



## Out of school childcare survey

### Why investigate out of school services?

As the leading national champion of out of school provision 4Children has been closely monitoring the impact of budget cuts and shifting policy priorities. In addition, we were concerned that the pressures on parents caused by the changing economic climate, struggles with increasing unemployment, changing working patterns and stretched household finances may be adversely affecting childcare providers. To ensure we had a full picture from the frontline we decided to undertake a national survey of childcare providers.

### Methodology

The survey was carried out between July 15<sup>th</sup> and August 22<sup>nd</sup> through an online survey hosted by [www.surveymonkey.com](http://www.surveymonkey.com). Respondents were providers of out of school childcare; made up of 4Children members, contacts in local authorities and readers of Children and Young People Now magazine. Some 492 professionals took part in the survey.

### Results

The questions and participants' answers are laid out in the tables below. The number in brackets indicates the number of participants answering the question shown.

#### Question 1:

<b>What type of out of school childcare do you provide? (Please select all that apply) (492)</b>		
An after-school club	90.4%	445
A breakfast club	62.0%	305
Holiday provision	68.9%	339

Further breakdown of the data shows that:

- 1 per cent run a breakfast club only
- 15 per cent run an after-school club only
- 8 per cent run holiday provision only
- 0 per cent run a breakfast club and holiday provision
- 15 per cent run a breakfast club and after-school provision
- 15 per cent run an after-school club and holiday provision
- 46 per cent run a breakfast club, after-school club and holiday provision

#### Question 2:

<b>If you received funding from your local authority during the last school year, do you expect that funding to change from September? (489)</b>			Percentages adjusted to remove N/As
Yes it is going down	10.4%	51	42%
Don't yet know	9.4%	46	38%
No it is staying the same	4.9%	24	20%
Yes it is going up	0.2%	1	1%
N/A - Don't receive any money from the Local	75.1%	367	

Authority			
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So while the majority of out of school childcare providers don't receive money from their Local Authority, 80% of those who do are either losing funding or waiting for news on funding for the coming year.

Question 2 a:

<b>If your funding from the local authority has reduced, how much has it been reduced by? (420)</b>			Percentages adjusted to remove N/As
Less than 10%	2.1%	9	13%
11-25%	4.3%	18	27%
26-50%	3.1%	13	19%
More than 50%	6.4%	27	40%
N/A - Don't receive any money from the Local Authority	84.0%	353	

Where funding cuts have happened, they have been significant. Of the 16 per cent of respondents which receive money from their Local Authority and have received news about funds for the coming year, 59% are losing a quarter or more of that funding for 2011-12.

Question 3:

<b>If you received funding from your school during the last school year, do you expect that funding to change from September? (473)</b>			Percentages adjusted to remove N/As
Yes it is going down	4.4%	21	42%
Don't yet know	3.4%	16	32%
No it is staying the same	2.5%	12	24%
Yes it is going up	0.2%	1	2%
N/A - Don't receive any money from the school	89.4%	423	

Again, while the vast majority of providers don't receive funding from an attached school (89%), of those who do, 42 per cent are seeing a reduction in the amount they will receive in the coming year, and 32 per cent are waiting for school budgets to be finalised, leaving them in an uncertain position as the new term starts.

Question 3a:

<b>If your funding from the school has reduced, how much has it been reduced by? (434)</b>			Percentages adjusted to remove N/As
Less than 10%	0.2%	1	4%
10-25%	0.7%	3	13%
26-50%	1.4%	6	26%
More than 50%	3.0%	13	57%

N/A - Don't receive any money from the school	94.7%	411	
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Of the 5.3 per cent of providers currently receiving money from a school, 83 per cent are awaiting a loss of a quarter or more of their funding.

Question 4:

<b>Have you seen a change in demand for your provision over the past academic year? (482)</b>		
Yes - Demand has increased	44.8%	216
Yes - Demand has decreased	37.8%	182
No - Demand has stayed the same	17.4%	84

Demand for provision is mixed. Although the biggest proportion of settings has seen the demand for their service increase, this is closely followed by out of school services which have seen demand fall and only 17 per cent have seen demand remain the same. The unpredictability of demand for such services can make planning difficult and act as a barrier to running a sustainable setting.

Question 4a:

<b>If you have seen a change in demand, why do you think this is? (369)</b>		
Change in parental working patterns	72.4%	267
Change in parental incomes	57.7%	213
Change in quality of service	11.4%	42
Change in hours offered to parents	10.8%	40
Change in school priorities	8.7%	32
Change in LA priorities	7.0%	26

Most providers are struggling with changes in demand that are outside of their control – with parents' employment and financial situations affecting 72 and 58 per cent of settings respectively. This underlines the need for providers to have sufficient business skills and ability to financially plan that an increasingly uncertain climate requires. However, even with the necessary skills and support some providers are facing an uphill struggle to ensure out of school childcare will be available to all parents that need it. This survey suggests that the future availability of sufficient financial support for parents wanting to use out of school childcare could also have a significant impact on the future availability of that provision.

Question 5:

<b>Do you believe that your provision is sustainable for the next school year? (488)</b>		
Yes	75.8%	370
Depends on funding decisions which are yet to be made	14.8%	72
No	9.4%	46

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9.4 per cent of settings feel that their provision is not sustainable for the coming year and 14.8 per cent of settings are in limbo – awaiting the results of decisions which are yet to be made.

Question 6:

<b>How would you characterise your relationship with your school/schools? (477)</b>		
Very positive	49.1%	234
Quite positive	35.0%	167
Ambivalent (they don't seem to care)	13.6%	65
Negative or deteriorating	2.3%	11

Overall the majority – 84 per cent - of out of school providers feel that they have a “very” or “quite” positive relationship with partner schools, with only 2 per cent describing relations as “negative or deteriorating”.

Question 7:

<b>What are your biggest concerns for the year ahead? (471)</b>		
Drop in parents income and ability to pay	65.8%	310
Rising costs	50.3%	237
Reduced priority for out of school activities	26.3%	124
Drop in funding	19.1%	90
Other	16.8%	79
I don't have any strong concerns	13.2%	62
Changes to the way education is organised locally with more academies and free schools	10.4%	49

We gave out of school childcare providers the opportunity to comment on their biggest concerns for the coming academic year and saw some strong themes emerging. These included:

**Rising costs:**

- “Our rent will increase from September so sustainability has become a great concern. We will make a decision regarding closure at the end of winter term.”
- “We have been lucky to get Aiming High money for second year running, but this is not guaranteed and we have to fund raise £20K per year to maintain sustainability.”
- “There are many worries this year. Last year, one school decided they would increase our rent from nil to £34,000.00 per year. This wasn't even our income, let alone minus wages and so on. Three of the other schools we work in have increased their rent by 66%. We just don't know how we will be affected.”

**Struggling parents:**

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- "Sustainability for our holiday care is a challenge as we always struggle to obtain enough children to make it viable. We have been fortunate enough to be open so far but demand appears to be dropping."
- "It is very difficult to keep childcare affordable for working parents in the current climate. Staff cost are rising again in October and food costs are high. To sustain the level of care we are offering at the moment may become difficult next year."
- "Parents are changing their working patterns to make it worth their while working and avoid childcare costs."
- "[There has been a] drop in numbers. Parents are changing work patterns and younger children are walking home alone to avoid paying after school club fees."

#### **Meeting Ofsted requirements for staff qualifications:**

- "We have a difficulty recruiting and retaining staff qualified to required standards."
- "I am very concerned at the ability of our volunteer management organisation to cope with recruitment and Ofsted requirements"

#### **Potential reductions in quality:**

- "Our previous Ofsted inspections have been excellent because of our commitment but the time we spend, of course, comes at a cost, which will probably have to be significantly reduced [due to funding concerns]."

#### **Conclusions**

It is reassuring to see that only a relatively small proportion of out of school childcare settings have been directly affected by recent cuts, mainly because they were financially independent from their school or local authority already. However, the survey reveals that they remain in danger as a result of the fall in incomes of many parents who are currently suffering from reduced working hours, frozen wages and unemployment, coupled with reduced support for childcare costs through tax credits.

Another significant challenge facing the sector is the unprecedented rise in running costs experienced by some providers as a result of changes to local charging policy. As this report shows, increased rents from schools put the future viability of some clubs into question.

#### **Recommendations**

1. Central and local government must do more to promote the tax credit system to parents of older children to support them to use out of school childcare.
2. When universal credit is introduced, support for childcare costs for older children must continue to be available and at a sufficient level to meet costs both during term time and the school holidays.
3. Rising costs risk the future of crucial support for working parents and important opportunities for school-age children. Local authorities and schools need to look again at their budgets and find innovative solutions to funding dilemmas which avoid pushing out their smaller partners .

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*For more information on this report or its conclusions, please contact 4Children's Director of Public Affairs Claire McCarthy on 0207 522 6929 or via email [Claire.McCarthy@4Children.org.uk](mailto:Claire.McCarthy@4Children.org.uk)*