costs and no limit put on the number of places available. The programmes are designed to meet the needs of all participants who need help with childcare costs or wish to undertake an NVQ in Child Development and Well Being.

It is important to note that an average of 60% of childcare workers (with the exception of childminders), hold a NVQ Level 3 qualification, while 30% do not yet have a relevant childcare related qualification⁵⁸. Unlike England and Wales, there is currently no requirement for newly registered childminders to complete accredited introductory training in childminding. Moreover, in England, Scotland and Wales, all registered childminders must have public liability insurance — this is not the case in NI. Staff are encouraged to get relevant child care qualifications and to update their skills and training in areas such as Child Protection, First Aid and Child Development

Vocational qualifications across the UK are currently being changed. The current National Qualifications Framework (NQF) will be replaced by the Qualification and Credit Framework (QCF). This is a government initiative across England, Wales and NI. The QCF will present units and qualifications in a simpler way and lead to qualifications that are flexible and meet the skills and knowledge needs of the workforce. Existing NVQs will continue to be used until the new qualifications are introduced in December 2010.

4.11.3 Childcare Workforce Development

DEL's Skill Strategy for Northern Ireland (NI) sets out a vision for skills based on high value added jobs, and employers who can anticipate future skill needs and are willing to invest in the skills of their employees. It states that the Government's aim is: *"to enable people to progress up a skills ladder, in order to raise the skills level of the whole workforce; to help deliver higher productivity and increased competitiveness; and to secure NI's future in a global marketplace."*

Please note that DEL is currently consulting on a draft revised Skills Strategy for NI – Success through Skills 2. The Strategy looks at the current skills base, examines the skills needed in the future to grow the economy and highlights areas for action. This document once published will be viewed as the overarching strategy for skills development in NI over the next decade

⁵⁸ NISCC 'A career in Childcare in NI' - March 2009

'Children First' recognised that *'the people delivering childcare are crucial to the quality of service provided'* but at that time *'many of those working within the field were volunteers or part-time staff with little or no career structure or pathway to progress 'up the skills ladder.'*

In addition, low pay and job insecurity have hindered recruitment and retention of staff or good quality staff in some areas.⁵⁹ Research and best practice indicates that the optimal way to deliver quality early years services for young children and their families is through an integrated approach to policy, funding and workforce development⁶⁰.

The most significant impact is the quality of the adult / child relationship and this is affected by staff qualifications and training.

Recognising the need for a strategic and integrated approach to workforce development at a regional level the four CCPs, in association with NICMA, Early Years Organisation and Playboard, developed a 'Learning & Development Strategy for the Early Years Sector' in January 2007, focused on creating a workforce in early years that is strong, diverse, competent, skilled, knowledgeable and qualified.

This strategy articulated that *"It is vital to have a children's workforce that is skilled, well-led and supported by effective, shared systems and processes. People in different parts of the workforce need to be able to work well together across institutional and professional boundaries, focused around the needs of the child and young person."*

The mission for this Learning and Development strategy is that *"It will serve the needs of the workforce by improving individual and organisational performance in ways that will contribute to improvements in the health and well being of all children who use childcare services, through the development of a confident, competent, skilled and motivated workforce"*.

This qualification framework developed as part of this strategy attempts to provide an overview of the qualifications, learning and development opportunities specific to job roles within the early years sector. Although this framework needs further development to ensure there are identified pathways for practitioners working within a range of early years settings, it provides a basis on which to build an appropriate guide for the sector.

Recommendations highlighted by the CCPs include:

- Appropriate structures need to be put in place to support the development of a workforce strategy.
- There needs to be effective engagement with and endorsement by all key stakeholders including parents, children, employers, practitioners, training providers, inspectorates, key government departments, the voluntary, community and private sectors.
- Funding needs to be secured to support the strategy. There is also a need to develop understanding of Modern Apprenticeships more widely throughout the sector.

⁵⁹ Mc Colgan et al. Childcare on the Borderlines: A cross-border community audit of the usage and experience of formal and informal childcare services. Derry Well Woman and University of Ulster 2006.

⁶⁰ Starting Strong II

- Engagement with all key stakeholders is required to further develop an Integrated Qualifications Framework.
- Common standards for inspection and regulation and for those leading and managing integrated children's services need to be developed and implemented.
- A strategic approach needs to be developed to support recruitment and retention. The workforce should be drawn from all sections of the community, including men and ethnic minorities.
- Workforce plans should identify clear targets, expected outcomes, timescales and lines of accountability.
- Legislative changes need to be considered in regard to qualification or training requirements for childminders.

Such a strategy needs to be accompanied by a complete review of terms and conditions of the workforce to ensure that workers are appropriately supported and rewarded to provide the highest quality services for children. Additional resources need to be made available to support the development of a strategic regional workforce development strategy for NI.

The average salary of a full-time playgroup leader is £16,623 per annum, while the average salary of a full-time playgroup assistant is £11,967 per annum. Those figures compare with annual salaries of approximately £42,000 for a nursery school principal and £33,000 for a nursery school teacher.

In order to recruit and retain high calibre staff it will be important that that this disparity is addressed so all staff feel valued. Early Years propose that a fund is made available to address this disparity and cover the short-fall in salaries. Early Years proposes that each setting in NI receives a grant of c.£4,000pa to assist with enhancing staff salaries. This recruitment initiative would make it easier for providers to recruit graduates with relevant qualifications without risking affordability to parents of the sustainability of provision. Early Years strongly believes that a properly remunerated graduate-led workforce will improve the quality of the care and education our children receive, and that this investment in the future of children will reap financial and educational benefits for children throughout their lives.

In England and Wales, a Children's Workforce Strategy was developed and a £125m Transformation Fund has been established. In Scotland more than £15m has made available to the sector for workforce development. The CCP have asserted that it would take at least £10m over the next 5 years to support a learning and development strategy for the early years sector in NI. The EYSA continues to lobby for a fund similar to the UK Transformation Fund, to enable early childhood staff access to funding for graduate progression and to provide appropriate pay and terms and conditions for the entire sector.

4.12 Assessment of Future Demand for Childcare

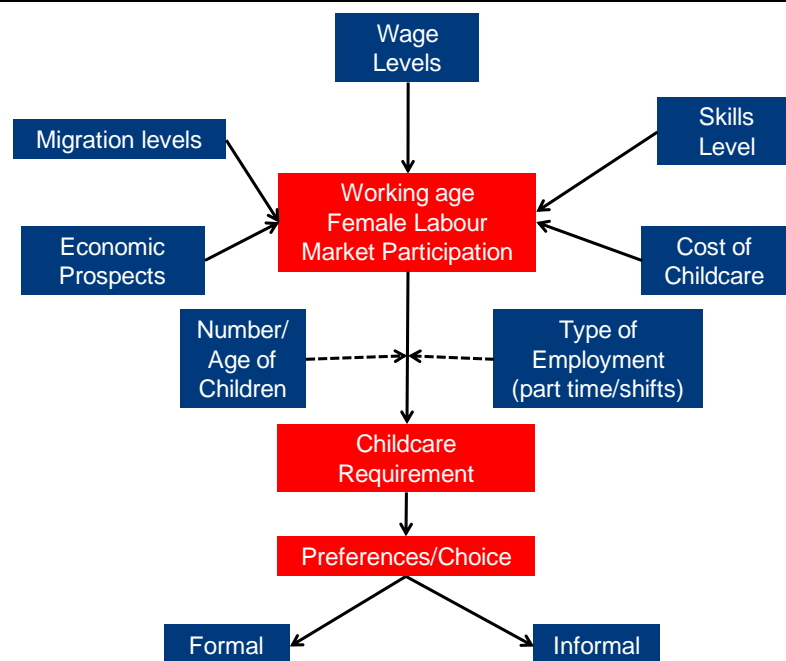
4.12.1 Forecasting Childcare Demand & Supply

Forecasting childcare demand and supply is complex, hampered by the absence of robust supply and demand data being monitored within the sector and considerable unknowns. It is unfortunate that throughout the appraisal review, information and data collection regarding the sector was not readily available in a consistent manner. Accepting the data limitations, FGS McClure Watters have prepared forecasts for future childcare demand, based on available information.

In attempting to determine future demand levels FGS McClure Watters have scoped a conceptual model of childcare demand. This model identifies a series of influencing factors on female participation in the labour market (Figure 4.2).

Once the decision to participate in the labour market has been reached, the number and age of children and shift pattern of the employment influence the need for childcare. If a childcare solution is required, parents then make a choice between various forms of formal and informal child care. A lack of information regarding parental preferences has hindered the development of a comprehensive model within the scope of this economic appraisal. Given this, FGS McClure Watters have endeavoured to assess future demand for child care through alternative means.

Figure 4.2
Conceptual Model of Demand



Source: FGS McClure Watters

4.12.2 Gray and Bruegel's Forecast of Childcare Demand

The last comprehensive study that attempted to estimate the demand for childcare in NI was Gray and Bruegel's *"The availability, use of and demand for childcare services among the parents of children aged 0-14 in NI"* commissioned by DEL, the Equality Commission and the four Childcare Partnerships and published in 2003.

In the course of our analysis, we have assessed the validity and practicality of applying the results from this study to the current context. The approach taken in this report was as follows:

- Female employment levels and expected changes between 1999 and 2010 were presented by occupation, using Warwick University forecasts.
- The proportion of women likely to need childcare was estimated from the Labour Force Survey as:

Table 4.13
Composition of NI Female Labour Force - Mothers and Others (2000)

All employed women: 58 per 100				All unemployed women: 42 per 100			
No children under 12 38.5 per 100		Mothers of children under 12 20 per 100		No children under 12 27 per 100		Mothers of children under 12 15 per 100	
Part time: 21.6	Full time: 16.9	Part time: 11.5	Full time: 8.5				

Source: Labour Force Survey 2000

Shaded areas denote groups likely to need childcare if employed.

In 2000, the analysis suggested that mothers of children under 12 were just over one-third of all women aged 16-59, and 55.6% of them are in employment. From the analysis of the LFS mothers sample, the authors of the study estimated that the women already in employment who have children under 12 are 33.6% of all women in employment, totalling 106,590. There are around the same proportion of full-time and part-time employees taken separately. Mothers of children under 12 are 35.7% of all inactive women aged 16-59, so they number around 83,500, 15% of the whole female population aged 16-59.

Two forecast scenarios were presented in the 2003 study:

1. The first scenario was that the proportion of mothers of under-12s amongst women in employment would remain roughly the same as at present; and
2. The second scenario is that the proportion of mothers of children under 12 amongst the additional women entering employment in the next few years will be the same as the proportion of these mothers amongst inactive women.

In both cases, the study applied estimates of the number of childcare places used per thousand mothers across a range of categories. The childcare places per 1,000 mother rates were:

Table 4.14
Required Childcare Places per thousand Employed Mothers

	Number of places needed per thousand employed mothers in each column			
	Professional/managerial		Other occupations	
	Part-time	Full-time	Part-time	Full-time
Registered Childminder	188	286	98	142
Day nursery/crèche	119	106	57	13
After School Club	79	57	40	16
Total in 1st 3 categories	386	449	195	171
Unregistered Childminder	233	331	132	271
Nursery School	62	12	30	10
Playgroup/family centre	17	12	16	6
Pre school class in primary	6	4	7	3
Nanny/au pair	5	4	0	3
Mixed types including mixed formal and informal	47	70	34	45
Total	756	882	414	509

Source: Gray and Bruegel (2003)

This report found that in order to meet projected demand:

- The number of childminders needed to increase by 15-20% (base: 4,081 providers offering 16,880 places/Target: 17,555);
- The number of day nursery places needed to increase by 11.5% (base: 265 day care providers offering 6,810 places/Target: 7,593 places);
- The number of out of school places needed to rise by at least 13% (base: 137 providers offering 2,989 places/Target: 3,390); and
- There was a sizeable increase in the use of unregistered childminders (i.e. those working outside of the legislative framework) this impacts directly on outcomes for children.

This report reflected figures provided by the CCPs for 2003 i.e. 4,986 providers offering 43,203 places and the demand for 4,000 extra places in formal/registered childcare places by 2010 i.e. a target 47,203.

It is important to note that figures which have since been ratified by DHSSSP highlight that there were in fact 5,240 providers offering 48,383 places in 2003.

In 2009, DHSSPS has confirmed that there are 4,379 providers offering 42,441 places, a 16% decrease in terms of providers and 12% decrease in places. This also illustrates 4,762 fewer places from an assumed target of 47,203 to meet demand.

Table 4.15
Childcare Provision 2003 vs 2009

	Day Nursery		Playgroups		Childminders		Out of Schools		Total	
	Providers	Places	Providers	Places	Providers	Places	Providers	Places	Providers	Places
2003	197	7,798	607	14,648	4,224	21,164	212	4,773	5,240	48,383
Average place per provider		40		24		5		23		9
2009	271	11,215	444	10,475	3,166	15,410	498	5,341	4,379	42,441
Average place per provider		41		24		5		11		10
Difference	74	3,417	-163	-4,173	-1,058	-5,754	286	568	-861	-5,942
% Increase / Decrease	38%	44%	-27%	-28%	-25%	-27%	135%	12%	-16%	-12%

NB. Figures for 2010 are not expected to be ratified until the end of 2010.

4.12.3 Applying Gray and Bruegel's Approach to the Current Context

Gray and Bruegel's paper relied on female employment by occupation forecasts prepared by Warwick University. These forecasts are obviously dated, given the 2003 publication date of the report. The latest female employment by occupation forecasts from Warwick University were prepared for the 2007-2017 period and therefore fail to capture the current economic downturn.

To set this in context, Oxford Economics' current forecasts, which do account for the current downturn, suggest 16,000 fewer jobs (both genders) in NI than Warwick University's forecasts. Unfortunately, Oxford Economics do not prepare forecasts for female occupation employment so it is not possible to utilise a published up to date source of female occupation forecasts for this exercise. By way of a proxy, we have estimated changes in female occupation employment by applying each gender's contribution to overall change from Warwick University's occupation forecasts to Oxford Economics' estimates of change for all genders.

These estimates are presented in Table 4.16 below. The key points to note from the table are:

- Part-time female employment is expected to increase by 12,700 between 2010 and 2020.
 - Of this, 8,600 are expected in Professional/Managerial occupations and 4,100 in other occupations.
- Full-time female employment is expected to increase by 11,700 between 2010 and 2020.
 - Of this, 7,900 are expected in Professional/Managerial occupations and 3,800 in other occupations.

Table 4.16
FGS McClure Watters Estimates of Female Employment by Occupation, 2010-2020, thousands

	Warwick Forecasts 2007-2017			Oxford Economics Change (000s) 2010-2020	Male (FGS McClure Watters Estimates)	Female (FGS McClure Watters Estimates)	Part time	Full time
	All Genders	Males	Female					
Managers and Senior Officials	21	11	10	19	10.0	9.0	4.7	4.3
Professional	16	4	12	10	2.5	7.5	3.9	3.6
Associate Professional and Technical	18	2	16	8	0.9	7.1	3.7	3.4
Administrative, clerical and secretarial	-4	5	-9	-9	11.3	-20.3	-10.5	-9.7
Skilled Trades	-6	-4	-2	-2	-1.3	-0.7	-0.3	-0.3
Personal Services	14	1	13	6	0.4	5.6	2.9	2.7
Sales and Customer Services	3	2	1	5	3.3	1.7	0.9	0.8
Machine and Transport operatives	-5	-3	-2	-3	-1.8	-1.2	-0.6	-0.6
Elementary	-4	1	-5	4	-1.0	5.0	2.6	2.4
Total	53	19	34	38	13.6	24.4	12.7	11.7
<i>Professional/Managerial</i>	<i>37</i>	<i>15</i>	<i>22</i>	<i>29</i>	<i>12.5</i>	<i>16.5</i>	<i>8.6</i>	<i>7.9</i>
<i>Other Occupations</i>	<i>16</i>	<i>4</i>	<i>12</i>	<i>9</i>	<i>1.2</i>	<i>7.8</i>	<i>4.1</i>	<i>3.8</i>

Source: Warwick University, Oxford Economics, FGS McClure Watters.

Mothers in the Labour Force

FGS McClure Watters have updated Grey and Bruegel's Labour Force Survey Assessment of the composition of the NI labour force with analysis of the April-June 2009 Labour Force Survey Household Dataset. This analysis is presented in Table 4.17 below. Note that our analysis relates to mothers of children below the age of 15.

Of the total female labour force in NI in 2009, 61% were in employment. The LFS sample for NI shows that mothers of children under 15 represent half of all women aged 16-59, 58% of which are in employment. From our analysis of the LFS, we estimate that the women already in employment, who have children under 15, represent 47.5% of all women in employment (29/61). They represent approximately the same proportion of full-time and part-time employees taken separately. Mothers of children under 15 represent 53.8% of all inactive women aged 16-59 (21/39), 21% of the whole female population aged 16-59.

Table 4.17
Composition of NI female Labour Force; Mothers and Others, 2009

All employed women: 61 per 100				All unemployed women: 39 per 100			
No children under 15 32 per 100		Mothers of children under 15 29 per 100		No children under 15 17 per 100		Mothers of children under 15 21 per 100	
Part time:	Full time:	Part time:	Full time:	Part time:	Full time:	Part time:	Full time:
7	25	15	14				

Source: Labour Force Survey 2009

Shaded areas denote groups likely to need childcare if employed.

Estimated Demand for Childcare

Following Gray and Bruegel’s forecast approach, and assuming (in the absence of evidence to the contrary) that their assessment of the requirement for childcare per 1,000 employed mothers remains valid, FGS McClure Watters have estimated changes in childcare demand associated with expected changes in employment.

Three ranges are presented. The first applies the proportion of mothers in employment to the change in employment; the second applies the proportion of mothers not in employment while the third assumes that all forecast female jobs are taken by mothers of children under 15. While accepting that this third scenario is wholly unrealistic, it serves as a useful ‘in extremis’ estimate of childcare demand.

The results are presented in the following tables.

Table 4.18
Scenario 1

	Scenario 1: Ratios remain as per current employed mothers			
	Professional/managerial		Other occupations	
	Part-time	Full-time	Part-time	Full-time
Registered Childminder	398	521	98	122
Day nursery/crèche	252	193	57	11
After School Club	167	104	40	14
Total in 1st 3 categories	817	819	195	147
Unregistered Childminder	493	603	132	234
Nursery School	131	22	30	9
Playgroup/family centre	36	22	16	5
Pre school class in primary	13	7	7	3
Nanny/au pair	11	7	0	3
Mixed types including mixed formal and informal	99	128	34	39
Total	1,600	1,608	414	439

Source: FGS McClure Watters

Table 4.19
Scenario 2

	Scenario 2: Ratios applied are unemployed mother ratios (with full time/part time assumed to be 50:50)			
	Professional/managerial		Other occupations	
	Part-time	Full-time	Part-time	Full-time
Registered Childminder	436	612	107	144
Day nursery/crèche	276	227	62	13
After School Club	183	122	44	16
Total in 1st 3 categories	894	960	214	173
Unregistered Childminder	540	708	145	274
Nursery School	144	26	33	10
Playgroup/family centre	39	26	18	6
Pre school class in primary	14	9	8	3
Nanny/au pair	12	9	0	3
Mixed types including mixed formal and informal	109	150	37	46
Total	1,751	1,886	454	515

Source: FGS McClure Watters

Table 4.20
Scenario 3

	Scenario 3: Extreme Sensitivity - assumption that all jobs are filled by mothers of children under 15 (with full time/part time assumed to be 50:50)			
	Professional/managerial		Other occupations	
	Part-time	Full-time	Part-time	Full-time
Registered Childminder	809	1230	422	611
Day nursery/crèche	512	456	245	56
After School Club	340	245	172	69
Total in 1st 3 categories	1,661	1,932	839	736
Unregistered Childminder	1,002	1,424	568	11,66
Nursery School	267	51	129	43
Playgroup/family centre	73	52	69	26
Pre school class in primary	26	17	30	13
Nanny/au pair	22	17	0	13
Mixed types including mixed formal and informal	202	301	146	194
Total	3,253	3,795	1,781	2,190

Source: FGS McClure Watters

These estimates suggest that there will be an increase in demand of between 1,978 and 2,242 places in the three main registered categories between 2010 and 2020, plus between 1,462 and 1,667 places with unregistered childminders. Including all forms of childcare suggests a demand for between **4,061 to 4,606 childcare places**.

Scenario 3, which postulates a more extreme scenario, suggests that there could be an increase in demand of 5,167 in the three main registered categories between 2010 and 2020, plus 4,160 places with unregistered childminders. Including all forms of childcare suggests a demand for **11,019 childcare places**.

It is not possible to distinguish the age breakdown of the future demand for childcare. As such, it is not possible to apply childcare worker to child ratios in order to calculate the additional childcare staff associated with increased demand.

By way of an indicative estimate, our analysis of current usage concluded that there are 109,755 children receiving formal/registered childcare from 9,415 workers. Applying this ratio suggests that there will be a demand for between 169 and 191 registered childminders/day nursery/after school club workers. It should be noted that this estimate takes no account of retirees or people leaving the sector and is not therefore a 'replacement demand' indicator.

4.12.4 Estimating Childcare Demand based on Family Resources Survey Analysis and Population Forecasts

Section 4.6 noted that, according to the Family Resource Survey analysis, in 2005/06, 51.5%, in 2006/07, 51.9% and in 2007/08, 52.2% of children age 0-15 used childcare. Taking a three year average (of 51.9%) and applying it to NISRA's population by age forecasts suggests that demand for childcare will increase by **7,691 places** by 2020.

Table 4.21
Population Projections and Childcare Demand

Year	Children 0-15	Childcare Required	Annual Change
2010	382,449	198,491	
2011	383,293	198,929	438
2012	383,916	199,252	323
2013	384,035	199,314	62
2014	384,895	199,761	446
2015	386,057	200,364	603
2016	388,081	201,414	1050
2017	390,686	202,766	1352
2018	393,211	204,077	1310
2019	395,671	205,353	1277
2020	397,267	206,182	828
Total Change	14,818	7,691	

Source: NISRA population projections and FGS McClure Watters estimates

It is clear from the table above that the estimate of additional childcare differs considerably from the estimates generated when adopting the Grey and Bruegel approach. Neither approach provides a definitive answer to the question of by how much will demand for childcare increase. The exercise does however provide a strong indication that the childcare demand will experience an upward trend.

The likelihood of upward pressure of demand is also increased by proposed changes to the welfare system which will require lone parents, with children over the age of 7, to move from income support to jobseekers allowance resulting in them having to actively engage with the labour market and seek work. This move will require one of the barriers to employment being addressed, that of adequate childcare provision.

4.12.5 Summary of Forecasts

The table below presents a summary of forecasted demand based on the aforementioned scenarios. Results indicate that the overall number of childcare places required will range from 46,502 to 53,459, an uplift of between 4,061 and 11,018 places from the current baseline of 42,441 registered childcare places.

This equates to one childcare place for every 7.4 to 8.5 children (0-15 years old) based on current trends remaining constant in terms of Northern Ireland's preference for non-registered/informal care through grandparents and other relatives or friends etc.

Table 4.22
Summary of Childcare Demand Scenarios

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
No. of current childcare places available (March 2009)	42,441	42,441	42,441	42,441
Projected no. of childcare places required by 2020	4,061	4,606	11,018	7,691
Total No. of places required by 2020	46,502	47,047	53,459	50,132
No. of children (0-15 years) by 2020	397,267	397,267	397,267	397,267
No. of children per childcare place	8.5	8.4	7.4	7.9

Source: FGS McClure Watters estimates

Due to the absence of available information, these forecasts are indicative only and do not provide a definitive answer to the question of by how much will demand for childcare increase. Indeed, it is feasible, if unlikely, that all new jobs could be filled by people with no childcare requirements, resulting in no additional demand. It is an important distinction to note that this analysis takes job forecasts as its starting point and postulates a range of childcare demand scenarios. It does not take a range of childcare demand scenarios and postulate the job creation/female participation this could facilitate. The exercise does however provide a strong indication that the childcare demand will experience an upward trend. Going forward, implementing a comprehensive, robust 'future demand' model is recommended.

4.13 Results of Stakeholder Consultations

This appraisal involved a wide ranging process of consultation with key stakeholder groupings. Overall, the following consultations were carried out:

- 33 separate face-to-face consultations and 7 telephone consultations (to include Senior Officials in DE, DHSSPS, DEL, DSD and DARD. In addition, the views of the four childcare partnerships and community and voluntary organisations were sought);
- 1 focus group with the members of the Early Years Strategic Alliance (EYSA);
- 1 focus group with Community Sector representatives hosted by the Belfast Health & Social Care Trust;
- 1 roundtable discussion with the Centre for Social Justice organised by Employers For Childcare;
- 1 meeting with c40 private sector representatives hosted by Early Years – the organisation for young children; and
- Follow up survey of private sector representatives (15 returns).

Please refer to Appendix III for a list of key stakeholder consultees.

The findings represent the views from the majority of stakeholders and have been grouped according to the following themes: Definition of Childcare; Strategy; Structure for Policy Development/Implementation; Funding; Registration & Inspection; Childcare Supply & Delivery; Other Children Services; User Group Needs; Workforce Development; and Demand.

Definition of Childcare

- The need to define childcare was consistently made throughout the consultation process in terms of what it encompasses e.g. care and/or education.
- CCP and community and voluntary sector representatives made a number of suggestions regarding alternative terminology for the strategy in order to engender a holistic approach e.g. positive terms such as 'Child Care & Education' 'Childhood Care & Education', 'Educare' i.e. integrating education and care.

Strategy

- The vast majority of stakeholders highlighted their concern and frustration regarding the delay in the launch of an Early Years Strategy, which has been in development since the transfer of responsibilities from DHSSPS to DE in 2006.
- There is also concern and frustrations evident regarding the current policy vacuum in relation to School Aged Children.
- The majority of stakeholders across the sector stated that they would prefer a Early Years and School Aged Childcare Strategy to be developed as an integrated approach, as per the previous 'Children First' policy which included children aged 0-14 years inclusively. A number of individuals who work with children with a disability felt that a new strategy should extend to children aged 0-18 years for those with a disability.
- A lack of a Childcare Strategy has made it difficult for sector representatives to forward plan, as agreed by the vast majority of stakeholders.

Structure for Policy Development/Implementation

- It was acknowledged by the majority of respondents that sector is fragmented with complex structures involving a vast array of stakeholders. It was articulated that clarity needs to be provided regarding lines of responsibilities.
- The vast majority of stakeholders articulated the need for a ‘champion’ to drive the sector forward and believed that this could be achieved through Ministerial drive.
- The need for cross political party support and cross departmental perspective was asserted by the majority of respondents to ensure that childcare is recognised as imperative throughout all agendas, particularly as a means of reducing child poverty.
- Stakeholders, in the vast majority of cases, highlighted the need for childcare to have a definite link with PSA in PfG, which is currently lacking.

Funding

- Almost all stakeholders identified investment in the childcare sector as being limited to short bursts of funding from a cocktail of funders, with providers ‘fire fighting’ for essential monies.
- Stakeholders, particularly within the community and voluntary sector asserted that their organisation’s current funding is coming to an end within the next 6-12 months and that no follow on funding has been committed to sustain vital childcare services.
- Due to the lack of a sustainable funding stream, stakeholders within the CCP and within community and voluntary organisations felt that they were having to be reactive rather than proactive in their approach to childcare services, whereby quarterly and annual planning was the norm rather than the preferred 3-5 year business planning approach
- A cross-cutting budget to be ring fenced for childcare provision, with clear specific roles and targets in PfG set was recommended by the majority of stakeholders.

Registration & Inspection

- There were varying views regarding whether inspections provided by Trusts and those provided by ETI, in relation to PSEEP places, should be combined. Although stakeholders understood the inspection to be distinct, about half of respondents felt that the remit of one could be extended to encompass both inspection processes - this would require legislation change.
- The majority of stakeholders agreed that it is important to ensure that regulation and inspection processes are consistent and of a high standard to ensure quality childcare. The role of RQIA in terms of ‘inspecting the inspectors’ was welcomed as a means of ensuring consistency and high quality standards.
- Delays in registration and inspection processes were highlighted as a concern by the majority of stakeholders, resulting in providers, particularly childminders, remaining unregistered as a result. Trusts have articulated the need for additional staff to meet current demand to ensure that statutory duties are met in relation to registration and inspection.

Childcare Supply & Delivery

- The majority of stakeholders, particularly the CCP acknowledged that regional disparities in terms of provision exist with greater supply evident in the Eastern area and the least in Western areas – views supported by evidence regarding current levels of provision. In addition, supply of accessible childcare in rural areas was recognised as an issue.

- The need for flexible childcare was consistently made by stakeholders in order to address current trends in working patterns which do not operate with the 9am-5pm 'norm'.
- A lack of accessible information regarding available childcare for parents was stipulated by the majority of stakeholders. One centrally branded website for the sector was suggested by a small number of stakeholders, which would provide parents with one access point to find information.
- The majority of stakeholders agreed that there is a lack of awareness among the public about what financial support is available to offset the cost of childcare;
- A small number of stakeholders also commented that information on how to access child tax credit was often too difficult for some parents to understand, therefore limiting uptake.
- Stakeholders within CCP and the community and voluntary sector felt that there is a focus on pre-school children and less on school aged children, highlighting the need to address both as part of an integrated approach.
- CCPs stated that they have historically provided support to children aged 0-14 years old, however since the transfer of policy to DE from Early Years and the policy vacuum relating to school aged children, resources have been channelled to early years and sure start projects. In the absence of funding and direction regarding school aged children, CCPs have endeavoured to sustain existing provision with budget constraints until this vacuum can be filled.
- The vast majority of stakeholders were supportive of the need to strengthen CCPs, stating that the sector should 'build on existing expertise' by providing adequate resources and funding to allow CCPs to operate effectively at a local level.
- Improved co-ordination and shared learning across partnerships was stated as a requirement to improve delivery at ground level to ensure consistency across all CCP areas.
- The majority of stakeholders were committed to protecting existing provision and to manage the transition process until new strategy is put in place.

Other Children Services

- The vast majority of stakeholders felt that the current 'Extended Schools Programme' should be reviewed and enhanced to provide 'wrap around' services for children to enable parents to work. As part of this model, a small number of stakeholders also commented that schools should be encouraged to work in partnership with the voluntary and private sectors to deliver this offer, therefore, no displacement of services would occur.
- A small number of stakeholders in the community and voluntary sector highlighted that parents experience difficulties in accommodating staggered class finish times for children of different ages, which could be solved through an 'extended school childcare model'.
- The Sure Start Project in NI was regarded as being successful, providing valuable support to parents and their children. This view was held by the majority of stakeholders within key Departments, CCP and other community and voluntary and support organisation. A small number of stakeholders also remarked the need for additional funding to be provided to roll the project out beyond the 20% most disadvantaged areas.

User Group Needs

- Stakeholders within CCP, community and voluntary organisations and those who care and support the needs of children with a disability and for children from ethnic minority backgrounds highlighted the lack of dedicated provision for these minority groups.
- A lack of childminders who specialise in caring for children with a disability was reported by a small number of stakeholders, resulting in parents who have a disabled child having to give up work to devote to care, therefore being driven into poverty due to a lack of appropriate support.
- A small number of stakeholders stipulated the need to provide adequate training to improve confidence and competence of childminders and day care providers who specialise in caring for children with a disability.
- A small number of stakeholders also commented that children with a disability are becoming increasingly isolated, there is a need for a commitment of inclusion and integration of care – benefits both children with and without a disability.
- Childcare provides respite for parents or to allow them to care for their other children and main focus tends to be on child with a disability. A whole family support approach is essential as stated by a small number of stakeholders.
- Organisational representatives who care for the needs of children with a disability stated the need additional support for these children to help them reach their full potential. These representatives raised the need for provision of modern technology and equipment to assist learning of new skills.
- In relation to the care of children from ethnic minority backgrounds, stakeholders within CCP and community and voluntary groups emphasised the need for the childcare workforce to be adequately trained and equipped with the knowledge of cultural differences and potential dietary requirements of children in their care to ensure that the needs of individual children are met.
- CCPs have dedicated time and resources into translating materials and providing seminars to providers to ensure that the needs of parents and children from ethnic minorities are catered for.

Workforce Development

- The vast majority of stakeholders believed that the childcare workforce is not valued as a career as there is a 'stigma attached' as their role is undervalued and they are under paid. Respondents commented that there is a cultural shift required in order to appreciate the expertise and abilities of the childcare workforce, which is on par with teachers.
- The need for more male childcares was emphasised by some stakeholders, as the sector has been dominated by a female workforce.
- A small number of stakeholders commented on the need for legislation to be introduced to ensure that newly registered childminders complete accredited introductory training in childminding. The recruitment and retention of childminders was asserted as being a problem due to delays in registration process.
- Concerns were expressed by a small number of stakeholders that by upskilling the sector then ultimately these increased training costs will likely result in increased costs for childcare, this should be kept as a minimum as parents are currently experiencing difficulty in affording childcare.

- The majority of stakeholders across all segments were supportive and committed to the development of qualification standards and guidelines and to ensure that the childcare workforce has a clear career pathway.

Demand

- NI society was recognised as one that relies heavily on the support of extended families, whereby grandparents play a vital role in the care of grandchildren. However, the majority of stakeholders stated the change of social trends in terms of an ageing population and grandparents working for longer, therefore not available for childcare. Consequently, requiring a move towards increased demand for registered forms of childcare.
- The vast majority of stakeholders stated that there is an increasing demand for flexible childcare arrangements to suit parents who work shift and unsociable hours (e.g. nurses, factory workers etc).
- Stakeholders, in the majority of cases, acknowledged recent welfare reforms whereby lone parents with children aged 10 or over from October 2009 and 7 or over from October 2010 will transfer from income support to jobseekers allowance, which will create increased demand for affordable childcare services.
- A small number of stakeholders highlighted the need and demand for investment for 'middle years' i.e. children added 10-14 years to ensure that age appropriate childcare is provided.
- A small number of stakeholders emphasised that the long school summer holidays in NI are affecting attainment levels in children, with disparities in levels of children in advantaged and disadvantaged areas. Consequently, there is either a need to shorten school summer holidays or provide appropriate childhood care and education.
- To address the growth in the number children from ethnic minority background, appropriate childcare provision is required to meet demand. The majority of stakeholders stressed the importance in investing in translating family support resources and ensuring that childcare workers understand cultural differences.
- The majority of stakeholders stressed the need/demand for parents to be provided with childcare provision for children with a disability and to ensure that current and future provision involves integration of all children – inclusive approach where possible.

4.14 Results from Private Sector Survey

A meeting was held with c40 private sector representatives, which was hosted by Early Years – the organisation for young children. Due to the large number of attendees, a follow up questionnaire was issued to all respondents. Fifteen completed questionnaires were received. The key findings emanating from the aforementioned meeting and survey are summarised in the following section, based on the below themes:

- Benefits of childcare;
- Factors driving demand for childcare;
- Constraints in meeting demand;
- Current level of childcare for underrepresented groups;
- Impact of existing tax incentives.
- Workforce Supply;
- Key issues to be addressed with regard to childcare sector in NI;
- Views on existing regulatory and inspection procedures and responsibility; and
- Structure for implementing the development of a childcare policy.

Benefits of Childcare

Private sector providers highlighted the benefits of childcare in terms of benefits for both parents and children i.e.

Parents

- 60% (n=9) of respondents identified that childcare provides the opportunity for parents, in particular women, to return to work.
“Provision of quality childcare allows parents to have the time to take up employment secure in the knowledge that their children are being professionally cared for in a safe environment”.
- One respondent stated that childcare provides a platform for parents and children to respect different religious, racial, cultural and linguistic backgrounds.

Children

- 27% (n=4) of respondents noted that childcare provides a safe, educational environment for all children.
- Ten respondents stated that childcare provides an opportunity for children to learn the key fundamentals for social, emotional and educational developments.
“The benefits of the setting are that each child feels valued and grows in self-confidence and independence. A sense of belonging to the community is developed from an early age and an acceptance of those from all backgrounds is re-enforced from by the wide range of people and children involved with the nursery”.
- One respondent identified that childcare prepares younger children for school settings and helps to develop their social and communications skills.
- It was stated by one respondent that childcare benefits children with special needs by supporting the child's on-going care and development.

- In addition, 29% (n=4) of respondents identified that childcare provides the opportunity for providers to create employment for childcare workers.

Factors Driving Demand for Childcare

- Eight respondents noted that currently they have a waiting list, therefore highlighting the demand for childcare places.
“Many parents need flexible day-care to accommodate shift work, job share and part time work”.
- The key drivers of demand reported included:
 - The economic downturn/recession has affected the demand for childcare (n=5).
 - The cost of living and the need for both parents having to work will drive demand for future provision (n=4).
 - Availability of jobs will drive demand for future provision (n=2).
 - Increasing birth rates (n=2).
 - The Welfare Reform Act will drive the need for school age childcare provision (n=1).
 - The removal of childcare vouchers and tax credits would affect the demand for childcare (n=1).
 - An increased understanding of the long term benefits for children who avail of registered childcare is a factor that will drive demand if promoted (n=1).

Constraints in meeting demand

- The meeting with private sector providers (c40 representatives) highlighted that, in the majority of cases, providers' expansion is prohibited due to a lack of funding.
- It is evident from consultation findings that private sector providers have not expanded existing provision sufficiently to meet demand. Consultations suggest that there are a range of factors that have constrained expansion of private sector provision. These are:
 - Lack of funding for expansion of facilities;
 - Lack of willingness of bank/lenders to provide funds during an economic downturn; and
 - The perceived burden and inconsistencies in relation to the registration and inspection process is deterring providers from expanding their current levels of childcare.

In terms of the survey results, the following can be summarised:

- Four respondents noted that a lack of financial support is constraining their expansion.
- Two respondents identified that their main barrier to expanding is space and finding a suitable building to operate from.
- The need for clarity and stability in future funding support was articulated by one respondent.
- One respondent identified that additional help for low earning parents toward childcare fees would encourage more parents to take up employment and therefore utilise childcare facilities.

Current level of childcare for underrepresented groups

- Three respondents stated that they believe there is a shortfall in provision with regards to underrepresented groups. One respondent noted that this challenge can be addressed by supporting childcare providers to up-skill their staff through training and by adapting space through capital investment.

"We believe that it can be difficult to find places for underrepresented groups, such as children with special needs, and the more complicated the child's condition is, the harder it is to find places with the expertise to support the child".

- A lack of financial assistance for underrepresented groups in NI was identified by three respondents.

Impact of existing tax incentives

- Seven respondents noted that they are supportive of tax incentives. One respondent stated that without childcare vouchers they would lose 25+% of their business.

"The majority of the parents in our nursery benefit from tax credits and childcare voucher schemes which in turn benefits us as a business"

"Parents have given us feedback on how helpful the incentives are"

- Three respondents identified that family tax credits can be abused by parents as it is difficult to monitor actual usage.

"There is no check up from government and so individuals can claim even if they are not sending their child to the nursery".

"Tax credits are claimed for nursery fees, even though the children do not attend the nursery. This needs to be addressed as huge amounts of money is being paid to parents for day-care that is not being used."

Workforce Supply

- Seven respondents identified that there are adequate numbers of childcare staff.
- Ten respondents identified that there is a lack of skills and training for staff. One respondent noted that there is a need for investment into a qualification infrastructure or a professional infrastructure to encourage childcare staff to progress onto degree level qualifications.

"Levels of professionalism are generally low in terms of management practice and staff with good knowledge of childcare and professional management techniques is extremely rare".

"There is some good quality training from the childcare partnerships but demand far outstrips supply with possibly only 5-10% of staff being actively involved. Some mandatory training such as child protection is also not available in the quantity that is required".

- One respondent noted that the industry needs to encourage more males to work within the childcare field.

Key Issues to be addressed with regard to childcare sector in NI

Lack of Funding & Support

- Six respondents identified the lack of funding made available to private sector. One respondent noted that as standards have improved no funding has been made available to the private sector to help compete with public childcare facilities.
- Two respondents identified that greater financial support should be made available to parents to help pay for childcare. The majority of stakeholders within the meeting hosted by Early Years also agreed that there is a lack of awareness regarding what financial support is available to help towards the cost of childcare.

Inconsistent Regulations & Inspection Processes

- Six respondents noted that there should be uniformity of rules and regulations in relation to inspections process across all providers. This view was supported by the majority of private sector representatives who attended the meeting hosted by 'Early Years'.

"A new approach to regulation that promotes and shares best practice and is cooperative and supportive and is focused on building quality by supporting good providers".

Lack of Workforce Development/Training

- Four respondents identified that there is a lack of ongoing training within the childcare sector. One respondent stated that there should be a training fund similar to England for staff to be trained to degree level.

Views on existing regulatory and inspection procedures and responsibility

- The consensus of private sector providers (c40 representatives) agreed that they have concerns regarding the apparent lack of consistency in relation to inspection processes, articulating the need for a 'level playing field' i.e. equal and transparent for all providers. In some cases, private sector providers were being inspected excessively for no apparent reason and in other cases providers had to call to request an inspection.
- The majority of private sector providers have stated their belief that the inspection process was a "tick box" exercise, lacking quality, consistency and offering little opportunities for providers to sharing best practise and ideas.
- The majority of private daycare providers felt that they were constrained by the resources required to meet the administration burden of inspections, which are believed to be fragmented, inconsistent and lacking in the depth of quality required.
- A small number of private sector representatives stated that guidelines regarding nursery space allocation per child have been enforced in the absence of legislative change i.e. current standards resides within the Children (NI) Order (1995). These regulations are adversely affecting day care providers, resulting in providers moving out of the sector due to regulatory changes.
- Private sectors providers did not want to be seen as being solely profit orientated; rather their business is a vocation with dedicated staff wanting to provide quality childcare, which is 'good business sense' in partnership with the public and community/voluntary sector.
- Social Economy day care providers stated that money raised through day care provision is usually targeted back into the wider community for family support, however due to the lack

of current policy direction and associated funding for school aged childcare provision, any surplus monies are now diverted to providing this care.

The survey results also highlighted these concerns i.e.

- Four respondents stated that there is an inconsistent interpretation of existing guidance and regulation in all areas, dependent on social workers.
- Social service inspection reports were regarded as quite negative, offering no positive constructive feedback, as per the feedback of three respondents.
- One respondent identified that there needs to be clarity regarding regulation e.g. staff: child ratios and space requirements
- Two respondents identified that they were satisfied with the way in which they are regulated or inspected

Structure for implementing the development of a childcare policy

- Survey results indicated that the majority (n=8) of respondents believed that the development of a childcare policy and strategy should be developed in association with all stakeholders including the private sector. One lead organisation was preferred to take the strategy forward to increase accountability. These views were largely supported during the meeting with c40 private sector representatives.
- Two respondents stated that childcare support organisations, parents and childcare providers should be consulted in order to ensure the policy is practical and realistic, therefore ensuring 'a voice from the sector'. This view of inclusion of all relevant organisations was supported by the vast majority of private sector (c40) providers present at the meeting hosted by Early Years.

4.15 Conclusions

The following section provides an overview of the key findings and conclusions emanating from our 'Assessment of Need/Demand'

4.15.1 *Strategic/Structural Needs*

- 'Children First: The Northern Ireland Childcare Strategy A Policy Statement' was introduced in 1999 to deal with three key issues which were known at that time to be barriers, cost, quality and provision. Over ten years later, the vast majority of stakeholders have agreed that these issues are still prevalent. Consequently, there is an urgent need for an effective Childcare Strategy in NI to be developed and implemented.
- Recommendations in the review of 'Children First' (2005) included: Reshape the childcare vision for NI; Allocate mainstream funding to the childcare strategy; Strengthen accountability for childcare action; Create robust leadership structures for childcare; Implement childcare from an integrated platform; and Strengthen local capacity to action childcare priorities.
- There have been a number of changes since this review, most notably overall responsibility for early years policy moved to the DE from the DHSSPS in 2006.
- The vast majority of stakeholders highlighted their concern and frustration regarding the delay in the launch of an Early Years Strategy, which has been in development since the transfer of responsibilities from DHSSPS to DE in 2006.
- Although policy responsibility for Early Years transferred to DE, the School Aged Childcare sector did not. Therefore, there appears to be a 'gap' in policy responsibility at a Department level for School Aged Childcare.
- Stakeholder consultations have highlighted that there is a need for:
 - Clarity regarding the definition of childcare in terms of what it encompasses e.g. care and/or education;
 - Increased accountability and leadership within Government for the childcare sector;
 - A 'champion' to drive the sector forward and believed that this could be achieved through Ministerial drive;
 - A coherent and adequately resourced childcare strategy in order to help tackle child poverty and support the welfare reform agenda;
 - Public sector funding for childcare is secured on a longer term basis and to be ring-fenced, to enable the sector to forward plan in a less uncertain funding environment; and
 - The need for explicit targets relating to childcare within PSAs in the PfG.

4.15.2 Socio-Economic Need

Population⁶¹

- NI has a high percentage of children (355,870 children aged 0-14 years, 20% of population) compared to other parts of the UK (i.e. England – 17.6%, Scotland – 16.5%, Wales – 17.2%).
- NI is experiencing an upward trend in the number of births. In 2008 there were 25,631 live births representing the sixth consecutive annual increase. This increase will impact on the level of childcare provision required. The highest number of live births is within the top 5 most deprived areas.

Labour Market Trends⁶²

- The number of women in employment (16+) has increased by 51% from 228,000 in 1984 to 345,000 in 2009, compared with an increase of 23% for men. In GB the increase was 35% for women and 9% for men.
- 72.1% of working age females with one dependant is in work, which falls to 68.5% for females with 2-3 dependants. 67.7% of working age females with a youngest child aged under 12 are in employment falling to 65.4% for those with a youngest child under 6 years old.
- The current economic climate means that there are fewer jobs available, especially to those who may have been out of the workforce for a considerable period, however, effective day care provision can be used as a mechanism to allow parents to regain skills and develop new skills through adult education and training possibilities.

Lone Parents⁶³

- There are nearly 92,000 lone parents in NI, caring for 150,000 children. 87% of those families are headed by a mother, and 60% of lone parents are in debt. Lone parents have the highest risk of poverty among all household types. Between 20% and 25% of all families in NI are one-parent families.
- The Welfare Reform will require lone parents with children aged 10 or over from October 2009 and 7 or over from October 2010, to seek work and actively engage with the labour market. This will help to achieve Government's target of 70% of lone parents in employment by 2010. Implementation of these regulations will create more demand for childcare services.

Child Poverty

- The NI PfG goal is to work towards the reducing child poverty means lifting 67,500 children out of poverty by 2010 on the way to eradication by 2020. By 2004/05, the quarter reduction target (i.e. 33,750) was almost met in NI on an after housing cost basis (24%, n=32,400, base=127,000) but lagged behind on the before housing cost (BHC) basis (18%, n=24,300, base =135,000)⁶⁴.

⁶¹ Statistics and Research Agency's (NISRA's) 2008 mid year estimates

⁶² Department of Enterprise, Trade and Investment Monthly Labour Market Report (March 2010)

⁶³ www.gingerbreadni.org

⁶⁴ The NI 2020 target of 43,700 is based on the DWP operationalisation to be among the best in Europe. The best in Europe currently equates to 10% of children and 43,700 represents 10% of the population projection for those aged under 18 years in 2020.

- More than half of children in NI live in households with incomes in the bottom two quintiles of the income distribution and approximately one in ten were in the top quintile⁶⁵.
- Families where both adults were in full-time work were best off, with 52% BHC having incomes in the top two quintiles, followed by families with one adult in full-time work and one in part-time work.
- By providing flexible, quality, affordable and age-appropriate childcare provision that meets the needs of all children and parents will encourage parents to re-join the labour market, therefore reducing child poverty by increasing economic output and productivity.
- Higher government spending on family and social benefits is associated with lower child poverty rates. No OECD country devoting 10% or more of GDP to social transfers has a child poverty rate higher than 10%. No country devoting less than 5% of GDP to social transfers has a child poverty rate of less than 15%⁶⁶.

Supply of Registered Childcare

- In 2009, there were 4,379 providers offering 42,441 places in NI as per CCP and DHSSPS records.
- The vast majority of providers are childminders (72%); offering over one-third of all places (36%), followed by Playgroups and Day nurseries, which offer 25-26% of all places each.
- There are regional disparities in terms of provision. In general, the Southern Area has the least number of places per the child population in three of the main forms of childcare (i.e. playgroups, childminders and school clubs), followed by the more deprived Western Area which has the fewest number of places in terms of day nursery provision.
- Rural areas face particular and distinct challenges in relation to the delivery of and access to rural childcare services. Childcare is generally not flexible enough as rural families must travel further to and from work and increased commuting time requires extended hours of childcare to allow for early drop off and/or late collection.
- If all places across each form of registered childcare in NI is considered, there is **1 place for every 8.4 children under fourteen**, representing 12% (places: 42,441) of the total child population (number of children: 355,870).

If it is assumed that the main recipients of childcare fall between the ages of 0 to 10 years (256,850 children), there is **1 place for every 6 children aged 10 years and under**

Parental Views

- NICMA commissioned a survey of 1,024 adults in NI to gauge their views about childcare. The survey's key findings were as follows:
 - More than four-fifths of respondents (83%) thought the NI Executive should give priority to the provision of good quality, affordable childcare for all that need it;
 - Nearly one-third (30%) of parents who had recently looked for childcare said they had found their search 'fairly' or 'very' difficult — parents in rural areas were more likely to find their search difficult; and
 - More than half of all parents (52%) said the quality of care was an important consideration in seeking childcare.

⁶⁵ DSD's Households Below Average Income report 2007/08 (NB. A child is defined as an individual under 16 yrs, or an unmarried 16-19 yr old in full-time education)

⁶⁶ UNICEF, (2007), Report Card 7, Child Poverty in Perspective: An overview of Child Wellbeing in Rich Countries, (Florence:Innocenti Research Centre)

- DHSSPS launched its Families Matter: Regional Families and Parenting Strategy in 2009, which recommended the development of a web-based Family Support Information System. This system will include a searchable, web-based database which will map family support services. Please note that childminders and day care providers will be included in this database, therefore providing a central point for parents to access information. This is expected to be launched in 2010.

Other Children Services

Pre-School Education Expansion Programme (PSEEP)

- DE's PSEEP has resulted in the provision of a free place for 98% of children in their immediate pre-school year, almost universal take up, a significant increase from 1997/98 where funded places were available for 45% of children.

Extended Schools

- DE provides funding to 471 schools in relation to the Extended Schools Programme (representing 39% of all schools (1,223 schools in NI)) across each of the Education and Library Board areas.
- The Extended Schools model in England is different in terms of its focus as it aims to make schools act as 'hubs for community services' and can include 8am to 6pm wrap-around childcare. In England, there are now over 20,400 schools (95%) funded under the programme.
- The majority of stakeholders agreed that the Extended Schools programme could offer an opportunity to help address childcare needs of school age children, as well as the lack of social and leisure activities for this age group both after school and during school holidays.

Sure Start Programmes

- DE currently provides funding to 34 local Sure Start projects supporting 34,000 children and their families had access to this programme, representing 28% of the total population of children aged 0-4 years (i.e. 119,330 children).
- The Sure Start Project in NI was regarded as being successful, providing valuable support to parents and their children. This view was held by the majority of stakeholders within key Departments, CCP and other community and voluntary and support organisation. A small number of stakeholders also remarked the need for additional funding to be provided to roll the project out beyond the 20% most disadvantaged areas.
- In England, there are currently 3,500 Sure Start Children's Centres, enabling over 2.7 million children under 5 and their families to access a range of integrated services, representing 86% of the total population of children aged 0-4 years (i.e. 3,129,400 children).
- Although not specifically Sure Start Children Centres, there are a few examples where integrated services are available in NI e.g. the Dry Arch Children's Centres and Orana Family Support Centre which encompass Sure Start projects among other family support and childcare provision. This model provides integrated education, care, family support, health services and support with employment are key factors in determining good outcomes for children and their parents. The costs and benefits of the application of this model within other geographical areas should be investigated.

Childcare Usage

- According to the Family Resources Survey (FRS)⁶⁷ **198,334 children in receipt of registered and/or non-registered childcare** in 2007/08 i.e. representing 52.2% of children.
- 75% (base: 81,870) of children who were in receipt of registered childcare were in couple families, compared to one-quarter (25%, base: 27,896) in lone parent families.
- The composition of children in receipt of childcare, indicates that registered childcare comprises a higher proportion of younger children than non-registered. The reverse is true for older children.

Specific User Groups Needs

- In 2007, NICMA commissioned the National Children's Bureau to carry out research in relation to the day care needs of young children with disabilities. This scoping paper revealed that: *“Children with a disability have been accorded a low priority by public services in Northern Ireland, with parents experiencing services as limited, piecemeal and fragmented”*.
- The barriers faced by parents with children who have disabilities have also been emphasised within *“Children with Disabilities Strategic Alliance Manifesto⁶⁸”* which revealed the following additional key facts relating to children with disabilities:
 - Families with children with a disability face considerable difficulties in finding accessible, appropriate childcare when their children are young;
 - Children with a disability and young people are not routinely able to access and benefit from public services in the same way as their peers. There is a general lack of awareness amongst public service providers about the specific needs of children with a disability and young people;
 - Lack of staff training specific to the requirements of children with a disability and young people can also hinder inclusion in service provision; and
 - Additional costs associated with disability can mean that families caring for children with a disability have fewer resources than other families to pay for the child care they need.
- Due to the increasing number of children from minority ethnic backgrounds, long-term planning for the delivery of childcare services to new migrants is essential, according to NICEM. It is important that childminders and day care staff are provided with adequate training e.g. cultural awareness, specific dietary and cultural needs of children; potential for core funding for bilingual community workers who can act as a bridge between the parents and service providers; and training of members of the minority community to work in the childcare sector.
- The need for increased support for children with a disability and children from ethnic minority backgrounds was articulated by the vast majority of stakeholders consulted.

⁶⁷ This survey collects detailed data on income levels, resources and financial circumstances of individuals and households. The FRS has been carried out in Great Britain since 1992, but 2002-03 saw the introduction of NI for the first time. The survey collects detailed information on the incomes and circumstances of private households from April-March each year.

⁶⁸ Children with Disabilities Strategic Alliance (CDSA) 2009 Manifesto (NB. CDSA brings together organisations across the Children's and Disability sectors)

Legislations, Registration & Inspection Process

- The majority of stakeholders consulted stated that the drop of 25% between 2003 and 2009 in the number of registered childminding places may be attributed to delays in some cases in obtaining registration, which is providing an incentive for childminders to remain unregistered, putting at potential risk the children they look after. Trusts are normally expected to complete the registration process within three months; however a recent survey by NICMA suggests an average wait of seven months to be registered.
- There are also other contributing factors such as the regulatory and administrative burden on the Trusts which has adversely impacted the time taken to process registrations and inspections. In order to meet their statutory requirements for registration and inspection, the Trust has stated an additional requirement for c15 staff in order to meet demand.
- There is a need to review existing inspection process to ensure that a consistent approach is adhered to across regions and providers, as this was raised as a concern by stakeholders in the community, voluntary and private sector.
- There are currently two inspection processes in Northern Ireland i.e. the ETI inspection (c every 5 years) for educational purposes and the HSS Trusts' inspections (every year) for registration purposes. In order to ensure the most effective use of time and resources, the Trusts and ETI should continue to work closely. There may be opportunities to investigate the merging of inspections to gain greater efficiencies, particularly for voluntary/private settings involved in the PSEEP who are now subject to two inspection regimes.
- The majority of stakeholders agreed that it is important to ensure that regulation and inspection processes are consistent and of a high standard to ensure quality childcare. The role of RQIA in terms of 'inspecting the inspectors' was welcomed as a means of ensuring consistency and high quality standards.
- There is a need to ensure the smooth implementation of the new Vetting and Barring Scheme (VBS) which was launched in October 2009.

Childcare Costs⁶⁹

- The proportion of day nursery costs in relation to weekly wages⁷⁰ for all employees (full time and part time) is higher in NI than any other region in the UK i.e. costs for day nursery care represents 36% of employees wages in NI compared to 30% in Scotland, 32% in Wales and 28%-35% across England.
- The same is true in relation to the childminder costs vis-a-vis weekly wages i.e. costs for childminding represents 35% of employees wages in NI compared to 33% in Scotland, 34% in Wales and 28%-34% across England.
- Although Tax Credits pay for 80% of the cost of childcare, this is only for registered childcare which may not be readily available if a parent works atypical hours or by parents who make the choice to leave children with relatives.
- There is a lack of awareness about what support does exist, and a difficulty in understanding the current system for accessing support. The system of subsidy through the childcare element of the Working Tax Credit is administratively complex and there is

⁶⁹ http://www.fsa.gov.uk/financial_capability/pgtm/calculators/calculator7.html

⁷⁰ DETI – NI Annual Survey of Hours and Earnings (Nov 2009)

confusion among many parents in this survey about exactly what financial support is available and in what circumstances⁷¹.

- A small number of stakeholders also commented that information on how to access child tax credit was often too difficult for some parents to understand, therefore limiting uptake.
- Barriers to uptake of benefits and tax credit need to be tackled so that the impact of existing support is maximised. Resources should be directed at promoting take up and knowledge of benefit and tax credit entitlement amongst those living in severe poverty.

Childcare Workforce Supply

- According to the NI Social Care Council (NISCC), there are approximately 9,415 people working in Childcare and Early Years. This represents almost 7% of the total NI workforce. The workforce comprises a wide range of staff grades working in a range of settings. Over 80% of the workforce is female.
- In November 2009, NICMA outlined 'Childminder Start-Up Package' proposals to encourage more individuals to choose childminding to tackle recruitment and retention problems. They will be of particular benefit in areas of social deprivation in which childminding provision is low.
- The Government has recently introduced a new form of approved childcare. The Home Childcarer Approval Scheme enables parents to employ a childcarer in their own home who is suitably qualified and checked to work with children. This scheme would be a means to accessing flexible care outside of the traditional hours of 9am-5pm care in the child's own home and should be rolled out further.

Childcare Workforce Qualification

- An average of 60% of childcare workers, with the exception of childminders, hold a NVQ Level 3 qualification, while 30% do not yet have a relevant childcare related qualification⁷².
- Unlike England and Wales, there is currently no requirement for newly registered childminders to complete accredited introductory training in childminding. Moreover, in England, Scotland and Wales, all registered childminders must have public liability insurance — this is not the case in NI and is therefore recommended.
- Current National Qualifications Framework (NQF) will be replaced by the Qualification and Credit Framework (QCF) by December 2010. This is a government initiative across England, Wales and NI. The QCF will present units and qualifications in a simpler way and lead to qualifications that are flexible and meet the skills and knowledge needs of the workforce.
- The majority of stakeholders across all segments were supportive and committed to the development of qualification standards and guidelines and to ensure that the childcare workforce has a clear career pathway.

Childcare Workforce Development

⁷¹ Possibilities Development Partnership. Lone Parents Speaking Out: the views of lone parents in NI on employment. June 08.

⁷² NISCC 'A career in Childcare in NI' - March 2009

- The vast majority of stakeholders believed that the childcare workforce is not valued as a career as there is a 'stigma attached' as their role is undervalued and they are under paid.
- Research and best practice indicates that the optimal way to deliver quality early years services for young children and their families is through an integrated approach to policy, funding and workforce development⁷³.
- At a regional level the four CCPs, in association with NICMA, Early Years Organisation and Playboard, developed a 'Learning & Development Strategy for the Early Years Sector' in January 2007, focused on creating a workforce in early years that is strong, diverse, competent, skilled, knowledgeable and qualified.
- Although this framework needs further development to ensure there are identified pathways for practitioners working within a range of early years settings, it provides a basis on which to build an appropriate guide for the sector.
- The CCP have asserted that it would take at least £10m over the next 5 years to support a learning and development strategy for the early years sector in NI.

Demand for Childcare

- Forecasting childcare demand and supply is complex, hampered by limited data and considerable unknowns.
- The last comprehensive study (Gray and Bruegel 2003) stipulated the demand for 4,000 extra places in formal/registered childcare places by 2010 i.e. a target 47,203.
- In 2009, DHSSPS has confirmed that there were 42,441 places, a 16% decrease in terms of providers and 12% decrease in places from 2003 figures. This also illustrates 4,762 fewer places from an assumed target of 47,203 to meet demand.
- FGS McClure Watters have provided forecasts for demand in childcare, based on expected changes in employment, and reflecting differing assumptions relating to the uptake of new jobs by women with children and population change. The results indicate that the overall number of childcare places required will range from 46,502 to 53,459 by 2020, an uplift of between **4,061** and **11,018** places from the current baseline of 42,441 registered childcare places. N.B. These forecasts do not reflect any policy changes resulting from welfare reform that could increase demand for childcare.
- It is not possible to distinguish the age breakdown of the future demand for childcare. As such, it is not possible to apply childcare worker to child ratios in order to calculate the additional childcare staff associated with increased demand.
- By way of an indicative estimate, our analysis of current usage concluded that there are 109,755 children receiving formal/registered childcare from 9,415 workers. Applying this ratio suggests that there will be a demand for between 169 and 191 registered childminders/day nursery/after school club workers. It should be noted that this estimate takes no account of retirees or people leaving the sector and is not therefore a 'replacement demand' indicator.

4.15.3 Additionality and Displacement

Additionality is the extent to which an activity takes place as a result of public sector intervention. Additionality is appraised to help ensure that assisted projects receive the

⁷³ Starting Strong II

minimum Government assistance required to bring them about. Any excess over this amount is "deadweight". Displacement refers to the extent to which similar or related activities are displaced from elsewhere.

Section 4.12 has demonstrated that quantifying the level of future demand is difficult in the absence of robust supply and demand data. Accepting the data limitations, FGS McClure Watters have prepared forecasts suggesting a potential increase in demand for between **4,061** and **11,091** childcare places by 2020. Any increase in demand could be met by a number of different providers including: Self-employed Childminders; Private Sector Providers; Community Sector Providers; Voluntary Sector Providers; Social Economy Project Providers.

Any future provision that is funded from public sector sources would need to be carried out within the context of a robust assessment of demand and supply. These assessments should reflect potential supply from all relevant sources and future childcare solutions should be developed in partnership between the public, private and community/voluntary sector so that additionality is maximised and displacement is minimised.

4.15.4 Summary of Key Areas of Need & Associated Actions

When the issues highlighted by our review of the strategic context and assessment of need/demand are distilled, a number of key areas of need (and associated actions) emerge. These needs/actions and an indication of their relative level of priority are presented within the table below.

Table 4.23
Summary of Key Areas of Need/Proposed Actions

Area of Need	Associated Issues	Level of Priority/Supporting Rationale
Structure for improved policy development and implementation	Existing structures within Government for the development/implementation of Childcare policy is fragmented and poorly co-ordinated. Stakeholder consultation identified the need for greater accountability and leadership within Government on childcare issues. Effective partnership working between Government, the private sector and the community/voluntary sector is essential for the development of an accessible, flexible and quality childcare sector.	High Priority – addressing these issues will be central to the development/implementation of an effective childcare strategy.

Area of Need	Associated Issues	Level of Priority/Supporting Rationale
Improved information system to support investment decisions	<p>Data on the demand and supply of childcare is not readily available in a consistent manner across NI. The absence of robust data is inhibiting effective decision making.</p> <p>It is noted that in England, local authorities are required to collect information about the supply and demand for childcare that meets the needs of working parents and use their resources to bridge any gaps, as per the legislative duties within the Childcare Act (2006).</p>	High Priority – effective decision making will not be achieved in the absence of limited information/data on the demand and supply of childcare.
Provision for Children with Disabilities and Children from Ethnic Minorities	<p>NICMA (2007) research identifies that children with disabilities have been “<i>accorded a low priority by public services, with parents experiencing services as limited, piecemeal and fragmented</i>”. Stakeholder consultation has supported this view and has also highlighted that service provision for children from minority ethnic backgrounds is also poor.</p>	High Priority – the provision of effective childcare for these groups is consistent with Equality and Lifetime Opportunities policies.
Inspection and Registration Processes	<p>NICMA research suggests that there is an average seven month waiting list for the registration of childminders. Trusts are normally expected to complete the registration process within six months. Trusts have also indicated the need for 15 additional staff to meet current demands.</p> <p>Consultation with stakeholders have also highlighted that the inspection process is inconsistent across regions and provider type.</p>	High Priority – the development of a flexible and high quality childcare sector is dependent on the provision of an efficient and effective inspection/registration process.

Area of Need	Associated Issues	Level of Priority/Supporting Rationale
Workforce Development	<p>A significant proportion of consultees stated that the childcare workforce is not valued as a career.</p> <p>Unlike England and Wales, there is currently no requirement for newly registered childminders to complete accredited introductory training in childminding.</p> <p>Unlike NI, England, Wales and Scotland have invested heavily in children's workforce development in recent years.</p>	<p>High Priority – research and best practice indicates that the optimal way to deliver quality early years services for young children and their families is through an integrated approach to policy, funding and workforce development. If demand for childcare increases (as projected) the need for workforce development activity will be even more pronounced.</p>
Public Awareness of Support for Childcare	<p>Consultees have stated that there is lack of awareness among the public about what financial support is available to off-set the cost of childcare.</p>	<p>Lower Priority – although enhanced public awareness and use of available financial support may increase the use of childcare, addressing the structural, process and resource issues highlighted above is more fundamental to the delivery of accessible, flexible and quality childcare provision.</p>

5 CASE STUDIES/BENCHMARKING

5.1 Introduction

A benchmarking exercise was carried considering the strengths and weaknesses of the systems currently implemented in other regions. Four case studies were developed to reflect the following regions: England & Wales; Scotland; Republic of Ireland; and Denmark.

Please refer to Appendix XIII which provides an overview of the following elements within each of these countries; Accountability, Current Strategy; Legislation; Regulations and Inspections; Current Supply of Childcare; and Workforce Development.

Table 5.1 (Page 96) provides a summary level overview of the benchmarking exercise to ease comparison between each country. The table also provides an overview of the findings from the European Commission's Expert Group on Gender and Employment (EGGE) Research Paper - *'The provision of childcare services - A comparative review of 30 European Countries'* (March 2009).

5.2 Conclusions

The key conclusions / critical success factors associated with the development and implementation of childcare policy in other regions include:

- **Investment in Early Years and Childcare contributes to reducing child poverty.**
 - The UK ranked 24th out of the 25 OECD countries with only the United States faring worse in relation to the percentage of children (aged 0-17) in households with equivalent income less than 50% of the national medium i.e. relative poverty. In contrast, countries such as Denmark, Finland, Norway and Sweden topped the table with child poverty rates a fraction of those in the UK.
 - Levels of child poverty are linked with public expenditure on early childhood education and care i.e. Denmark investment is the largest, equating to 1.2% of GDP compared with 0.3% in RoI and 0.6% in the UK.
 - Higher government spending on family and social benefits is associated with lower child poverty rates. No OECD country devoting 10% or more of GDP to social transfers has a child poverty rate higher than 10%. No country devoting less than 5% of GDP to social transfers has a child poverty rate of less than 15%.
 - The participation of women in the labour force is one indicator of the extent of childcare services, especially for women with children under school age. Denmark has a female labour force participation rate of 76.1%, compared to 69.6% in the UK and 58% in RoI.

- **In other regions, Childcare is driven by a one central organisation therefore increasing leadership, strategic direction and accountability within the sector.**
 - In England the Government undertook administrative changes to coordinate services across the education and welfare sectors, gradually all responsibility for all services to children was transferred from other ministries to the Department for Children Schools and Families (DCSF) in June 2007 and a Minister for Children was created.

- In RoI, the Office of the Minister for Children and Youth Affairs (OMCYA) was established in 2005 by the Government to maximise the co-ordination of policies for children and young people. In addition, two other units are co-located with the OMCYA, but will continue to report to and be part of their parent departments: Irish Youth Justice Service Unit (Department of Justice, Equality and Law Reform); and the Early Years Education Policy Unit (Department of Education and Science). This co-location will allow people to work side by side and provide a joined-up Government approach to the development of policy and delivery of services for children.
- In Denmark, responsibility for early childhood services and care resides with the Ministry of Social Affairs, which was recreated in 2009. The Danish system is characterised by a high degree of decentralisation both from national level to local authorities/ municipalities.
- **Empowerment of local delivery bodies and increased partnership working has proven to be successful in terms of tailoring childcare support locally.**
 - In England, local authority services were reorganised so that one senior official became responsible for all children's services, rather than there being separate education and welfare services. Children's Trusts have also been developed to bring together the local authority and other relevant bodies in local partnerships to improve the commissioning and delivery of services for all children, young people and families in a given area.
 - In Wales, Children and Young People's (CYP) Partnerships are responsible for the development of local childcare services.
 - In Scotland, Childcare Partnership, which are multi-agency groups, have been set up by local authorities to work collaboratively to promote, support and develop affordable, accessible, quality childcare services for 0- 16 year olds to meet local need.
 - In RoI, City and County Childcare Committees (CCCs) were established in 2001, to encourage the development of childcare locally.
 - In Denmark, day-care, after-school and club facilities and other socio-pedagogic after-school facilities are the responsibility of local authorities.
- **Investment in a Childcare Workforce Development Plan and associated funding for enhancing qualifications in the sector has been recognised as important within other regions.**
 - In England and Wales, the Government published the 2020 Children and Young People's Workforce Strategy. In addition, a "Transformation Fund" of £125 million a year from April 2006 was launched to help transform and professionalise the Early Years Workforce. The Children's Workforce Development Council (CWDC), executive non-departmental public body (NDPB) will play the lead role in taking forward the long-term programme of reform.
 - The Scottish Executive has investing nearly £37m into workforce development to encourage early years and childcare staff to become qualified and undertake further training. The Scottish Social Services Council (SSSC) has disbursed approximately £15m in bursaries, grants and disbursements for the training and support of future social service workers.
 - In RoI, the Government is currently developing a Workforce Development Plan which began with an extensive programme of research and consultation. OMCYA will work with FÁS, the VECs and the National Voluntary Childcare Organisations and the

Centre for Early Childhood Care and Education (CECDE), to deliver an appropriate and effective Training Programme, which aims to increase the number of trained childcare personnel by 17,000, by the end of 2010.

- The Danish pedagogues are comparable to “pre-school teachers” in other countries. The education programme for a Bachelor Degree in Social Education is geared towards the entire educational occupational area, with specialisation within a specific occupational, functional or academic field.
- **Improvement in the delivery of registration and inspection processes through regulated processes to ensure consistency is evident.**
 - In England, the Office for Standards in Education, Children's Services and Skills was established in 2007 to help reform and simplify the framework for the regulation of childcare and early education to reduce bureaucracy and focus on raising quality.
 - In Wales, the Care Standards Inspectorate for Wales (CSIW) was formed to encourage the improvement of social care, early years and social services by regulating, inspecting and reviewing, and providing professional advice to Ministers and policy makers.
 - The Scottish Commission for the Regulation of Care (the Care Commission) was set up April 2002 under the Regulation of Care (Scotland) Act 2001 to regulate all adult, child and independent healthcare services in Scotland, previously carried out by health boards.
- **Investment in childcare provision for all parents who need it has been encouraged.**
 - The Childcare Act 2006 places statutory duties on local authorities in England and Wales to secure sufficient childcare for working parents.
 - In Denmark, all children in Denmark must be given the opportunity to attend a day-care facility i.e. ‘guaranteed day-care availability’. Institutional child-care is provided for children, newborn through ten years old.
 - In Denmark childcare services form an essential part of social policy. Flexible working hours, universal childcare coverage, extensive leave rights and generous individual benefits are the main elements of the Danish policy mix aimed at supporting families. These favourable conditions are reflected in a high level of gender equality in employment and the highest proportion of working women and mothers in the EU.
- **Investment in integrated service ‘family’ centres.**
 - As of March 2010, England has met its target of 3,500 Sure Start Children’s Centres, enabling over 2.7 million children under 5 and their families to access a range of integrated services, representing 86% of the total population of children aged 0-4 years (i.e. 3,129,400 children).
 - In Wales, there are Integrated Centres, which are like Sure Start Children’s Centres and Early Excellence Centres in England. They bring together, under the same roof, childcare, early years provision and a range of other family services in the most deprived areas of the country. In Wales, the Assembly Government intends to establish at least one Integrated Centre in every local authority.

Table 5.1
Benchmarking Overview

	Northern Ireland	England	Wales	Scotland	Republic of Ireland	Denmark
0-4 years	119,327	3,129,400	168,200	283,000	341,600	317,720
5-9 years	113,326	2,849,300	163,000	269,500	308,000	316,777
10-14 years	123,201	3,054,800	183,000	297,800	288,100	327,201
No. of children under 14 years	355,854	9,033,200	514,400	850,300	937,700	961,698
% of Population	20% (1,775,003)	17.6% (51,446,200)	17.2% (2,993,400)	16.5% (5,168,500)	21% (4,459,300)	19.1% (5,033,227)
Childcare Strategy	'Children First' Policy (1999)	'Choice for parents, the best start for children: a ten year strategy for childcare' (2004-2014)	'Childcare is for Children' (2005)	'Early Years (0-8 years) Framework' for Scotland (2008)	'National Childcare Strategy: Our Children – Their Lives' (2006 – 2010)	Healthy throughout Life - public health policy (2002–2010)
Governance Arrangements	Divided between the following Departments: DE; DHSSPS, DEL, DSD & DARD	DCSF est in 2007.	National Assembly for Wales & Childcare Working Group	Scottish Executive & Convention of Scottish Local Authorities (CoSLA)	Office of the Minister for Children and Youth Affairs (OMCYA) est 2006	Ministry for Social Affairs
Children's Commissioner	NICCY - Patricia Lewsley	Maggie Atkinson	Keith Towler	Tam Baillie	Emily Logan (Ombudsman)	National Council for Children - Charlotte Guldborg
Local Delivery	Four Childcare Partnerships (CCP) across NI	353 Local Authorities including Children Trust Boards.	Children & Young People Partnerships in each of the 22 local authority areas.	Childcare Partnerships in each of the 32 local authority areas.	33 City and County Childcare Committees (CCCs)	98 Local Municipalities/ Councils
Legislation	Children Order 1995	Childcare Act 2006	Childcare Act 2006	Regulation of Care (Scotland) Act 2001	Child Care Act 1991	Social Services Act / 'Act on Day-Care' (2007)
Childcare Registration & Inspection Agencies	<ul style="list-style-type: none"> Health and Social Services Trust ETI (PSEEP places) 	Ofsted	Care and Social Services Inspectorate for Wales (CSIW)	Scottish Commission for the Regulation of Care (SCRC).	Health Service Executive (HSE) Registration and Inspection Service	Local Municipalities
Number of registered places	42,441 places (2009), 12% decrease from 2003	1,500,000 places (2009) - 23% increase from 2005. However, in 2010, the number of childcare places has fallen, to	72,395 places (2008) for children aged 0-8 years, an increase of 3.8% from 2003 figures.	No legislative duty on local authorities and limited means of systematically monitoring Scottish	C180,000 places (2010)	All children are given the opportunity to attend a day-care facility – universal service 0-10yr olds.

		1,300,000.		wide provision.		
Number of children per registered place	One place for every 8.4 children under 14 years (355,854 children) Regional variation.	One place for every 4.1 children aged 0-8 years (5,392,100 children) Regional variation.	One place for every 4.1 children aged 0-8 years (296,900 children). Regional variation.		One place for every 5 children aged 0-14years. Regional variation.	
% of children living in 'relative' Poverty (UNICEF 2007)	16.2% (Rank 23 out of 24)				15.7% (Rank 22 out of 24)	2.4% (Rank 1 out of 24 i.e. lowest level of child poverty)
Public expenditure on ECEC - % of GDP (OECD 2005)	0.6%				0.3%	1.2%
% of female labour force participation (OECD 2005)	69.6%				58%	76.1%
Workforce Development	<ul style="list-style-type: none"> - Workforce development delivered through NVQs offered within the FE & HE sector and via DEL's StW Programme. - DEL's draft revised Skills Strategy for NI – Success through Skills 2. - CCPs have also developed a draft 'Learning & Development Strategy for the EYS'. 	Children's Workforce Development Council (CWDC) responsible for developing qualification and training frameworks		National Workforce Group - National Strategy for the Development of the Social Service Workforce (2005-10)	National Workforce Development Plan currently in development.	"Professional Bachelor" pedagogues - same level as education of primary teachers, nurses & social workers.
Children Centres	34 sure start projects operating within the most deprived areas. No Sure Start Children's Centres.	3,500 Sure Start Children Services (at least one in every local authority area)	40 Integrated Centres (at least one in every local authority area)	29 Integrated Centres (almost one for each local authority area)	-	Municipal child-care centres
European Commission's Expert Group on Gender and Employment (EGGE) Research Paper - <i>'The provision of childcare services. A comparative review of 30 European Countries'</i> (March 2009)						
	UK		Republic of Ireland		Denmark	
Supply & Demand of Childcare Facilities	Despite the expansion in formal childcare services there are still problems with availability. There is a mismatch of supply and demand across the country, with sizeable vacancies in day care, out-of-school and childminder places in some areas and heavy shortages in others. Moreover, the universal right to free pre-school		Options for childcare services are limited and often extremely costly. What has come to be referred to as Ireland's 'childcare crisis' has been the subject of considerable debate in the media but has not yet been taken up in a significant way centrally within the		Childcare is a legal right; since 2006 all municipalities have had to offer a childcare guarantee when the child is 6 months old.	

	for 3–4-year olds is for a part-time place only	political system.	
Educational level of childminders	There are minimum qualification levels for workers in the childcare sector, divided into a level 3 qualification, to which senior managers belong, looking after the care or development of children. All full day-care supervisors should also hold a level 3 qualification. At least half of all the other employees should hold a level 2 qualification. All employees should have induction training and trainees under 17 should be supervised at all times. The qualification level of childcare employees is said to be relatively low, although improvements have started.	There is a lack of national minimum standards in education and training, but during the past few years there has been an increase in universities and institutes offering qualifications and degree courses related to childcare	Staff qualifications differ and can range from personal qualifications (for childminders) to 1.5 years of basic educational training and 3.5 years of pedagogical education (in nurseries, age-integrated institutions and kindergartens).
Childcare costs for parents	The government provides several forms of subsidy to parents for childcare costs. The most widely used one is via the funding of childcare provision, of which the one with the widest coverage is the free part-time pre-school nursery education place. There is also assistance with childcare costs for low-income employed families via the tax credits system, and for all employees if their employers adopt the tax-efficient childcare voucher system introduced in 2005.	There is very little public funding of childcare, as a result of which costs of formal childcare facilities are high.	Parents' fees are income-related and are free for parents on low incomes. A maximum is set at 25 % of the costs for pre-school children aged 0–5 years and 33 % for school-going children. The costs vary among municipalities and childcare arrangements.
Affordability	Childcare is still expensive in the UK and parents continue to bear most of the cost despite the increased subsidies. In 2005 families spent 11 % of their income on childcare on average. This rose to 20 % for those in the lowest-income quintile compared with 8 % for families in the highest income quintile. Lone parents spent more of their household income on childcare than couples (16% compared with 10%).	Costs are high — research reveals that Irish people are paying almost twice as much as the EU average for childcare. The costs of childcare are a particular issue for disadvantaged (single parent) families and higher income families with more than 1 child requiring childcare.	Even though payment for childcare seems fairly low — especially for low-income groups — it puts extra pressure on a double-income working family, which on average has a family income above the income limit for reduced fees for childcare.
Attitudes towards Childcare	Due to the introduction of part-time pre-school places, it has become widely acceptable and normal practice for mothers of pre-school children to be employed part-time, and for parents to use formal childcare on a part-time basis for 3–4-year-olds, regardless of whether the mother is employed or not. Opinions are more mixed concerning the desirability of full-time formal childcare, and the use of formal childcare for children younger than 3.	Given the very low level of public provision of childcare and the high cost of private market childcare services, there has been little scope to establish a sense of the preferred or most acceptable system of care. Choice is highly limited and choices are constrained by high costs and a lack of flexibility.	Use of childcare is the norm. Childcare is also seen as a right for children to participate in play and education — as well as a right for parents to have proper and well-regulated care for the children.

6 OBJECTIVES AND CONSTRAINTS

6.1 Introduction

When the issues highlighted by our review of the strategic context and assessment of need/demand are distilled, a number of key areas of need (and associated actions) emerge. These needs/actions and an indication of their relative level of priority are presented within Table 6.1 below.

Table 6.1
Summary of Key Areas of Need/Proposed Actions

Area of Need	Associated Issues	Level of Priority/Supporting Rationale
Structure for improved policy development and implementation	Existing structures within Government for the development/implementation of Childcare policy is fragmented and poorly co-ordinated. Stakeholder consultation identified the need for greater accountability and leadership within Government on childcare issues. Effective partnership working between Government, the private sector and the community/voluntary sector is essential for the development of an accessible, flexible and quality childcare sector.	High Priority – addressing these issues will be central to the development/implementation of an effective childcare strategy.
Improved information system to support investment decisions	Data on the demand and supply of childcare is not readily available in a consistent manner across NI. The absence of robust data is inhibiting effective decision making. It is noted that in England, local authorities are required to collect information about the supply and demand for childcare that meets the needs of working parents, as per the legislative duties within the Childcare Act (2006). NB. Local authorities are not expected to provide childcare directly but are expected to work with local private, voluntary and independent sector providers to meet local need.	High Priority – effective decision making will not be achieved in the absence of limited information/data on the demand and supply of childcare.
Provision for Children with Disabilities and Children	NICMA (2007) research identifies that children with	High Priority – the provision of effective childcare for these

Area of Need	Associated Issues	Level of Priority/Supporting Rationale
from Ethnic Minorities	disabilities have been “ <i>accorded a low priority by public services, with parents experiencing services as limited, piecemeal and fragmented</i> ”. Stakeholder consultation has supported this view and has also highlighted that service provision for children from minority ethnic backgrounds is also poor.	groups is consistent with Equality and Lifetime Opportunities policies.
Inspection and Registration Processes	NICMA research suggests that there is an average seven month waiting list for the registration of childminders. Trusts are normally expected to complete the registration process within six months. Trusts have also indicated the need for 15 additional staff to meet current demands. Consultation with stakeholders have also highlighted that the inspection process is inconsistent across regions and provider type.	High Priority – the development of a flexible and high quality childcare sector is dependent on the provision of an efficient and effective inspection/registration process.
Workforce Development	A significant proportion of consultees stated that the childcare workforce is not valued as a career. Unlike England and Wales, there is currently no requirement for newly registered childminders to complete accredited introductory training in childminding. Unlike NI, England, Wales and Scotland have invested heavily in children’s workforce development in recent years.	High Priority – research and best practice indicates that the optimal way to deliver quality early years services for young children and their families is through an integrated approach to policy, funding and workforce development. If demand for childcare increases (as projected) the need for workforce development activity will be even more pronounced.
Public Awareness of Support for Childcare	Consultees have stated that there is lack of awareness among the public about what financial support is available to off-set the cost of childcare.	Lower Priority – although enhanced public awareness and use of available financial support may increase the use of childcare, addressing the structural, process and resource issues highlighted above is more fundamental to the delivery of accessible, flexible and quality childcare provision.

Based on the identified needs (as summarised in Table 6.1), we have presented a policy vision, aims and objectives to provide the basis for the development of project options.

6.2 Policy Vision, Aims & Objectives

The Vision of the future Childcare policy is to:

“To support the delivery of an accessible, flexible and quality childcare sector, so that it is effective in reducing barriers to employment, particularly those experienced by disadvantaged groups, and supports child development and well being”.

The aims associated with the policy are:

- To develop a clear structure for the effective development and delivery of childcare policy in NI;
- To develop and implement a coherent and adequately resourced childcare strategy;
- To ensure that the structures/systems reflect consultation from the community, voluntary and private sector;
- To provide childcare that will contribute to the anti-poverty, equality and welfare reform agendas; and
- To ensure that the sector provides quality childcare services.

The time-bounded objectives⁷⁴, which are associated with the above aims, are detailed below.

- By **March 2011**, to have established a new structure within Government for the effective development and implementation of Childcare policy in NI;
- By **March 2011**, to have consulted on, developed and published a Childcare Strategy and Action Plan;
- By **March 2011**, to have established a baseline of existing levels of service provision to children with disabilities and children from ethnic minority groups and made assessments of future need;
- By **September 2012**, to have established a system of data gathering, collation and analysis, which will aid future Government decision making on the type and level of intervention required to optimise policy objectives;
- By **September 2012**, to have put in place an action plan that ensures that the inspection and registration process is effective in supporting the childcare sector; and
- To support the provision of an adequate supply of qualified childcare workers to meet the growth in the number of childcare places, which is to be reflected within a Workforce Development Strategy, to be developed by **September 2013**, at the latest and earlier if possible.

⁷⁴ HM Treasury “Green Book” and DFP guidance requires SMART (Specific, Measurable, Agreed, Realistic and Time bounded) objectives to be set. Given the strategic nature of this appraisal and of the activities involved with each option, the quantification of measurable objectives is not possible.

6.3 Constraints Impacting on Option Development

The primary constraint that needs to be considered when developing policy options is funding/affordability. The NI Executive is currently operating within an extremely restricted funding environment and consequently any future investment in childcare will need to demonstrate a high level of value for money.

Another constraint impacting on option development is the limited nature of available data/information relating to the supply/demand of childcare by type and location. As a consequence of this, it is not possible to develop options that specify levels of investment by type or location of provision. Therefore, shortlisted options reflect 'high level' investment decisions only and are assessed using highly indicative costs and a qualitative assessment of benefit.

7 OPTION IDENTIFICATION

7.1 Introduction

Based on the analysis of need, we have identified options that potentially satisfy (or partially satisfy) the project objectives identified in the previous section. We have also included a "Do-nothing" option, consistent with Treasury guidance on Economic Appraisal. This provides the base case against which other options may be evaluated.

N.B. the option development process has been developed in consultation with the cross-departmental Steering Group overseeing this appraisal. Discussions with the Steering Group identified that rather than dealing with 'structural' options, the option analysis should focus on 'delivery' issues, which would inform the key activities of any future Childcare strategy.

Potential structural options are discussed in detail within Section 12 of this report.

7.2 Option Development

Options have been developed based on varying levels of activity/investment in key areas of identified need. As identified in Table 7.1, in order to provide a structure for the analysis of options, we have categorised proposed actions/areas of activity into:

- **Essential Actions/Activities**, reflecting levels of activity required to address high priority needs; and
- **Desirable Actions/Activities**, which reflect either: (1) activities associated with lower priority needs; or (2) non-essential activities associated with high priority needs.

Table 7.1
Essential and Desirable Option Actions/Activities

Issue To Be Addressed	Essential Actions/Activities	Desirable Actions/Activities
Information Systems	<ul style="list-style-type: none"> • Development of a robust information system that gathers, collates, analyse and reports on sub-regional demand/supply data on a regular basis. • Development of an accessible central repository of information on demand/supply at a sub-regional level. • Development of central repository of information on cost/benefit of differing types of childcare provision to aid future decision making. 	<ul style="list-style-type: none"> • Subject to a positive Economic Appraisal, implementation of a targeted "Childminder Start-Up Package" and, subject to Economic Appraisal, implementation of this scheme.

Issue To Be Addressed	Essential Actions/Activities	Desirable Actions/Activities
	<ul style="list-style-type: none"> • Review of the Extended Schools Programme criteria to assess the potential costs/benefits of including childcare • Review of Sure Start projects to explore the costs/benefits of widening provision to provide an integrated package of education, childcare, family support, health service and employment support. 	
Service Provision for Children with Disabilities and Children from Ethnic Minorities	<ul style="list-style-type: none"> • Establish baseline of existing levels of service provision to, and childcare needs of, children with disabilities and children from ethnic minority groups. 	<ul style="list-style-type: none"> • Subject to a positive economic appraisal, implementation of a training programme and subsidy for childcare workers for the provision of childcare services for children with a disability • Subject to a positive economic appraisal, implementation of a training programme and subsidy for childcare workers for the provision of childcare services for children from minority ethnic backgrounds.
Inspection and Registration Process	<ul style="list-style-type: none"> • Funding of additional registration and inspection costs to meet existing demand. • Support the development of a standardised, co-ordinated and effective approach to inspections. 	<ul style="list-style-type: none"> •
Workforce Development	<ul style="list-style-type: none"> • Funding and development of a sector based workforce development strategy. 	<ul style="list-style-type: none"> •
Public Awareness of Financial Support for Childcare	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Development and implementation of awareness raising campaign

7.3 Shortlisted Options

Based on the framework for option development presented above, the following options have been identified for further analysis;

- **Do Nothing** – the base case, representing the maintenance of the status quo, which involves no investment in the identified areas of need;
- **Essential Actions/Activities Only** – reflecting the following activities:
 - Development of a robust information system that gathers, collates, analyses and reports on sub-regional demand/supply data and value for money issues on a regular basis;
 - Establishing a baseline of existing levels of service provision to, and childcare needs of, children with disabilities and children from ethnic minority groups;
 - Funding of additional registration and inspection costs to meet existing demand;
 - Supporting the development of a standardised, co-ordinated and effective approach to inspections; and
 - Funding and development of a sector based workforce development strategy.
- **Essential and Desirable Actions/Activities** – reflecting the implementation of the above ‘essential’ actions/activities, plus:
 - Subject to a positive Economic Appraisal, implementation of a targeted ‘Childminder Start-Up Package’;
 - Subject to a positive Economic Appraisal, implementation of a training programme and subsidy for childcare workers for the provision of childcare services for children with a disability;
 - Subject to a positive Economic Appraisal, implementation of a training programme and subsidy for childcare workers for the provision of childcare services for children from minority ethnic backgrounds; and
 - Development and implementation of a public awareness raising campaign relating to the availability of financial support for childcare.

8 OPTION COSTS & BENEFITS

8.1 Introduction

Each of the ‘Do Something’ options profiled within this Policy and Economic Appraisal respond to identified weaknesses in the current structures, processes and resource allocation associated with the development/delivery of childcare policy. Therefore, the direct costs and benefits associated with each ‘Do Something’ option relate to activities and outcomes associated with the investment in the public sector infrastructure used to support the delivery of childcare.

It is anticipated that the implementation of a future childcare strategy will take place in the context of a period of job growth. Subject to the childcare needs of the individuals who fill these posts and the accessibility/the level of adoption of formal childcare provision, this increase in job opportunities could lead to the demand for additional childcare places (refer to Section 4.12). It is conceivable that an increase job creation will result in:

1. Future job vacancies being occupied by men or women with no childcare requirements;
2. Future job vacancies being occupied by women with children (aged 0 – 15), who are from disadvantaged backgrounds, but through support from the public/ community voluntary sector, are able to access childcare provision; and
3. Future job vacancies being occupied by women with children (aged 0 – 15) who are not from disadvantaged groupings, who are able to access and/or afford childcare.

Clearly, the extent to which the second grouping (i.e. women from disadvantaged backgrounds with children) will be able to access formal childcare, will be strongly influenced by support provided by Government to improve their access to the labour market.

8.2 Direct and Indirect Benefits

The Direct Benefits associated with the implementation of each of the ‘Do Something’ options are detailed below in Table 8.1 overleaf. Given the nature of these benefits, these are not quantifiable in monetary terms and will be reflected within our Qualitative Analysis (refer to Section 9).

In addition to the identified direct benefits, the creation of an environment that improves the accessibility and use of formal childcare provision, particularly among disadvantaged groups, may generate further additional/indirect benefits. A significant volume of research has been developed around the social, economic, educational and health benefits associated with differing types of childcare. Table 8.2 provides an illustrative list of areas benefits cited by such research. N.B. Research also highlights that the provision of high quality childcare is crucial to the delivery of these positive outcomes.

Table 8.1
Direct Benefits of ‘Do Something’ Options

Issue To Be Addressed	Activities	Anticipated Benefit/Impact
Information Systems	<ul style="list-style-type: none"> • Development of information systems to support a more effective assessment of supply, demand and value for money issues relating to childcare. • Appraisal of the provision of a targeted ‘Childminder Start-Up Package” (subject to Economic Appraisal). • Review of the Extended Schools Programme criteria to assess the potential costs/benefits of including childcare. • Review of Sure Start projects to explore the costs/benefits of widening provision to provide an integrated package of education, childcare, family support, health service and employment support. 	<ul style="list-style-type: none"> • Improved decision making/targeting of resources
Service Provision for Children with Disabilities and Children from Ethnic Minorities	<ul style="list-style-type: none"> • Funding of a training programme and subsidy for the provision of childcare for children with a disability. • Funding of a training programme for the provision of childcare to ethnic minority children. 	<ul style="list-style-type: none"> • Enhanced service provision for children with disabilities • Enhanced service provision for children from ethnic minority groupings
Inspection and Registration Process	<ul style="list-style-type: none"> • Funding of additional registration and inspection costs to meet existing demand. • Support the development of a standardised, co-ordinated and effective approach to inspections. • Ensure funding is made available to support increased inspection/registration as demand for childcare increases. 	<ul style="list-style-type: none"> • Enhanced effectiveness of inspection and registration process, resulting in achievement of consistent/higher quality service provision
Workforce Development	<ul style="list-style-type: none"> • Funding and development of a sector based workforce development strategy. 	<ul style="list-style-type: none"> • Improved training and career structure within the sector, leading to improved retention rates and higher quality of service delivery
Public Awareness of Financial Support for Childcare	<ul style="list-style-type: none"> • Development and implementation of a public awareness raising campaign relating to the availability of financial support for childcare. 	<ul style="list-style-type: none"> • Higher levels of uptake of childcare places and associated financial support

Table 8.2
Indicative list of Research Citing Benefits Attributed to Childcare

Key Beneficiaries	Areas of Benefit	Examples of Publications Citing Benefits
Children	<ul style="list-style-type: none"> Cognitive and social development 	<ul style="list-style-type: none"> Doherty, Gillian (1996), <i>'The Great Child Care Debate: The Long Term Effects of Non-Parental Childcare'</i>. Childcare Resource and Research unit, Centre for Urban and Community Studies, University of Toronto. Karoly, Lynn, Peter Greenwood, Susan Everingham, Jill Hoube, Rebecca Kilburn, Peter Rydell, Matthew Sanders, and James Chiesa (1998). <i>Investing in Our Children: What We Know and Don't Know about the Costs and Benefits of Early Childhood Interventions</i>. Santa Monica: RAND. Currie, Janet (2001). <i>'Early Childhood Intervention Programs: What Do We Know?'</i> <i>Journal of Economic Perspectives</i> 15: 213-238. Sammons, Pam, Kathy Sylva, Edward Melhuish, Iram Siraj-Blatchford, Brenda Taggart, and Karen Elliot (2003). <i>Measuring the Impact of Pre-School on Children's Social/Behavioural Development over the Pre-School Period</i>. Technical Paper 8b, The Effective Provision of Pre-School Provision (EPPE) Project. London: Institute of Education, University of London. Sylva, K., Melhuish, E., Sammons, P., Siraj-Blatchford I., & Taggart, B. (2008). Final Report from the Primary Phase: Pre-school, School and Family Influences on children's development during Key Stage 2 (7-11). Nottingham: DCSF. Department of Education Northern Ireland (April 2006), <i>'Effective Pre-School Provision in NI'</i>.
	<ul style="list-style-type: none"> Improved school-readiness 	<ul style="list-style-type: none"> NICHD Early Child Care Research Network (2002). <i>'Child Care Structure, Process, Outcome: Direct and Indirect Effects of Child-Care Quality on Young Children's Development.'</i> <i>Psychological Science</i> 13: 199-206. NICHD Early Child Care Research Network and Greg Duncan (2003) <i>'Modelling the Impacts of Child Care Quality on Children's Preschool Cognitive Development.'</i> <i>Child Development</i> 74: 1454-1475. Duncan, Greg and Katherine Magnuson (2003). <i>'Promoting the Healthy Development of Young Children.'</i> In Isabel Sawhill (ed) <i>One Percent for the Kids: New Policies, Brighter Futures for America's Children</i>. Washington, DC: Brookings Institution Press.
	<ul style="list-style-type: none"> Combat social exclusion/child poverty 	<ul style="list-style-type: none"> Jane Waldfogel and Alison Garnham, (November 2008) <i>"Eradicating child poverty: The role of key policy areas - Childcare and Child Poverty"</i> Joseph Rowntree Foundation.
	<ul style="list-style-type: none"> Earnings potential in adulthood 	<ul style="list-style-type: none"> Carneiro, Pedro and James J. Heckman (2003). <i>'Human Capital Policy.'</i> In Benjamin W. Friedman (ed) <i>Inequality in America: What Role for Human Capital Policies?</i> Cambridge, MA: MIT Press. Harmon, C., Oosterbeek, H. and Walker, I. (2000), <i>The returns to education: a review of evidence issues and deficiencies in the</i>

Key Beneficiaries	Areas of Benefit	Examples of Publications Citing Benefits
		<i>literature</i> , Centre for the Economics of Education, London School of Economics and Political Science.
Parents	<ul style="list-style-type: none"> • Increase access to employment 	<ul style="list-style-type: none"> • Gordon Cleveland and Michael Krashinsky, March 1998, Department of Economics University of Toronto, “<i>The Benefits and Costs of Good Child Care The Economic Rationale for Public Investment in Young Children- A Policy Study</i>”.
Business/Commerce	<ul style="list-style-type: none"> • Reduced rates of absenteeism and distraction at work 	<ul style="list-style-type: none"> • “How Does High Quality Childcare Benefit Business and the Local Economy”, Economic Opportunities Institute, 2002.
Wider Society	<ul style="list-style-type: none"> • Gender Equality 	<ul style="list-style-type: none"> • Parent and Carers: a Work Life Balance”, Equal Opportunities Commission, July 2005.
	<ul style="list-style-type: none"> • Other social benefits – e.g. reduced crime, delinquency, teenage pregnancy etc 	<ul style="list-style-type: none"> • Carneiro, Pedro and James J. Heckman (2003) – above.

Clearly the degree to which these ‘indirect’ benefits will be realised will be dependent on a range of factors, including:

- The number of new entrants to the workforce requiring childcare;
- The extent to which formal childcare will be used by new entrants;
- The type of childcare used;
- The quality of childcare provided; and
- The age of children being cared for.

It should be also highlighted that other research challenges the positive cognitive impacts associated with formal childcare, suggesting that maternal employment has negative impacts on children’s cognitive development⁷⁵.

Given the wide range of variables impacting on the potential quantum/flow of benefit associated with the uptake of additional childcare places, coupled with the fact that a correlation between the proposed option activities and the uptake of childcare cannot not be readily estimated, the quantification of these benefits, as they relate to the identified options, is not possible.

8.3 Recurrent Costs

Do Nothing Option

The table below presents the existing budgets and expenditure relating to pre-school education and childcare, totalling £28,497,937. If we assume that these costs remain constant over the ten years of the strategy, the total funding required would be **£284,979,370**.

Table 8.3
Existing Costs (2009/10)

	£
DE – Early Years Development Fund (EYDF)	£1,553,987
DE – Early Years Fund	£2,837,592
DE – Provides funding to NICMA	£70,000
DE – Provides funding to ‘Early Years – the organisation for young children’	£248,000
DE sub total	£15,499,579
DHSSPS – Provision of childcare places for children and or families with specific needs	£ not provided*

⁷⁵ The paper “*Universal childcare provision in the UK – towards a cost-benefit analysis*”, PricewaterhouseCoopers (August 2003), highlights Esping-Andersen (2003), who compares US overview studies such as Duncan and Brooks-Gunn (1998) and Haveman and Wolfe (1995), which suggest generally positive impacts from maternal employment on children’s educational/learning performance, and more recent UK analysis by Ermisch and Francesconi (2002), which suggests more negative effects of full-time maternal employment for children aged 0-5. Esping-Andersen notes that, for Nordic countries, his own analysis does not suggest any clear effects of maternal employment, whether part-time or full-time, on children’s cognitive development scores. For other countries, results are more mixed, with full-time employment having a negative impact in some cases (e.g. the US, Netherlands and Spain, although not for the UK), while part-time maternal employment tends to be associated with more positive effects on cognitive development. PricewaterhouseCoopers (August 2003), highlights however that disentangling correlation and causality is not easy in such studies.

	£
DHSSPS – Registration & Inspection Staffing Costs	£3,830,195
DHSSPS – Vetting & Barring Costs	£690,000
DHSSPS sub total	£4,520,195
DEL – Childcare for FE Students	£730,097
DEL– Steps to Work Programmes receiving help with childcare costs (April 09 to Dec 09)	£633,053
DEL – Dependants Grants Entitlements including Childcare Grant	£2,594,654
DEL– Northern Ireland European Social Fund Programme (NIESF) 2007-13 re projects which have allocated for childcare provision (25%) (2010 allocation)	£95,826
DEL sub total	£4,053,630
DSD – Women’s Centres Childcare Fund (c67% of total funding)	£889,126
DSD – Neighbourhood Renewal Fund - Childcare Element	£610,000
DSD sub total	£1,499,126
DARD – Rural Childcare Programme (2009-2011)	£1,300,000
<i>Other</i>	
Playboard NI	£900,000
Northern Ireland European Social Fund Programme (NIESF) 2007-13 re projects which have allocated for childcare provision (75%) (2010 allocation)	£287,479
Women's Centres - other funding (33%)	£437,928
OVERALL TOTAL	£28,497,937

* The cost relating to this service was requested but not provided during the appraisal process. This cost relates to the Trust placing and paying for 637 children in need in 2009/10. The absence of this cost does not impact on the outcome of the appraisal.

NB. DE also provides funding for other children services, including; 21,205 pre-school places; 34 Sure Start Projects which provides valuable support for 34,000 children and their families and support for 471 schools as part of the Extended Schools Programme, totalling £62m.

Table 8.4
Existing Costs (2009/10)

Other Children Services	
DE – Pre-school Education Expansion Programme: 7,127 nursery places in the voluntary and private sector (£1,474 for each place)	£10,506,000
*14,078 places in nursery schools and classes (Actual: £37,161,000 - NB. As it is not possible to disaggregate certain funds for Nursery Class pupils from the host Primary school budget allocation, the assumption based on cost of nursery places in the voluntary and private sector (i.e. £1,474 for each place)	£20,750,972
DE – ETI Inspection Costs	£284,000
DE – Sure Start (34 projects - 34,000 children & their families)	£20,620,362
DE – Sure Start Programme for 2 Year Olds - training costs	£10,000
DE – Extended School Programme (471 schools)	£9,859,000
Other Children Services - Total	£62,030,334

Essential Action Options

The following table provides an overview of indicative funding that may be included to address essential actions over ten years of the strategy.

Table 8.5
Essential Action Costs

	£
1. Development of a robust information system that gathers, collates, analyses and reports on sub-regional demand/supply data and value for money issues on a regular basis;	£600,000
2. Establishing baseline of existing levels of service provision to, and childcare needs of, children with disabilities and children from ethnic minority groups;	£25,000
3. Funding of additional registration and inspection costs to meet existing demand;	£3,920,000
4. Supporting the development of a standardised, co-ordinated and effective approach to inspections; and	No Cost
5. Funding and development of a sector based workforce development strategy	£10,000,000
Total	£14,545,000

A description of these high-level costs is provided below:

1. A highly indicative cost for the development of a robust information system is estimated as **£600,000** over ten years of the strategy. This includes provision for IT equipment and staff resources, however it is subject to detailed specification.
2. An indicative costs of **£25,000** is assumed, based on other broadly comparable baselining and evaluation assignments, in order to accurately establish existing levels of provision for specific user groups, subject to requirements.
3. In order to meet statutory requirements for registration and inspection, four of the five Trusts have requested an additional requirement for c15 staff costing £392,000 per year for the next ten years of the strategy (totalling **£3,920,000**), in order to meet current demand. Increasing demand for childcare places will also increase the demand for registration and inspection of an expanded workforce.

Table 8.6 provides an indication of the costs per registration of provider and to follow-up monitoring and inspection of each service i.e. for new applicants the follow costs must be met: day nurseries, £957; playgroups and after schools, £520; and childminders, £366. In terms of costs for existing cost for follow up monitoring, this amounts to £813 for day nurseries; £323 for playgroups and after schools; and £122 for childminders.

Table 8.6
Costs per registration of Provider and to follow-up monitoring and inspection of each service

	Day Nurseries					Playgroups / Afterschools					Childminders				
	Social Worker	Admin	Total Cost	Social Worker	Admin	Total Cost	Social Worker	Admin	Total Cost	Social Worker	Admin	Total Cost			
NEW															
Registration Process	50-60 hrs average 55 hrs	£825	12 hrs	£102	£927	25-30 hrs average 27 hrs	£405	10 hrs	£85	£490	10-13 hrs average 11 ½ hrs	£173	5 hrs	£42.50	£216
Vetting checks	1 person	£30	—	—	£30	1 person	£30	—	—	£30	5 persons x £30	£150	—	—	£150
EXISTING															
Rechecks on Existing	5 hrs	£75	½ hr	£4.25	£79	1 hr	£15	½ hr	£4.25	£19	2 hrs	£30	½ hr	£4.25	£34
Monitoring / Follow up	24 hrs	£360	—	—	£360	9 hrs	£135	—	—	£135	2 hrs	£30	—	—	£30
Inspections	21 ½ hrs	£323	6 hrs	£51	£374	9 hrs	£135	4 hrs	£34	£169	3 hrs	£45	1 ½ hrs	£12.75	£58

Source: Southern Childcare Partnership

- It is assumed that there would be **no cost** associated with supporting the development of a standardised, co-ordinated and effective approach to inspections, as this will be subsumed with existing costs.
- Workforce Development Programme.** The four CCPs, in association with NICMA, Early Years Organisation and Playboard have suggested that it would take at least **£10,000,000** over the next five years to support a learning and development strategy for the early years sector in NI⁷⁶. In England and Wales a £125m Transformation Fund had been established to support a ten-year strategy for the early years workforce. In Scotland more than £15m has made available to the sector for workforce development.

Essential & Desirable Action Options

The following table provides an overview of indicative funding that may be included to address essential and desirable actions over ten years of the strategy.

Table 8.7
Essential & Desirable Action Costs

	£
1. Subject to a positive Economic Appraisal, implementation of a targeted 'Childminder Start-Up Package';	£3,000,000
2. Subject to a positive Economic Appraisal, implementation of a training programme and subsidy for childcare workers for the provision of childcare services for children with a disability;	£1,250,000
3. Subject to a positive Economic Appraisal, implementation of a training programme and subsidy for childcare workers for the provision of childcare services for children from minority ethnic backgrounds; and	£1,250,000
4. Development and implementation of a public awareness raising campaign relating to the availability of financial support for childcare	£1,000,000
Total	£6,500,000

⁷⁶ 'Learning & Development Strategy for the Early Years Sector' (Jan 2007)

A description of these high-level costs is provided below:

1. As stated in Section 4.11, NICMA have outlined proposals to encourage more individuals to choose childminding and to go through the registration process. This would involve an innovative 'Childminder Start-Up Package' consisting of a Start-Up Grant and one-to-one mentoring support for each new childminder, to tackle recruitment and retention problems within childminding. The proposal requires £300,000 annually (**£3,000,000** over ten years of the strategy), which would enable the roll-out of the childminders' start-up package across NI, with priority given to the areas most in need of childminding provision.
2. The need for additional support for children with a disability has been highlighted, particularly the need for additional childminders with the required expertise. In order to encourage childminders to provide places for children with a disability and those with additional needs, training and a subsidy will be provided. This would cost £2,500 per childminder, assuming 50 childminders avail of this funding, it would cost £125,000 per year (**£1,250,000** over ten years of the strategy).
3. The need for additional support for children from ethnic minority backgrounds has also been highlighted e.g. support in terms of childcare workers who have the skills and knowledge regarding cultural differences; and support for translators and for the translation of resources to ensure that parents are adequately equipped with information. An high level indicative cost on par with that proposed above is included i.e. £125,000 per year (**£1,250,000** over ten years of the strategy).
4. DHSSPS intend to commission an advertising agency to deliver advertising and related services to promote the NI Family Support Web Based Information System, which is a searchable database of a wide range of organisations that provide help and support to families (Please refer to Section 4.9 for further information). The anticipated budget for the first year is approximately £100,000. This figure could be used as a high level indicator of the potential cost of an awareness raising campaign relating to the availability of financial support for childcare. Over the ten years of the strategy costs would be assumed as **£1,000,000**.

8.4 Summary of Option Costs

The table below provides a summary of the option costs and associated ranking.

Table 8.1
Summary of Option Costs

	£	Rank
1. Option 1 – Do Nothing (Existing Costs)	£284,979,370	1
2. Option 2 – Essential Action Options (Existing plus Essential Costs)	£299,524,370	2
3. Option 3 – Essential & Desirable Action Options (Existing plus Essential Costs plus Desirable costs)	£306,024,370	3

9 NON-MONETARY COSTS AND BENEFITS

9.1 Introduction

It is the case that not all costs and benefits can be measured in monetary terms, as no market value exists for them. In this section we consider the non-monetary costs and benefits associated with each of the short-listed options. A weighting and scoring exercise has been adopted to illustrate in quantitative terms how each option performs against identified non-monetary criteria.

9.2 Criteria and Weightings

In order to critically assess the case for the proposed activities, evaluation criteria have been developed. To allow for the comparison of options, each criterion has been allocated a weighting out of 100 to reflect its relative importance as follows:

Table 9.1
Criteria & Weightings

Criteria	Weighting
1. Improved accessibility and sustainability of provision	30
2. Improve quality (including child well-being and development)	30
3. Contribution to child poverty and other key policies	25
4. Contribution to increased use of formal childcare	15
Total	100

The rationale for applying the above weightings is explained below:

- Criterion 1: Improved accessibility and sustainability of provision** - The development of a childcare sector that provides services to those parents/guardians who require it, is central to the aims and objectives of the future childcare strategy. Ensuring the sustainability of provision is also fundamental to providing accessible provision in the medium and long term. Given that this criterion is fundamental to the success of any future strategy, it has been allocated the joint highest weighting;
- Criterion 2: Improve quality (including child well-being and development)** – A wide range of research identifies that many of the positive outcomes that are associated with childcare that are accrued by children - e.g. cognitive development, social development, improved school readiness etc, are dependent on the provision of good/high quality care. Given the importance placed on the quality of provision by this research, and the fact that it is a stated aim of the childcare policy is to “to ensure that the sector is adequately resourced to provide quality childcare services”, this criterion has been allocated the joint highest weighting;

- **Criterion 3: Contribution to child poverty and other key policies** – The provision of an effective childcare sector has the potential to contribute to a wide range of Government policies e.g. child/anti-poverty; social inclusion; equality (gender, race and disability); skills development; economic development etc. Given the potential impact of the strategy across a diverse group of policy areas, this criterion has been allocated the second highest weighting;
- **Criterion 4: Contribution to increased use of formal childcare** – increased use of formal/quality childcare services has the potential to contribute to an increase in many of the indirect benefits cited in Section 8.2. Activities relating to the promotion of childcare affordability, work force development and inspection/registration services could contribute to an increase in the use of formal childcare. However, an increase in use is deemed less important than addressing the weaknesses associated with the current system, and consequently, this criterion has been allocated the lowest weighting.

9.3 Results

The non-monetary weighted scoring of each option is provided in the table below, which highlights that Option 1 (Do Nothing) fails to score in this analysis and Option 3 (i.e. the Delivery of Both Essential and Desirable Actions/Activities) scores the highest.

Table 9.2
Summary of Non-Monetary Scoring

Criteria & Weighting		Option 1		Option 2		Option 3	
		Score	WS	Score	WS	Score	WS
Improved accessibility and sustainability of provision	30	0	0	5	150	7	210
Improve quality (including child well being and development)	30	0	0	5	150	5	150
Contribution to child poverty and other key policies	25	0	0	5	125	6	150
Contribution to increased use of formal childcare	15	0	0	5	75	7	105
Total	100	0	0	20	500	25	615
Rank			3			2	1

The rationale for the aforementioned option scores are detailed in Table 9.3 below.

Table 9.3
Scoring Rationale

Criterion	Scoring Rationale
1. Improved accessibility and sustainability of provision	<p>Option 1 does not involve any investment that would have positive impact on the accessibility and sustainability of services and therefore fails to score in relation to this criterion.</p> <p>Option 2 involves the development of a robust information system that gathers, collates, analyses and reports on sub-regional demand/supply data and value for money issues on a regular basis. This activity offers the potential for Government to target its resources more effectively to ensure that the accessibility and sustainability of services are enhanced. Option 2 also involves the review of the existing Extended Schools Programme and Sure Start projects, to ascertain the potential costs/benefits of widening service provision to include childcare.</p> <p>In addition, Option 2 involves the funding and development of a sector based workforce development strategy, which will aim to ensure that an appropriately resourced and qualified workforce is sustained to meet future levels of demand for childcare. Option 2 has been allocated a score of 5 in relation to this criterion.</p> <p>Option 3 involves the activities associated with Option 2 plus the potential to increase service provision to children with disabilities and children from minority ethnic backgrounds, as well as offering the potential to implement a new Childminder Start-Up Package. Each of these additional measures offer the potential to enhance the accessibility of childcare services to sections of society that might currently be unable to access childcare. Therefore, Option 3 has received a score of 7 in relation to this criterion.</p>
2. Improve quality (including child well-being and development)	<p>Option 1 does not involve any investment that would have an impact on the quality of service provision and therefore fails to score in relation to this criterion.</p> <p>Option 2 involves the funding of additional registration and inspection costs to meet existing demand, supporting the development of a standardised, co-ordinated and effective approach to inspections/childminder registration and funding/development of a sector based workforce development strategy. Each of these activities, if implemented effectively, offers the potential to create a positive impact on the quality of service provision/outcomes for children. Option 2 has been allocated a score of 5 in relation to this criterion.</p> <p>The activities associated with Option 3 (i.e. over and above those reflected in Option 2) would not have a significant impact on the quality of provision. Therefore, Option 3 also receives a score of 5 in relation to this criterion.</p>
3. Contribution to child poverty and other key policies	<p>Option 1 does not involve any investment that would have an impact on child poverty within NI and therefore fails to score in relation to this criterion.</p> <p>Option 2 involves the development of a robust information system that offers the potential for Government to target unmet need more effectively, which</p>

Criterion	Scoring Rationale
	<p>may assist in making a more effective contribution to child poverty, anti-poverty, social inclusion, neighbourhood renewal, rural development and equality strategies. Option 2 also involves the funding and development of a sector based workforce development strategy, which may also contribute to gender equality, skills development and economic development policies. Option 2 has been allocated a score of 5 in relation to this criterion.</p> <p>Option 3 involves the activities associated with Option 2 plus the potential to increase service provision to children with disabilities and children from minority ethnic backgrounds, thereby offering the potential to contribute further to social inclusion and equality. Consequently, Option 3 has received a score of 6 in relation to this criterion.</p>
4. Contribution to increased use of formal childcare	<p>Option 1 does not involve any investment that would have a positive impact on the level of use of formal childcare.</p> <p>Option 2 involves the funding of additional registration and inspection costs to meet existing demand, supporting the development of a standardised, co-ordinated and effective approach to inspections/childminder registration and funding/development of a sector based workforce development strategy. Each of these activities, if implemented effectively, may contribute positively to the quality of service provision/outcomes for children, which in turn may attract more parents/guardians to avail of formal childcare provision. Option 2 has been allocated a score of 5 in relation to this criterion.</p> <p>Option 3 involves the activities associated with Option 2 plus the potential to increase service provision to children with disabilities/ children from minority ethnic backgrounds and the development/ implementation of a public awareness raising campaign relating to the availability of financial support for childcare. These initiatives offer the potential to increase the use of formal childcare provision. Therefore, Option 3 has been allocated a score of 7 in relation to this criterion.</p>

10 RISKS AND UNCERTAINTIES

10.1 Introduction

Since an appraisal involves making assumptions about the behaviour of various elements of a policy there is a degree of risk and uncertainty involved. The treatment of any potential risk and uncertainty is generally best dealt with using sensitivity analysis which involves varying the value / number of key project inputs which are likely to be subject to the greatest degree of uncertainty i.e. monetary variations and consideration of non-monetary risks.

10.2 Non-Monetary Risks

The issue of project risk has been assessed by the identification of project risks/risk mitigation strategies and the profiling of risks in terms of impact and probability. Key areas of risk and uncertainty include:

Table 10.1
Risks & Uncertainties

Risk	Description	Probability of Occurrence	Likely Impact	Mitigation Factors
Higher than expected development/implementation costs	The costs associated with implementation of the strategy are highly indicative and may be subject to substantial variation.	High	Medium	As part of the development of a final strategy document, each component of the proposed strategy should be costed in detail and supported by market tested assumptions (where possible/applicable).
Inability to secure funding for strategy	Securing the funding for implementation of the strategy is subject to approval from DFP.	Medium	High	A submission for funding for the development and implementation of the Childcare Strategy should be made to DFP at the earliest possible date. Ongoing liaison with DFP should identify any funding shortfall issues (if applicable) and these should be addressed as appropriate.
Ineffective management/implementation	The development, implementation and monitoring of the Childcare Strategy will require the development of a clear and accountable management	Medium	High	The proposed management structure and resources for strategy development/implementation must be clearly defined at an early stage.

Risk	Description	Probability of Occurrence	Likely Impact	Mitigation Factors
	structure, which is effective in managing the multi-faceted nature of the strategy and in obtaining the support/confidence of the wide range of stakeholder organisations that form the sector. Effective implementation of the strategy will require Government to work in partnership with all key stakeholders.			Section 12 of this report highlights the issues that may have to be considered when determining the management/governance structure associated with the strategy.
Failure to secure sector support	As highlighted above, effective partnership working with key stakeholders groups will be essential for the achievement of the stated policy objectives.	Medium	High	The publication of a Draft Childcare Strategy will form the basis for further consultation with the sector. Effective and on-going consultation will be key to securing on-going support in the implementation of the sector strategy.
Unfavourable Economic Appraisal Outcomes regarding Identified Initiatives	A number of the actions/activities associated with policy options are subject to a favourable Economic Appraisal. An unfavourable economic appraisal would result in the impact of these options being diminished.	Medium	High	Economic Appraisal of individual components of an agreed/final Childcare Strategy should be carried out at the earliest possible opportunity. Any deviation in policy activities, outputs and outcomes should be reflected as part of the Strategy's monitoring activity.

10.3 Risk Exposure

The level of risk associated with each option would be largely affected by the range of activities involved and scale of investment. Therefore, of the 'Do-Something' options presented, Option 2, the lower cost option, would have the lowest exposure to risk and Option 3, the higher cost/wider ranging option, would be exposed to the highest degree of risk.

11 SELECTION OF A PREFERRED OPTION

11.1 Introduction

The following section provides conclusions and recommendations resulting from our analysis of short listed options.

11.2 Results

The following table summarises the results of our monetary and non-monetary analysis.

Table 11.1
Monetary and Non-Monetary Results

	Net Cost (£)	Rank	Non-Monetary Score	Rank	NPC/ Non-Monetary Score	Rank
Option 1	£284,979,370	1	0	3	0	1
Option 2	£299,524,370	2	500	2	599,049	3
Option 3	£306,024,370	3	615	1	497,601	2

11.3 Conclusions and Recommendations

Table 11.1 identifies that Option 1 achieves the highest rank in quantitative terms (as measured by Net Cost) and the lowest in qualitative terms (as measured by weighted score). Option 3 ranks lowest in quantitative terms and the second in the qualitative assessment.

When the quantitative and qualitative analysis are considered together (as reflected in terms of Net Cost per weighted score), Option 3 scores the highest of the 'Do-Something' options. Consequently, Option 3 (i.e. option which will address both essential and desirable actions as per Table 8.7) is considered to be the "Preferred Option".

12 FINANCE, MANAGEMENT & MONITORING AND EVALUATION

12.1 Introduction

Effective implementation of the childcare strategy will require the following to be addressed:

- Funding;
- Governance and Management; and
- Monitoring and Evaluation.

The following sections address each of the above issues in turn.

12.1.1 Funding of the Strategy

Funding for the delivery and implementation of the Childcare Strategy will be subject to approval from DFP. The submission of this Economic Appraisal will initiate discussions between OFMDFM and DFP on the costs and funding of the strategy. The indicative costings presented within this appraisal will be further revised in forthcoming months to reflect the outcomes of: decisions taken by the NI Executive on the proposed Governance/Management arrangements for the implementation of the strategy; and, public consultation relating to a Draft Strategy.

OFMDFM and/or the body tasked within implementing the strategy will liaise with DFP on an on-going basis during this planning period to update costs and secure an appropriate level of funding for the strategy.

12.1.2 Governance and Management Arrangements for Policy Delivery

Discussions with the Steering Group for this appraisal identified a requirement for a high level analysis of potential management/governance options (and their associated issues), rather than a detailed appraisal of the costs and benefits of those options.

This requirement, which reflects a deviation from the Terms of Reference, stems from a need for Government Departments to engage in detailed discussions about the merits and implications of differing management models, before the selection of a preferred option is carried out.

In line with this revised requirement, the following section provides:

- An overview of potential models for the Governance/Management of the Childcare Strategy; and
- A high level analysis of the relative merits of the options presented.

Potential Governance and Management Models

Potential models for the Governance/Management of the Childcare Strategy are as follows:

- **Option (a)** - “Do-Nothing” – no change/ retain current arrangements and lines of responsibility;
- **Option (b)** - Development of a new entity to take policy and delivery responsibilities for the provision of childcare;
- **Option (c)** - A single department takes lead responsibility for policy and delivery;
- **Option (d)** - An inter-departmental takes responsibility for policy and delivery on a collective basis;
- **Option (e)** - Devolution of childcare service delivery through Local Councils; and
- **Option (f)** - Devolution of childcare service delivery to Regional Childcare Partnerships.

The following sub-sections provide an overview of the issues to be considered when assessing each of the above options.

Option (a): No Change

This option represents a scenario where the current position and lines of responsibility continue in their current format. This option would not address the current deficiencies cited by stakeholder groups (e.g. lack of ministerial accountability, lack of strategic coherence/co-ordination etc). The advantages and disadvantages/challenges of this approach are highlighted below:

Advantages	Disadvantages/Challenges
<ul style="list-style-type: none"> • No negative impacts associated with organisational and process change. • No additional implementation costs. 	<ul style="list-style-type: none"> • An absence of structural change would fail to secure stakeholder buy-in. • Deficiencies associated with current arrangements would remain. • Effective implementation of the strategy would be difficult.

Option (b): Development of a New Entity

This option would involve a radical change to the current structure by developing a ‘new entity’ to take policy and delivery responsibilities for the provision of childcare in NI.

This approach would be similar to that taken in the UK and RoI. For instance, in England Government undertook major administrative changes, and gradually responsibility for all services to children was transferred from other ministries to the Department for Children, Schools and Families (DCSF) and a Minister for Children was created. The aim of establishing this Department was to provide more integrated services which are built around children’s needs rather than professional structures. In RoI, the Office for the Minister for Children and

Youth Affairs was established in 2006 whereby responsibility for all services for young children sits within one body, a fully integrated system of services for young children. Please refer to Section 5 and Appendix XIII for further information regarding benchmarking.

The advantages and challenges of this approach are highlighted below:

Advantages	Disadvantages/Challenges
<ul style="list-style-type: none"> • One organisation to coordinate, drive and champion childcare issues. • The branding of new entity would raise the profile of the needs within the childcare sector. • There would be clear ownership, lines of responsibility and accountability under one organisation. • There would be an increased focused and strategic direction under one leadership. • This would ensure that policy and delivery would be closely linked. • This approach would integrate care and education systems, providing a holistic approach for the benefit of children. • There would be a centralised system for data collection and monitoring of supply and demand with the sector • Funding would be pooled into one organisation and monies allocated accordingly. 	<ul style="list-style-type: none"> • This is a radical overhaul of the current sector structure, which would require a change management process to ensure a smooth transition period. • This approach would require policy and legislative change. • Departments would be required to make shifts in policy responsibilities and would require re-location of staff and re-allocation of funding or provision of funding resources. • This approach would also require cultural change to break down the current institutional barriers. • The degree of change involved would require a significantly level of investment over a lengthy period of time.

Option (c): Lead Department Developed

This option envisages childcare policy responsibility being led by one lead Government Department, which may involve the transfer of budgets and staff from other Departments to the lead Department.

The advantages and disadvantages of this approach are similar to that outlined for Option (b), however, the approach would be less radical as roles and responsibilities would remain in a relevant Government Department.

It is envisaged that the Lead Department would be supported by other relevant Government Department via an advisory committee (or similar structure) and that the lead Department would be responsible for ensuring effective communication and partnership working was established with other relevant stakeholders organisations e.g. the CCPs.

Advantages	Challenges
<ul style="list-style-type: none"> • One lead Department to coordinate, drive and champion childcare issues. • Ministerial ownership and accountability would be achieved. • There would be clear ownership, lines of responsibility and accountability under one 	<ul style="list-style-type: none"> • Although less radical, this option would still require significant changes to the current sector structure, which would require a change management process to ensure a smooth transition period.

Advantages	Challenges
<p>Department.</p> <ul style="list-style-type: none"> • There would be an increased focused and strategic direction under one leadership. • This would ensure that policy and delivery would be closely linked. • This approach would integrate care and education systems, providing a holistic approach for the benefit of children. • There would be a centralised system for data collection and monitoring of supply and demand with the sector • Funding would be pooled into one Department and monies allocated accordingly. 	<ul style="list-style-type: none"> • This approach would require policy and legislative change. • All Departments would be required to make shifts in policy responsibilities and four of the five Departments would require re-location of staff and re-allocation of funding or provision of funding resources. • This approach would also require cultural change to break down the current institutional barriers. • If adapted, it is important that this approach is implemented in a timely manner to respond to the current policy vacuum, therefore, ensuring the greatest impact.

The advantages and challenges highlighted above would be the same regardless of which Department takes the lead role with regard to the policy delivery and implementation of childcare.

Option (d): Inter-departmental Group Developed

This option proposes to develop an inter-departmental group. Given their previous involvement in childcare and related issues, it is envisaged that this group would (at a minimum) include representatives from each of the following Departments: DE, DHSSPS, OFMDFM, DEL, DSD, and DARD. The advantages and challenges of this approach are highlighted below:

Advantages	Challenges
<ul style="list-style-type: none"> • As this option entails collaboration between all the Departments, it would ensure policy contribution to childcare from a number of sources. • Due to the cross-cutting nature of childcare, this option would utilise the expertise across all Departments. • This option would not be as radical as transferring all staff and budgets to a new entity or one lead Department, therefore the transition period would be reduced ensuring that the impact on the ground would be realised quicker. • Reduced level of policy and legislation change, again enhancing the time in which changes can be implemented and delivered. 	<ul style="list-style-type: none"> • This approach has not worked in the past e.g. the historic structure of the sector included the formation of the IDEY group (including DE, DHSSPS and DEL) which undertook the role of providing inter-departmental cooperation to direct the Children First policy. • Although the Chair of the IDEY group rotated between the three departments, the structure lacked clear ownership and leadership from any one department. • A statutory duty to co-operate would be required. • Difficulty in gaining synergies from Departments whose priorities are historically focused along different departmental lines. • Difficulty in developing consistent systems for data collection across various Departments. • This option would not address the issue of the lack of accountability, which is been apparent with the sector, as responsibility would not reside with one Minister.

Option (e): Devolving Childcare Service Delivery to District Councils

This option would involve devolving childcare to Local Councils. This approach would mirror that of the UK, whereby Local Authorities are responsible, under the Childcare Act 2006, to secure sufficient childcare for working parents. In this system, Local Authorities take the strategic lead in their local childcare market, planning, supporting and commissioning childcare.

It is important to note that the powers and responsibilities of local councils in NI are currently less than that of the UK Authorities. However, Local Councils in NI are undergoing significant changes under RPA, which would widen their responsibilities. The RPA would result in the rationalisation in the number of local authorities in NI from 26 to 11, which would transfer a range of functions from central to local government including planning, regeneration, public realm aspects of local roads, and some minor economic development, tourism and housing related functions NB. In May 2010 it emerged that the process of bringing the new authorities into existence will be delayed or may not occur, due to the failure of members of the NI Executive to agree on boundaries for district electoral areas. Consequently, there is a great deal of uncertainty regarding whether reform will take place.

The NI Local Government Association (NILGA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE), representative bodies of local government, have produced a *'Manifesto for Strong, Effective Local Government'*. The Manifesto sets out three broad roles for the Councils of the future i.e. 'Giving Strong Civic Leadership; Delivering Modern Services; Shaping the Places Where People Live and Work.' At the present, there are no plans within this manifesto with regard to Councils role or desire to deliver childcare locally.

The advantages and challenges of this approach are highlighted below:

Advantages	Challenges
<ul style="list-style-type: none"> • Implementation at local level • Model would be comparable to that in the UK and Ireland, which have demonstrated success. 	<ul style="list-style-type: none"> • Significant changes already being rolled out and additional responsibilities for Councils • Would require significant planning and lead in time.

Option (f): Devolving Childcare Service Delivery to Regional Childcare Partnerships

This option envisages a regional Childcare Partnership governed by and accountable to a Lead Department or a new entity structure.

The four CCPs currently in place provide a core service of local delivery with valuable expertise and experience in the childcare sector. The CCPs have made significant progress with regard to rolling out successful Sure Start projects and providing support to the childcare workforce. The uncertainty of late with regard to the outcomes of the Early Years Strategy (0-6 years) and the lack of a strategy for school aged children, combined with a lack of sustainable funding streams, has resulted in the CCPs working towards annual action plans rather than preferred three year business plans.

With the appropriate funding, resources and leadership the CCP have the necessary skills, experience and willingness to implement delivery at a local level. The advantages and challenges of this approach are highlighted below:

Advantages	Challenges
<ul style="list-style-type: none"> • Implementation at local level using existing structures. • Build on existing expertise currently evident across partnerships. • Strengthen coordination of action at the local level. • Ability to get closer to the ‘grass roots’ • Accessibility to parent and child through strong local level involvement. 	<ul style="list-style-type: none"> • Developing a consistent approach across the partnership areas, whilst recognising the need to tailor approaches where required. • Developing structures to ensure efficiencies are gained in terms of monitoring supply and demand.

Summary of Relative Merits of Potential Governance/Management Models

Table 12.1 overleaf provides a summary of the performance of each of the identified governance/management options against a range of key criteria, namely:

- Provision of accountability and coherence;
- Promotion of partnership working – i.e. ability to generate buy-in and support from differing sections of the sector;
- Enhancing local delivery;
- Delivering within an acceptable timeframe – i.e. ability to develop and start implementing a childcare strategy within the next 12 – 18 months;
- Minimising implementation risk – i.e. risks associated with cultural and process change, the ability to achieve buy-in, potential for timescale delays etc; and
- Minimising implementation cost e.g. costs associated with transfer/recruitment of personnel, information technology costs etc.

Table 12.1
 Summary of Relative Merits of Potential Governance/Management Models

Criterion	Option Performance Against Criteria					
	(a) No Change	(b) New Entity	(c) Lead Department	(d) Inter – Dept. Group	(e) Local Councils	(f) Regional CCP
Provides accountability and coherence	<i>Low</i>	High	High	<i>Low - Medium</i>	High	High
Promotes partnership working	<i>Low</i>	Medium	Medium	Medium	High	High
Enhances local delivery	<i>Low</i>	Medium	<i>Low</i>	<i>Low</i>	High	High
Delivers within an acceptable timeframe	High	<i>Low</i>	High	High	<i>Low</i>	<i>Low</i>
Minimises implementation risk	Medium	<i>Low</i>	Medium	Medium	<i>Low</i>	<i>Low</i>
Minimises implementation cost	High	<i>Low</i>	High	High	<i>Low</i>	<i>Low</i>

Table 12.1 highlights that:

- The lack of change associated with Option (a) means that it scores poorly in relation to: providing accountability and coherence; promoting partnership working; and enhancing local delivery. However, the retention of the status quo means that little/no cost or time delay is incurred in its implementation. The lack of change in structures/processes also means that it has limited ‘implementation risk’, however, this is counterbalanced by the fact that it may be perceived as being unacceptable by the sector;
- Option (b) “New Entity” has the potential to provide a high level of ‘accountability and coherence’ and to ‘promote partnership working’. However, the degree and complexity of change associated with this option means that it performs poorly against: delivery within an acceptable timeframe; minimising implementation risk; and minimising implementation cost;
- Option (c) “Lead Department” has the potential to provide a high level of ‘accountability and coherence’ and to promote a degree of partnership working. The limited level of change associated with this option also means that it performs well in relation to: delivery within an acceptable timeframe; minimising implementation risk; and, minimising implementation cost;
- Option (d) Inter- Departmental Grouping has the potential to provide a low -medium level of ‘accountability and coherence’ and has the potential to promote a degree of partnership working. The limited level of change associated with this option also means that it performs well in relation to: delivery within an acceptable timeframe; minimising implementation risk; and, minimising implementation cost;
- Option (e) Local Councils and (f) Regional CCP has the potential to provide a high level of ‘accountability and coherence’, ‘partnership working’ and ‘local delivery’. However, the degree and complexity of change associated with these options mean that they perform poorly against: delivery within an acceptable timeframe; minimising implementation risk; and minimising implementation cost

Based on the above analysis, Option (c) - the development of a Lead Department, appears to be the only governance/management option that has the potential to deliver a high level of accountability/coherence and partnership working, within an acceptable timeframe, and within an affordable level of cost. Consequently, we recommend that this option is pursued.

In taking this option forward, Departmental representatives should identify and discuss the relative merits of each Department being allocated the responsibility for childcare. Given their previous work/interest in this policy area, it is envisaged that DE, DHSSPS, OFMDFM, DEL, DSD, and DARD would represent the most likely candidates for adopting this role.

12.1.3 Monitoring and Evaluation of the Childcare Strategy

Arrangements for the monitoring/evaluation of the Childcare Strategy can only be fully determined when (1) a final version of the strategy is produced, and (2) the management/governance structure for the strategy is agreed. However, Table 12.2 overleaf provides an indicative framework for the monitoring of the strategy.

Table 12.2
Monitoring and Evaluation Structure Summary

Factor	Baseline Information / Measurement Mechanism	Data Collection Method	Frequency of Data Collection	Individual Responsible for Data Collection
Capital Expenditure	Financial management information	Financial management information	Annually	Individual with Lead Department to be identified
Revenue Expenditure	Financial management information	Financial management information	Annually	
Supply of Childcare Places (by type/location)	FRS and DHSSPS data + other baseline (to be developed)	Collation of FRS, DHSSPS and other relevant data Data submitted by childcare providers	Annually	
Demand for Childcare Places (by type/location)	FRS and DHSSPS data + other baseline (to be developed)	Collation of FRS, DHSSPS and other relevant data Data submitted by childcare providers	Annually	
Supply and Demand for Childcare for Children with Disabilities	Baseline to be determined	Data submitted by childcare providers	Annually	
Supply and Demand for Childcare for Children from Ethnic Minority Groupings	Baseline to be determined	Data submitted by childcare providers	Annually	
Mothers in employment	Labour Force Survey	Labour Force Survey	Annually	
Child Poverty	FRS/ DSD Household Below Average Income reports/ OFMDFM data	Analysis of available data	Annually	
Parental attitudes to childcare	Attitudinal survey pre implementation	Attitudinal survey	Every 3 years	
Parental awareness of financial support for childcare	NICMA research	Attitudinal survey	Every 3 years	
Other Stakeholder Satisfaction	Survey pre implementation	Attitudinal survey	Every 3 years	

Assuming that the Strategy will encompass the period 2011 to 2021, independent Mid-Term and Final Evaluations should be carried out in 2015 and 2022, respectively, which should utilise the monitoring information collected during the strategy period.

The evaluations should determine the extent to which the policy/strategy objectives have been met and also aim to assess the impact of each of the initiatives carried out under the auspices of the strategy, including an assessment of impacts on children, parents, service providers and wider societal impacts.

12.2 Benefit Realisation

The table below presents the anticipated benefits of the project, the activities to be undertaken in realising the benefit, the timing of activities and highlights the individual / organisation responsible for the activities.

Table 12.3
Benefit Realisation

Benefit to be Achieved	Activities Undertaken to Realise Benefit	Timing	Organisation/Individual Responsible for Benefit Realisation
Improved accessibility and sustainability of provision	<ul style="list-style-type: none"> Information system development Analysis/development of service provision 	2011 onwards	Individual with Lead Department to be identified
Improve quality (including child well-being and development)	<ul style="list-style-type: none"> Funding of additional registration and inspection costs Development of a standardised, co-ordinated and effective approach to inspections 	2011 onwards	
Contribution to child poverty and other key policies	<ul style="list-style-type: none"> Full implementation of strategy 	2011 onwards	
Contribution to increased use of formal childcare	<ul style="list-style-type: none"> Full implementation of strategy 	2011 onwards	
Increased partnership working	<ul style="list-style-type: none"> Full implementation of strategy 	2011 onwards	
Increased public awareness of financial assistance for Childcare	<ul style="list-style-type: none"> Development and implementation of a public awareness raising campaign relating to the availability of financial support for childcare 	2011 onwards	