



**Sure Start County Durham  
Childcare Sustainability Strategy**

**2009 - 2011**

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## **1. Introduction**

- 1.1 The Childcare Act 2006 fulfils the government's commitment to give every child the best start in life and parents greater choice about how to balance work and family life. The Act places duties on English local authorities to improve outcomes for young children and reduce inequalities between them; to secure sufficient childcare to enable parents to work; and to provide information to parents about childcare and a wide range of other services that may be of benefit to them.

The Act expands and clarifies in legislation the vital role that the Local Authority (LA) should play as the strategic leaders in facilitating the childcare market. The LA has the responsibility and lead role in co-ordinating effort across services, enabling different organisations, such as Sure Start Children's Centres, extended services, childcare providers from all sectors, JobCentre Plus and local health services, to work together to secure sufficient high quality, sustainable, provision that is responsive to the needs of children and their families. A key part of achieving this vision is to listen to the views and experiences of parents and children, maintaining a user focus and breaking any down barriers which prevent parents access to childcare.

Section 6 of the Act sets out the duties placed upon the Local Authority (LA) to secure, so far as is reasonably practicable, that the provision of childcare is sufficient to meet the requirements of parents in their area.

### **1.2 Aims and Objectives**

The aim of Sure Start County Durham's (SSCD) Childcare Sustainability Strategy is to ensure that sufficient sustainable, high quality, affordable and accessible childcare is available to meet the requirements of parents, in line with the SSCD's Childcare Strategy.

## **2. Securing Sufficiency**

- 2.1 In securing sufficiency, the Department for Children, Schools and Families (DCSF) recommends that local authorities should focus on the long-term delivery of reliable and sustainable childcare services which allow parents to make decisions about the balance between work and family life. Sufficiency will be met when those parents in County Durham who wish to do so, are able to access the childcare they need to enable them to work or train.
- 2.2 In securing sufficiency SSCD will ensure that it is meeting its 'best value duty' to make arrangements to secure continuous improvement in the local economy, efficiency and effectiveness, taking into account the statutory guidance issued by the Department for Communities and Local Government.
- 2.3 Funding and support will be made accessible to settings in line with SSCD's strategic objectives against a clear set of criteria for deciding which providers should receive support, which will ensure that funding systems treat providers in all sectors of the childcare market equitably. Decisions to refuse or cease support will be based on a clear and publicised rationale, and will be informed by evidence within the Childcare Sufficiency Audit and a full assessment of the business.

2.4 In line with DCSF guidance childcare providers will be encouraged to reach a sustainable position rapidly and therefore support will be focused accordingly. In general, open-ended, repeated subsidies to providers will not be approved.

### **3. Supporting Sustainability**

3.1 Ensuring that childcare is reliable and sustainable is a key aspect to enabling parents to make real choices in balancing work and family life. SSCD will therefore, primarily support businesses which have the capacity to develop successfully to maturity. SSCD will ensure that appropriate business support and training is accessible to settings to support business sustainability.

#### **3.2 Business support available to childcare providers**

Durham County Council has signed up to the Business Support Simplification Programme (BSSP) which aims to make it easier for companies and entrepreneurs to understand and access government funded grants, subsidies and advice with which to start and grow their businesses.

As a result of this development the delivery of the business support offered to childcare providers will be available via Business Enterprise North East (BENE).

BENE will, in partnership with Sure Start County Durham, offer bespoke support to childcare providers.

#### **3.3 How do childcare providers access business support?**

- All initial requests for business support must be made to Sure Start County Durham;
- Sure Start County Durham will then work with BENE to ensure that providers receive the most appropriate support;
- Sure Start County Durham will have regular meetings with BENE to ensure that the support offered continues to meet the needs of the business.

Support offered to childcare providers includes information, advice and training to support the economic sustainability of providers, which includes business planning, financial management and marketing.

#### **3.4 Short term funding to support sustainability**

In addition to the business support advice and training available to childcare providers via Business Enterprise North East, SSCD can provide short term sustainability funding for those childcare providers who are facing the threat of potential closure but are required to ensure that there is sufficient childcare to meet the needs of parents. To help determine the level of financial support required, providers must submit all requested financial information to SSCD so that a financial assessment can be made. If no financial information is received by SSCD no payment will be made.

3.5 In line with DCSF guidance Sure Start County Durham can, at its discretion choose not to fund or support those childcare providers they believe are unlikely to be sustainable without on-going financial support. The decision not to support

a particular childcare provider will be made after careful consideration of the setting's business plan and financial information.

3.6 A maximum of **£5,000** short term sustainability funding can be made available to providers in any one financial year. In accessing this funding the provider must agree to work with SSCD and B.E-N.E. to ensure future business sustainability, the provider must agree to provide quarterly monitoring reports to SSCD.

### **3.7 Medium term funding to support sustainability**

To reflect the current economic climate and in line with DCSF guidance, Sure Start County Durham can at its discretion provide medium term sustainability funding to those providers who are experiencing on-going financial problems.

3.8 A maximum of **£10,000** inclusive of previous short term sustainability funding received can be made available to providers in any one financial year. In accessing this funding the provider agrees to continue to work with SSCD and B.E-N.E to ensure future business sustainability, the provider also agrees to provide quarterly monitoring reports to SSCD.

3.9 In line with DCSF guidance Sure Start County Durham can at its discretion choose not to fund or support those childcare providers they believe are unlikely to be sustainable without on-going financial support. The decision not to support a particular childcare provider will be made after careful consideration of the setting's business plan and financial information.

### **3.10 Long Term funding to support sustainability**

In exceptional circumstances Sure Start County Durham can at its discretion provide long term sustainability funding to those providers who are unlikely to become sustainable but are located in an area where there is a need for childcare and no other childcare is available.

3.11 In line with DCSF guidance Sure Start County Durham reserves the right to support a new provider, under a different business model, rather than making grants available to a provider which is unlikely to be sustainable in the longer term.

3.12 SSCD reserves the right to request repayment of any sustainability funding should the provider make a profit in excess of £10,000 in the financial year sustainability funding was awarded.

## **4 Sustaining Childcare in Children' Centres**

4.1 Sure Start Children's Centres are at the heart of the Government's Every Child Matters: Change for Children Programme. They are a key vehicle for providing services that families need. In line with the Department of Education and Skills (DFES) guidance to all local authorities **all** Sure Start Children's Centres in the 30% most disadvantaged areas must offer early years provision on site.

4.2 In recognition that to meet DCSF requirements, some childcare which has been developed in the 30% most socially disadvantaged areas may not be sustainable in the long term, Sure Start County Durham is obligated to ensure that sustainability funding is available to those providers. The amount of funding to be made available to childcare providers delivering childcare on behalf of children's

centres will be determined on an individual basis.

4.3. SSCD can at its discretion make long term sustainability funding available where provision is sustainable, but the level of fees excludes a particular group of parents, for whom local authority is attempting to secure childcare. Sustainability funding in this instance will be paid direct to the provider.

## **5. Monitoring sustainability**

5.1 The LA is required by section 11 of the 2006 Childcare Act to conduct a Childcare Sufficiency Audit every three years, and to review this on an annually basis, therefore careful monitoring of childcare providers in receipt of childcare sustainability funding will need to be undertaken to ensure that there is sufficient good quality, affordable and accessible childcare available to meet the needs of parents with in County Durham.

5.2 To ensure that the LA fulfils its statutory duties as identified in section 11 of the 2006 Childcare Act, all providers in receipt of sustainability funding will be required to complete regular monitoring returns as requested by SSCD. And as a condition of funding, agree to an officer of SSCD making unannounced visits to the setting.

## **6. Childcare sustainability and links with the Early Years Capital Grant**

SSCD reserves the right to defer/withhold payment of the early years capital grant to settings in receipt of sustainability funding until such a time as the setting can demonstrate financial sustainability in the long term.

## **7. Further information**

- Every Child Matters: Change for children – [www.everychildmatters.gov.uk](http://www.everychildmatters.gov.uk) - search using ref: 00356-2007BKT-EN
- Childcare Act 2006 - [www.everychildmatters.gov.uk/earlyyears/childcareact](http://www.everychildmatters.gov.uk/earlyyears/childcareact)
- Sure Start Children's Centres – [www.surestart.gov.uk/improvingquality/guidance/practiceguidance/](http://www.surestart.gov.uk/improvingquality/guidance/practiceguidance/)

## **8. Contacts**

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