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# Interim Evaluation of the Bright Start School Age Childcare Grant Scheme



## Summary Report





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Note:

*This report is a summary version of the full Interim Evaluation report that focuses on overall trends across all funded childcare settings as well as findings from related stakeholder interviews and research. This summary version of the full Interim Report excludes case studies of individual settings derived from 1 to 1 project interviews which could be deemed to be commercially sensitive. Only the final version of the full Interim Evaluation report should be considered definitive.*

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## SECTION 1 Introduction

### 1.1 Background

The Programme for Government 2011-15 committed the Executive to *'publish and implement a Childcare Strategy with key actions to provide integrated and affordable childcare.'*

The former Office of the First Minister and Deputy First Minister (OFMDFM), now The Executive Office, was leading on the development and co-ordination of the Executive's Childcare Strategy. OFMDFM had been working in partnership with the Government Departments responsible for policy areas relevant to childcare and liaising regularly with stakeholder and sectoral interests. In May 2016 policy responsibility for the Childcare Strategy moved from OFMDFM to the Department of Education as part of the restructuring of central Government Departments.

The Childcare Strategy is being delivered on a phased basis. The first phase was launched in September 2013 and comprised 15 Key First Actions to address the main childcare priorities that had been identified during an initial phase of consultation and research. Of particular priority was the need to increase the provision of school age childcare services (breakfast clubs, after school clubs and summer schemes aimed at the 4-14 age group). The School Age Childcare (SAC) Grant Scheme was introduced to help address this need. Responsibility for the Scheme previously resided with OFMDFM, but transferred to the Department of Education in May 2016.

### 1.2 Overview of the SAC Grant Scheme

The SAC Grant Scheme was developed to deliver Key First Actions (KFA) 1, 2 and 5 of the first phase of the Childcare Strategy. These actions aim to create or sustain up to 7,000 school age childcare places:

- KFA 1 aims to create or sustain 3,000 SAC places addressing the childcare needs of disadvantaged communities;
- KFA 2 aims to create 2-3,000 SAC places in new facilities based on the school estate; and

- KFA 5 aims to create up to 1,000 SAC places addressing the childcare needs of rural areas.

The SAC Grant Scheme was launched in March 2014. Only childcare providers operating on a social economy model - settings that invest any surplus back into providing the childcare service - are eligible for support. Social economy settings were considered to be those most likely to offer an affordable and sustainable service.

In summary the Scheme provides support for the following:

- expansion of an existing SAC setting to enable it to create new places;
- sustaining an existing SAC setting to safeguard the places it currently provides;
- enabling a new SAC setting to start up;
- enabling a new or existing setting to create SAC places for children with a disability;
- enabling a SAC setting to move to a social economy model and create or sustain places; and
- business support associated with any of the above activities.

Grant support is available for capital expenditure (premises and equipment), for revenue (running costs), or both. The capital expenditure eligible under the scheme is focused on costs of refurbishment/equipment to bring existing facilities in line with the Department of Health's (DoH) Minimum Standards<sup>1</sup> and is capped at a maximum of £30k. Revenue grants are available for up to three years and are framed around assisting projects to apply for the shortfall between projected fee income and running costs.<sup>2</sup> Under the operation of the scheme projects are eligible to receive funding of up to 25% of annual running costs under disadvantaged criteria in two ways. Firstly if a setting is located in the 25% most disadvantaged areas and is working to a target of 50% (or more) of parents accessing Working Families Tax Credit (WFTC). Secondly, if a setting is located outside the 25% most disadvantaged areas and is working to a target of 30% (or more) of parents accessing WFTC.

For projects/settings that are not based in the most disadvantaged areas nor servicing disadvantaged families (per the WFTC targets above) the intervention levels are lower (ie 20% of running costs in Year 1; 15% in Year 2; and 10% in Year 3). This is because the intervention in this regard is targeted more generally in addressing shortfalls in SAC provision rather than shortfalls in this type of provision within disadvantaged areas/ amongst disadvantaged families.

As set out in the Guidance Notes for the scheme, post code information is used to determine whether a project is based in one of the 25% most disadvantaged areas. In this context, a disadvantaged area is defined as one located in the 25% most disadvantaged Super Output Areas (SOAs) based on the Income Deprivation Affecting Children (IDAC) Measure, that is those ranked 1-223. IDAC<sup>3</sup> is the proportion of children in an area who are living in income deprived households. As above, a project's ability to serve disadvantaged families is assessed in terms of the proportion of parents it aims to attract who are eligible for WFTC support with the costs of childcare, in line with the targets set out previously.

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<sup>1</sup> Childminding and Day Care for Children Under Age 12 Minimum Standards, Implementation Guidance July 2013.

<sup>2</sup> Using reference costs for a SAC setting of 24 places in the community/third sector as a broad guide as to what a reasonable level of running costs might be.

<sup>3</sup> IDAC is a stand-alone measure combining the percentage of a SOA's children aged under 16 living in families in receipt of Income Support, State Pension Credit, income based Jobseeker's Allowance, income based Employment and Support Allowance, Housing Benefit, Working Tax Credit or Child Tax Credit. Tax credit claimants are included only where the equivalised income is below 60% of the NI median before housing costs.

Finally, within the scheme consideration may be given to 'start up' costs or costs incurred in the transition to a social economy model. Settings considering transition to a social economy model have been able to avail of business planning and governance support via the auspices of the 11 Social Enterprise Hubs<sup>4</sup> located across Northern Ireland in the nine Social Investment Fund (SIF) zones.

To date there have been three calls for applications to the SAC Grant Scheme, with the first mainly focused on sustaining places at existing SAC settings that were supported through a previous Playboard scheme<sup>5</sup>, with the second and third calls more focused on new settings and new places - as detailed in full in Section 2.

The scheme is being delivered by the Health and Social Care Board (HSCB) via the Childcare Partnerships (CCPs) on behalf of the Department of Education, who have assumed a Managing Agent role. This role entails all aspects of implementation of the scheme from managing the application process through to post award monitoring of settings against targets and key indicators. The Managing Agent is required to manage the funding allocated to the scheme in line with best practice governance and management of financial resources. The HSCB/CCPs are supported in this role by Playboard who are an external contractor to the HSCB/CCPs. The Playboard role is focused on one-to-one work with projects, including providing advice and support to interested applicants, on site vouching and verification of funded projects, working with projects on sustainability planning and helping projects to promote the uptake of Government financial assistance with the costs of childcare (eg under the current system, being tax credits and childcare vouchers).

### **1.3 Terms of Reference for the interim evaluation**

Given the centrality of this expanded SAC Grant Scheme to the full Childcare Strategy, it was deemed appropriate to conduct an interim evaluation towards the end of its second year, on the understanding that a further and final evaluation will be carried out at the end of Year 3.

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<sup>4</sup> The NI social enterprise hubs are available to all new or existing social enterprises with an idea for a new product or service. There are 11 hubs located over the nine Social Investment Fund (SIF) zones in Northern Ireland. They are located in Enniskillen, Strabane, Derry~Londonderry, Ballymena, Lisburn, Downpatrick, Lurgan, North Belfast, South Belfast, East Belfast and West Belfast.

<sup>5</sup> This was funded by OFMDFM and supported 40 SAC settings - operated by voluntary and community sector (VCS) providers - mainly in disadvantaged areas. These offered around 1,000 SAC places. The settings are in the main a legacy of EU PEACE Programme initiatives.





It is intended that the interim evaluation will influence both the future content of the SAC Grant Scheme and the role of grant funding in the full Childcare Strategy. It was required to review data from all three calls for applications, to assess the extent to which the SAC Grant Scheme has delivered or can, in the future, deliver Key First Actions 1, 2 and 5, particularly the envisaged numbers of new childcare places and new childcare settings. It was further required to review past and potential performance in terms of delivering child development and parental employment. Finally, the interim evaluation was required to assess the ability of this type of Grant Scheme to deliver the numbers of childcare places envisaged in the draft Childcare Strategy.

Specifically the interim evaluation was required to assess the following:

- How successfully the Scheme has delivered KFAs 1, 2 and 5 taking account of the following:
  - number of new and sustained childcare places created in childcare settings that were already operating and established at the time of the call for applications;
  - number of new start childcare settings and the number of childcare places these are providing;
  - number of existing childcare settings serving disadvantaged communities (as defined in the Guidance for the SAC Grant Scheme) and the number of places these have created or sustained;
  - number of new start childcare settings in disadvantaged areas (as defined in the Guidance for the SAC Grant Scheme) and the number of childcare places these are providing;
  - number of disadvantaged parents (as defined in the Guidance for the SAC Grant Scheme) availing of childcare services funded under the Grant Scheme;
  - number of new start childcare settings based on the school estate and the number of childcare places these are providing;
  - number of new start childcare settings based in rural areas and the number of childcare places these are providing;
  - geographical location of SAC Grant Scheme applications and awards and identification of gaps;

- The extent to which the Scheme has promoted child development and parental employment;
- How successful the Scheme has been in terms of promoting (as noted in the Guidance for the SAC Grant Scheme) sustainability, affordability, quality, accessibility, integration, additionality, value for money and sharing;
- The extent to which the SAC Grant Scheme has addressed need and avoided displacing existing childcare services; and
- Suggestions as to how any future SAC Grant Scheme should be managed (eg open calls or a rolling programme of assistance).

Informed by all of the above the interim evaluation was required to conclude on the extent that the SAC Grant Scheme has met its stated objectives and based on this analysis provide a view on the feasibility of using an enhanced version of the SAC Grant Scheme, as suggested in the draft Childcare Strategy, to create 18,500 plus new childcare places over a ten year period. If the latter is not deemed to be feasible the evaluation is required to consider potential alternative means of creating childcare places.

It is important to note that the Terms of Reference did not require a detailed review of process issues, such as application process, decision making and fund dissemination, in that it was more strategically focused.

Against the above brief, Morrow Gilchrist Associates (MGA) were commissioned to undertake this interim evaluation of the Bright Start School Age Childcare Grant Scheme. During the course of the evaluation the Childcare Strategy Team moved from OFMDFM to the Department of Education. This report is a summary version of a more detailed Interim Evaluation report presented to the Evaluation Steering Group that excludes case studies of individual settings derived from one to one project interviews, in that some of this information<sup>6</sup> could be viewed to be commercially sensitive.

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<sup>6</sup> eg around funding secured from the Scheme; occupancy/vacancy levels; figures from sustainability projections from original applications.

In developing this report, the evaluation team used data and information provided mainly by the HSCB/CCPs, sourced through ongoing monitoring/data capture with funded settings. In the main it draws on monitoring data captured by HSCB from 69 of the 72 funded settings within Round 1 and 2 of the Grant Scheme, and where average data is presented for the quarter ended December 2015 within this report, it is drawn from across these 69 settings. All data/information sources are indicated as relevant within the report. It is understood from HSCB/CCPs that there are a few gaps and data capture inaccuracies in some of the collected monitoring data from funded settings as above. Therefore, in the view of the evaluation team, the data presented in this report illustrates broad trends only.

#### **1.4 Methodology deployed to complete the interim evaluation**

The Interim Evaluation team implemented three main strands of activity in April and May 2016 to complete the interim evaluation as follows:

- desk-based analysis of all information and statistics pertaining to the three calls for applications and the SAC places sustained/created therein, based in the main on information supplied by the Managing Agent (and based on an agreed cut-off date of December 2015);
- a programme of interviews with various representatives of sectoral stakeholders - HSCB/CCPs; Playboard; NI Childminding Association (NICMA); Employers for Childcare; the Early Years Organisation; and Children In Northern Ireland (CINI); and
- a programme of interviews with funded settings including:
  - those who have been successful in securing support via the first two calls;
  - those who were offered funding and who withdrew and/or those who withdrew at application stage; and
  - those who attended information/promotional events on the scheme/ are aware of the scheme but who have not submitted either an Expression of Interest or application.

The Interim Evaluation was conducted via close liaison with the Childcare Strategy Team in OFMDFM/Department of Education throughout the project, and was overseen by an Evaluation Steering Group, also comprising the HSCB/CCPs and Playboard teams.

## 1.5 Structure of the interim evaluation report

Table 1.1 sets out the remainder of the structure of this evaluation report.

**Table 1.1** Structure of the interim evaluation report

Section 2	Overview of SAC Settings Funded and Places Sustained and Created
Section 3	Profile of Families/Children Availing of SAC Places
Section 4	Parental Employment/Pathways to Employment
Section 5	Analysis of Vacancies and Projected Sustainability of Settings
Section 6	Stakeholder Interviews (Summary of Findings)
Section 7	Conclusions and Recommendations



## **SECTION 2 Overview of School Age Childcare (SAC) Settings Funded and Places Sustained and Created**

### **2.1 Introduction**

This section sets out the headline position in terms of SAC settings funded to date and associated SAC places sustained and created. This draws on definitive information in relation to the first two calls and projected information in relation to the third call, in that at the time of drafting this evaluation report decisions were being finalised across the five CCP regions in relation to letters of offer to applicants to the third round.

### **2.2 Overview of Round 1**

Table 2.1 provides a snapshot of the settings funded through Round 1 and the associated SAC places sustained and created across the 5 CCP areas.

In summary this shows that:

- 46 settings were successful in securing support, of which 44 were existing SAC settings and 2 new settings, in keeping with the fact that Round 1 was mainly targeted at sustaining existing settings funded previously through a comparable scheme in place through Playboard. One of the new settings was a transition case to a social economy model;
- 8 of the funded settings were based on the schools estate and 28 in rural locations or serving rural families;
- 42 out of the 46 settings are being funded under the disadvantaged criteria (as defined in Section 1) in that they are based in a disadvantaged area and/or targeting disadvantaged families; and
- overall within Round 1, 1,145 places are being sustained and 298 places were created.

**Table 2.1** Round 1 Settings and Places

Project	Places to be Sustained	Places to be Created	In Operation	New Start	School Estate	Rural	Disadvantaged (in the 25% most disadvantaged areas, >50% families on WFTC)	Disadvantaged (outside 25% most disadvantaged areas, >30% families on WFTC)
<b>BELFAST AREA</b>								
174 Trust ASC	18	0	Y				Y	
An Droichead	24	8	Y				Y	
Ardoyne ASC	30	0	Y				Y	
Beechmount ASC (Blackie)	16	8	Y				Y	
Bloomfield PlayCare	30	0	Y				Y	
Carryduff PlayCare	90	0	Y		Y	Y		Y
Forthspring	8	8	Y				Y	
Ionad Uibh Eanhach	35	0	Y					Y
Little Treasures	12	20	Y					Y
Oasis	32	16	Y		Y		Y	
Short Strand	24	0	Y				Y	
St Vincent (Mountainview)	28	4	Y				Y	
SOLAS	16	16	Y				Y	
Tullymore ASC (UACF)	24	8	Y				Y	
<b>Total</b>	<b>387</b>	<b>88</b>	<b>14</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>11</b>	<b>3</b>
<b>NORTHERN AREA</b>								
Larne Community CC	32	0	Y				Y	
Rasharkin Womens Centre	16	0	Y			Y		Y
Kidsview	18	12	Y		Y	Y		Y
Just 4 Kids	16	8	Y				Y	
Pomeroy	24	0	Y			Y	Y	
Loughiel	30	0	Y			Y		Y
Glenullin (Appletree)	16	0	Y			Y		Y
Laughterland	24	0	Y			Y		Y
Draperstown	40	0	Y			Y		Y
Kidzlodge	49	0	Y			Y		Y
<b>Total</b>	<b>265</b>	<b>20</b>	<b>10</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>3</b>	<b>7</b>
<b>SOUTH-EASTERN AREA</b>								
Strangford	16	0	Y		Y	Y		Y
Lisbarnett/Lisbane	16	0	Y			Y		
Hollywood Family Trust	32	9	Y					Y
<b>Total</b>	<b>64</b>	<b>9</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>2</b>
<b>SOUTHERN AREA</b>								
Funtime	24	0	Y			Y	Y	
Zero-8-Teen	28	0	Y			Y	Y	
Kids United	26	4	Y			Y		Y
Newry Early Years (Orana)	24	0	Y			Y		Y
Paddington	0	64		Y		Y		
Dunnaman	16	0	Y			Y	Y	
Orchard Pre-school	0	16	Y			Y		
Derrytrasna	16	8	Y		Y	Y		
Cairde Ui Neill	16	10	Y		Y	Y	Y	
Giggles	0	24		Y		Y		Y
<b>Total</b>	<b>150</b>	<b>126</b>	<b>8</b>	<b>2</b>	<b>2</b>	<b>10</b>	<b>4</b>	<b>3</b>



Project (cont'd)	Places to be Sustained (cont'd)	Places to be Created (cont'd)	In Operation (cont'd)	New Start (cont'd)	School Estate (cont'd)	Rural (cont'd)	Disadvantaged (in the 25% most disadvantaged areas, >50% families on WFTC) (cont'd)	Disadvantaged (outside 25% most disadvantaged areas, >30% families on WFTC) (cont'd)
WESTERN AREA								
The Nest	44	0	Y			Y		Y
Strabane and District	16	8	Y			Y	Y	
Club United	24	0	Y			Y		Y
Camowen P'Ship	51	0	Y			Y		Y
Bluegrass ASC	24	0	Y				Y	
Erne East	36	0	Y		Y	Y	Y	
Drumahoe ASC	40	17	Y			Y		Y
Cornabracken	20	20	Y		Y			Y
Active Allsorts	24	10	Y			Y		Y
<b>Total</b>	<b>279</b>	<b>55</b>	<b>9</b>	<b>0</b>	<b>2</b>	<b>7</b>	<b>3</b>	<b>6</b>
<b>Overall Total</b>	<b>1,145</b>	<b>298</b>	<b>44</b>	<b>2</b>	<b>8</b>	<b>28</b>	<b>21</b>	<b>21</b>

Source: HSCB/CCP data.

## 2.3 Overview of Round 2

Table 2.2 provides a snapshot of the settings funded through Round 2 and the associated SAC places sustained and created across the 5 CCP areas.

In summary this shows that:

- 28 settings were successful in securing support, of which 19 were existing SAC settings (sustaining and/or creating places) and 9 new settings. Two of these settings were funded in both Round 1 and Round 2, one for additional places being created in Round 2 (Glenullin) and one for a capital grant in Round 2 over and above support towards sustaining places in Round 1 (Newry Early Years);
- 4 of the funded settings were based on the schools estate (2 new and 2 existing); and 22 in rural locations or serving rural families;
- 27 out of the 28 settings are being funded under the disadvantaged criteria (as defined in Section 1) in that they are based in a disadvantaged area and/or targeting disadvantaged families;
- overall within Round 2 settings, 382 places are being sustained and 392 places were created; and
- the Western and Southern CCP areas have been particularly successful in creating new places.

**Table 2.2** Round 2 Settings and Places

Project	Places to be Sustained	Places to be Created	In Operation	New Start	School Estate	Rural	Disadvantaged (in the 25% most disadvantaged areas, >50% families on WFTC)	Disadvantaged (outside 25% most disadvantaged areas, >30% families on WFTC)
<b>BELFAST AREA</b>								
Ardmonagh	15	9	Y				Y	
Shankill	21	9	Y				Y	
<b>Total</b>	<b>36</b>	<b>18</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>
<b>NORTHERN AREA</b>								
St Colmcille's ASC	24	0	Y		Y	Y		Y
Kids Kabin	16	0	Y			Y	Y	
Glenullin (Appletree)	0	8	Y			Y		Y
<b>Total</b>	<b>40</b>	<b>8</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>2</b>
<b>SOUTH-EASTERN AREA</b>								
Bee's Nee's	46	0	Y				Y	
Killinchy	0	24		Y		Y		Y
<b>Total</b>	<b>46</b>	<b>24</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>SOUTHERN AREA</b>								
Krafty Kids	56	0	Y			Y	Y	
Drumellon	30	0	Y			Y	Y	
St Mary's PS	0	32		Y	Y	Y		Y
Desart Lodge	9	0	Y				Y	
Little Acorns	8	8	Y		Y	Y		
Rainbow Comm Childcare	8	16	Y			Y		Y
Newry Early Years (Orana)	0	0	Y			Y		Y
Brocagh ASC	0	64		Y		Y		Y
Woodlands	0	30		Y		Y		Y
<b>Total</b>	<b>111</b>	<b>150</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>8</b>	<b>3</b>	<b>5</b>
<b>WESTERN AREA</b>								
Around the Corner	15	40	Y			Y	Y	
Erne East (Bright Sparks)	24	0	Y			Y	Y	
Playtime Eskra	30	0	Y			Y		Y
Dry Arch	0	16		Y		Y	Y	
Rainbow Child & Family	14	12	Y				Y	
Kidz Club	14	8	Y			Y		Y
Omagh Early Years Centre	36	30	Y			Y		Y
Burnfoot Comm Dev Ass	0	16		Y		Y		Y
Rascals Playstation	16	10	Y			Y		Y
Dunluce Family Centre	0	16		Y			Y	
Gaelscoil Leim an Mhadaidh	0	20		Y	Y	Y		Y
Playstations (Space)	0	24		Y		Y		Y
<b>Total</b>	<b>149</b>	<b>192</b>	<b>7</b>	<b>5</b>	<b>1</b>	<b>10</b>	<b>5</b>	<b>7</b>
<b>Overall Total</b>	<b>382</b>	<b>392</b>	<b>19</b>	<b>9</b>	<b>4</b>	<b>22</b>	<b>12</b>	<b>15</b>

Source: HSCB/ICCP data.





## 2.4 Overview of Round 3

Table 2.3 provides a snapshot of the settings that will be funded through Round 3 and the associated SAC places created across the 5 CCP areas. This is based on recent decisions by the Strategic Assessment Panel and associated communication of award decisions to applicants.

In summary this shows that:

- 40 applications were successful in securing support, of which 29 are new start settings and 11 existing settings. 2 of the settings - Carryduff PlayCare and Kidzlodge - were also successful applicants to Round 1. In addition one setting - St Colmcille's - was a successful applicant to Round 2. All previous applications by these three settings related to sustaining places, whereas the Round 3 support was to create new places in all cases;
- 24 of the successful applications are based on the schools estate (18 new start settings and 6 existing settings expanding to create new places);
- 19 of the successful applications are based in rural locations or serving rural families;
- all 40 successful applications/settings are being funded under the disadvantaged criteria (as defined in Section 1) in that they are based in a disadvantaged area and/or targeting disadvantaged families; and
- overall within Round 3 settings, based on the data provided by successful applicants, 797 new<sup>7</sup> SAC places will be created.

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<sup>7</sup> The application process did not capture sustained places as the focus of Round 3 was mainly on new places and new settings.

**Table 2.3** Round 3 Settings and Places

Project	Places to be Sustained	Places to be Created	In Operation	New Start	School Estate	Rural	Disadvantaged (in the 25% most disadvantaged areas, >50% families on WFTC)	Disadvantaged (outside 25% most disadvantaged areas, >30% families on WFTC)
<b>BELFAST AREA</b>								
St Teresa's PS	0	30		Y	Y		Y	
The Hubb Resource Centre	0	24		Y			Y	
Tullycarnet Support Services	0	20		Y	Y			Y
Ballybeen Women's Centre	0	24		Y				Y
Carryduff PlayCare	0	30	Y		Y	Y		Y
East Belfast Mission	0	18		Y			Y	
Taughmonagh Forum	0	20		Y			Y	
Glor Na Mona	0	40		Y	Y		Y	
Mornington Community	0	16		Y			Y	
<b>Total</b>	<b>0</b>	<b>222</b>	<b>1</b>	<b>8</b>	<b>4</b>	<b>1</b>	<b>6</b>	<b>3</b>
<b>NORTHERN AREA</b>								
St Oliver Plunkett Nursery	0	16		Y	Y	Y		Y
Kidzlodge	0	16	Y			Y		Y
Coist Ghaeloideachas	0	30		Y	Y	Y		Y
St John's Primary School	0	16		Y	Y	Y		Y
St Colmcille's ASC	0	11	Y		Y	Y		Y
St Brigid's PS	0	16		Y	Y			Y
Gaelscoil Eanna	0	24		Y	Y			Y
Jordanstown School	0	30		Y	Y			Y
Bann Valley/St Mary's	0	16		Y	Y	Y		Y
Ten5@Mascosquin PS Ltd	0	8	Y		Y	Y		Y
<b>Total</b>	<b>0</b>	<b>183</b>	<b>3</b>	<b>7</b>	<b>9</b>	<b>7</b>	<b>0</b>	<b>10</b>
<b>SOUTH-EASTERN AREA</b>								
St Luke's Family Centre	0	16		Y			Y	
Ballymacash PS	0	16		Y	Y			Y
<b>Total</b>	<b>0</b>	<b>32</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>SOUTHERN AREA</b>								
Augher PS	0	16	Y		Y	Y		Y
Happy Kids Daycare	0	24		Y		Y		Y
St Patrick's PS, Derrymacash	0	4	Y		Y			Y
St Matthew's PS	0	16		Y	Y	Y		Y
Madden ASC	0	30		Y		Y		Y
Desart Lodge ASC	0	15	Y				Y	
St Mary's PS	0	16		Y	Y	Y		Y
Peatlands Playgroup	0	16		Y		Y		Y
Happy Faces Daycare	0	20	Y			Y	Y	
Mt St Catherine's ASC	0	10	Y		Y		Y	
Tannaghmore PS	0	30		Y	Y			Y
Drumadonnell PS	0	16		Y	Y	Y		Y
Happy Hills ASC	0	24		Y		Y		Y
<b>Total</b>	<b>0</b>	<b>237</b>	<b>5</b>	<b>8</b>	<b>7</b>	<b>9</b>	<b>3</b>	<b>10</b>



Project (cont'd)	Places to be Sustained (cont'd)	Places to be Created (cont'd)	In Operation (cont'd)	New Start (cont'd)	School Estate (cont'd)	Rural (cont'd)	Disadvantaged (in the 25% most disadvantaged areas, >50% families on WFTC) (cont'd)	Disadvantaged (outside 25% most disadvantaged areas, >30% families on WFTC) (cont'd)
WESTERN AREA								
Strabane Training Services	0	16		Y			Y	
St Conor's PS	0	24		Y	Y			Y
St Mary's/Omagh Early Years	0	35		Y	Y			Y
Walk N Roll Daycare	0	16	Y			Y		Y
Kids Inn ASC	0	8	Y			Y		Y
Limavady Central PS	0	24		Y	Y			Y
<b>Total</b>	<b>0</b>	<b>123</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>5</b>
<b>Overall Total</b>	<b>0</b>	<b>797</b>	<b>11</b>	<b>29</b>	<b>24</b>	<b>19</b>	<b>11</b>	<b>29</b>

Source: HSCB/CCP data.

## 2.5 Geographical location of applications and awards

Table 2.4 sets out the number of applications by CCP area, with associated outcomes ie whether these applications were successful/unsuccessful/withdrawn. The conversion of applications to funded projects increased from 60% in Round 1 to 74% in Round 3.

**Table 2.4** Outcome of Applications to Rounds 1, 2 and 3

	Successful	Unsuccessful	Withdrawn	Total Applications
<b>Round 1</b>				
Belfast	14	6	1	
Northern	10	5	1	
South Eastern	3	5	0	
Southern	10	5	1	
Western	9	6	1	
<b>Total</b>	<b>46</b>	<b>27</b>	<b>4</b>	<b>77</b>
<b>Round 2</b>				
Belfast	2	0	2	
Northern	3	0	4	
South Eastern	2	0	0	
Southern	9	0	3	
Western	12	3	2	
<b>Total</b>	<b>28</b>	<b>3</b>	<b>11</b>	<b>42</b>
<b>Round 3</b>				
Belfast	9	0	0	
Northern	10	1	1	
South Eastern	2	3	1	
Southern	13	1	2	
Western	6	3	2	
<b>Total</b>	<b>40</b>	<b>8</b>	<b>6</b>	<b>54</b>

Source: HSCB/CCP data.

Various reasons were cited by organisations for dropping out post an Information Event/Expression of Interest. The most prevalent of these within Rounds 1 & 2 were that the project did not engage with the scheme after this initial contact (n=12); that the organisation did not wish to transition to a social economy model (n=11); that the organisation/project did not meet the scheme criteria (n=7); and that they intended to apply to Round 3 instead (n=7) or that they were not ready (n=6).

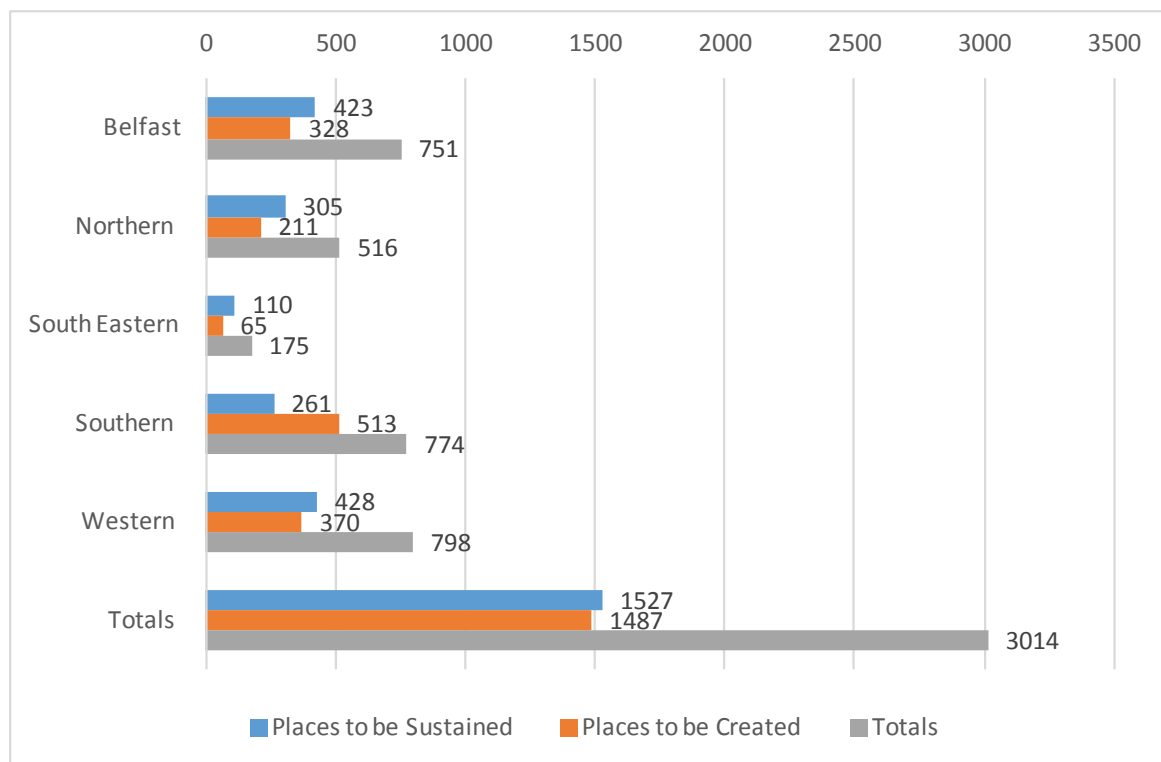
<sup>8</sup> This includes two settings also funded in Round 1 as previously noted.

<sup>9</sup> This includes the three settings also supported in Rounds 1 and 2 who also secured support for additional places in Round 3.



In interpreting the geographical coverage of the successful applications it is important to understand how many SAC places are being sustained and created within each CCP area as a result of these successful funding awards. This is summarised in Figure 2.1 for Rounds 1, 2 and 3.

**Figure 2.1** Summary of SAC Places Sustained and Created Through Round 1, 2 & 3 Grant Awards



Source: HSCB/CCP data.

The Southern and Western CCP areas have been particularly successful in creating new SAC places, both within existing settings that are expanding and through the creation of brand new settings on a consistent basis through all rounds of support. The Belfast and Northern CCP areas made some ground in creating new places in Round 3, relative to slower performance in Rounds 1 and 2. The South Eastern CCP has demonstrated limited capacity to create or sustain SAC places.

The business case<sup>10</sup> for the SAC Grant Scheme completed in 2014 set out an analysis of the number of school-age children (5-14 years) by CCP area relative to the number of registered SAC places in each CCP area. Whilst the data on number of school-age children by CCP area was drawn from the 2011 Census that is now a few years out of date, it does still serve to a degree as a useful reference point as to where most of the

<sup>10</sup> OFMDFM Business Case for School Age Childcare Grant Scheme 2014.

gaps in registered provision in group SAC settings/out-of-school clubs were during the last few years. This analysis is replicated in Table 2.5.

**Table 2.5** SAC Population Versus Registered Out of School (OoS) Club Places

Health and Social Care Trust	Children 5-14 Years <sup>1</sup>		No of Registered Places in Out of School Clubs <sup>2,3</sup>	No of Children per Registered Out of School Club Place
	Number	Percentage of Total Population		
Belfast	38,820	11.1	2,082	18.6
Northern	59,073	12.8	1,438	41.1
South Eastern	43,456	12.5	773	56.2
Southern	48,796	13.6	789	61.8
Western	40,176	13.6	993	40.5
<b>Northern Ireland</b>	<b>230,321</b>	<b>12.7</b>	<b>6,075</b>	<b>37.9</b>

<sup>1</sup>Source: Census 2011  
<sup>2</sup>Source: Health and Social Care Board Corporate Parenting Returns - Early Years Services  
<sup>3</sup>Registered places for under 12 years as at March 2012; registration is required only for day care provided for children under the age of 12 as stated in 'The Children (NI) Order 1995'

Source: OFMDFM Business case for the SAC Grant Scheme (January 2014). However, it is important to note that the home based child-minding sector also provides for school age children with 5,736 registered places for children over 5 years of age at this point in time. The above table relates to group settings/out-of-school clubs only.

Based on the data in Table 2.5 the Southern and South Eastern regions had the largest 'gaps' to close, with highest ratios of children/places.

As outlined above the Southern CCP area has consistently performed strongly in the SAC Grant Scheme in creating new places. However the South Eastern CCP area has performed less strongly, with only 65 new SAC places created through Rounds 1, 2 and 3. At face value this would suggest that there needs to be more active promotion of the scheme in the South Eastern CCP area, but it is also important to explore if there are different dynamics of demand in this area. For instance there could be more of a preference for home-based childminding rather than group based after school care and/or informal care, including grandparents. Or there could be a high degree of commuting to the greater Belfast area for parental employment and schooling which means that after school care for these children is more likely to happen in the Belfast CCP area. The dynamics of supply and demand patterns are complicated in the childcare market with multiple factors influencing parental choice. Thus in attempting to address what appear to be geographical gaps a range of issues need to be explored as the development and implementation of the Childcare Strategy progresses.

Finally, it is important to acknowledge that in geographical targeting the SAC Grant Scheme efforts have been made to minimise localised displacement (albeit that a degree of 'churn' is good in any market to refresh provision, add competition and associated choice to parents). An Assessment and Selection Panel was set up with representation from key sectoral stakeholders as well as OFMDFM, HSCB/CCPs, and Playboard to provide advice on local patterns of SAC supply and demand (and deprivation issues). The programme of stakeholder interviews conducted for this evaluation and summarised in Section 6, indicates that these structures have served well to target gaps in provision and work to minimise the risk of displacement.

## 2.6 Cumulative picture

Taking the activity of the three rounds together it is projected that the Scheme inclusive of indicative Round 3 funding decisions will support 3,014 SAC places (1,527 of which are existing places that are being sustained and 1,487 of which are new places that are being created). This is linked to funding support from the Scheme to 109<sup>11</sup> settings, of which 40 of these are new start SAC settings. It is not possible to report separately against targets in respect of SAC places for KFA 1, 2 and 5, in that funded settings can be located in a disadvantaged area, in a rural location and on the schools estate all simultaneously (or two of these simultaneously). Therefore to add up the number of SAC places sustained/created in each of these three constituencies would inevitably result in double counting of SAC places.

However it is important to highlight that the scheme to date has performed well in respect of targeting disadvantage. 104 out of the 109 settings across Rounds 1, 2 and 3 are being funded under the disadvantaged criteria (as defined in Section 1) in that they are based in a disadvantaged area and/or targeting disadvantaged families. Similarly it has performed well in terms of sustaining and creating SAC places in rural areas, with 69 of the 109 funded settings (63%) located in a rural area or serving rural families. In terms of supporting SAC activity on the schools estate this has been slower to materialise in terms of demand, with 36 of the 109 funded settings (33%) located on the schools estate. 24<sup>12</sup> of these are being supported through Round 3, and of the 12 supported to date through Round 1 and 2, only 2 were new settings. The rest were existing settings supported to create new places and/or sustain existing places.

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<sup>11</sup> There are 114 settings listed between Rounds 1 and 2 in Tables 2.1 and 2.2. However two settings were funded in both Round 1 and Round 2, one for additional places being created in Round 2 (Glenullin) and one for a capital grant in Round 2 over and above support towards sustaining places in Round 1 (Newry Early Years). In addition a further three settings, Carryduff Playcare, Kidzlodge and St Colmcille's were also funded in Round 3 for additional places, over and above support from previous rounds. The number of unique settings is 109 overall.

<sup>12</sup> Including two also supported through previous rounds - Carryduff Playcare and St Colmcille's.

The reasons why demand has been slower to materialise for new settings within this constituency is discussed in further detail in Sections 6 and 7.

The Western and Southern CCP areas exhibited the strongest performance within Round 1 and 2 in creating new capacity/new SAC places. The Southern CCP area has continued to strongly lead the field in this capacity in Round 3, with the Western CCP fairly steady and the Northern and Belfast CCP areas making up some ground (relative to slower performance in Rounds 1 & 2 in creating new capacity/new SAC places. Throughout all three rounds performance has been particularly slow in this regard in the South Eastern CCP area and this needs to be explored further as this CCP area has historically had the highest ratio of school-age children to registered SAC places in out-of-school settings and therefore had a large 'gap' to close.

As set out in Section 1, the three actions KFA 1, 2 and 5 aimed to create or sustain up to 7,000 SAC places. At this point the scheme is nearing the end of Year 2 within a three year pilot programme, and is at 43% of this figure. Therefore it is unlikely at this point that the overall target will be reached, within the three year pilot period. That said, it is important to highlight that the original targets were ambitious for a pilot scheme where much of the additional capacity had to be created 'from scratch' and in an environment where quotas and regulations have to be achieved with a degree of fixed costs and timescale constraints prevailing (eg the lead-in time to achieve minimum standards<sup>13</sup> registration to operate sign-off). It is also possible that a rolling application process and/or more streamlined process to shorten the time between application and letter of offer may also have contributed to further progress against targets. Finally, it is not clear, how the potential for double counting between SAC places created within KFA 1, 2 and 5 was allowed for within the overall target of 7,000.

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<sup>13</sup> Childminding and Day Care for Children Under Age 12 Minimum Standards, Implementation Guidance July 2013.





## **SECTION 3 Profile of Families/Children Availing of SAC Places**

### **3.1 Introduction**

This section of the evaluation report considers the profile of families (and children) availing of the SAC places, created through the capacity enabled by Round 1 and Round 2 funding (and based on a cut-off date to December 2015). Initially it considers impact with respect to tackling deprivation and child poverty and progresses thereafter to consider participation by rural and urban households. From an equality perspective, monitoring data has been captured with respect to uptake of SAC places by children with additional needs; ethnic minority families; and the main religious traditions in NI - which relate to three out of the seven Section 75 categories in NI. Finally, it considers the uptake of Childcare Vouchers and Working Families Tax Credits by families availing of the SAC places.

### **3.2 Deprivation and child poverty**

The need for the SAC Grant Scheme as articulated in the original business case<sup>14</sup>, outlined various perspectives of need. A key aspect of this was that all of the statistics and primary research illustrated a lack of formal registered provision and unmet need. In addition a key aspect of the intervention rationale was to target deprivation and child poverty more effectively than hitherto had been the case with previous SAC schemes.

Section 2 has already highlighted that 104 of the 109 funded settings across Rounds 1, 2 and 3 are being funded under the disadvantaged criteria (as defined in Section 1) in that they are based in a disadvantaged area or targeting disadvantaged families. Allied to this, it is important to have visibility as to the extent to which the families availing of the assisted SAC places themselves also reside in a disadvantaged area, to address any potential concern that more affluent families from outside the area where the SAC scheme is located may be availing of the assisted places. To this end postcode data from households availing of the supported SAC places has been routinely collected on a quarterly basis. This captures the number/percentage of households within each setting that live in the 25% most disadvantaged areas. Again a disadvantaged area is defined as one located in the 25% most disadvantaged Super Output Areas (SOAs) based on the Income Deprivation Affecting Children (IDAC) Measure. IDAC is the proportion of children in an area who are living in income deprived households.

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<sup>14</sup> OFMDFM Business Case for School Age Childcare Grant Scheme 2014.

In around half of the settings<sup>15</sup> funded through Round 1 and 2 over 40% of households availing of the supported places reside in the 25% most disadvantaged areas, indicating good headline performance in terms of targeting deprivation and child poverty. Some 15% of the settings have over 70% of households availing of the supported places residing in the 25% most disadvantaged areas, indicating a more pronounced constituency of need in these settings with respect to tackling deprivation and child poverty.

Another key monitoring indicator in terms of tracking impact on deprivation and child poverty is the proportion of parents a setting attracts who are eligible for tax credit support with the costs of childcare, specifically Working Families Tax Credit (WFTC) under current arrangements. In due course the childcare assistance which is currently paid through WFTC will be paid as part of the new Universal Credit, which will be introduced in stages in 2017. Again the number of households accessing WFTC has been routinely collected on a quarterly basis. On average 47% of the households using settings funded via Rounds 1 and 2 accessed WFTC in the quarter ended December 2015.

As set out in Section 1, projects are eligible to receive funding under disadvantaged criteria in two ways:

1. if a setting is located in the 25% most disadvantaged areas and is working to a target of 50% (or more) of parents accessing WFTC; or
2. if a setting is located outside the 25% most disadvantaged areas and is working to a target of 30% (or more) of parents accessing WFTC.

Based on the October-December 2015 quarterly monitoring data, 62% across both categories above were meeting/exceeding the stipulated targets. More of those falling short of the stipulated target were in category 2 above ie outside the 25% most disadvantaged areas, several of which only narrowly fell short of the 30% figure (at point 2 above). This is a reasonable performance in terms of target attainment with respect to tackling deprivation and child poverty, but further improvements should still be sought.

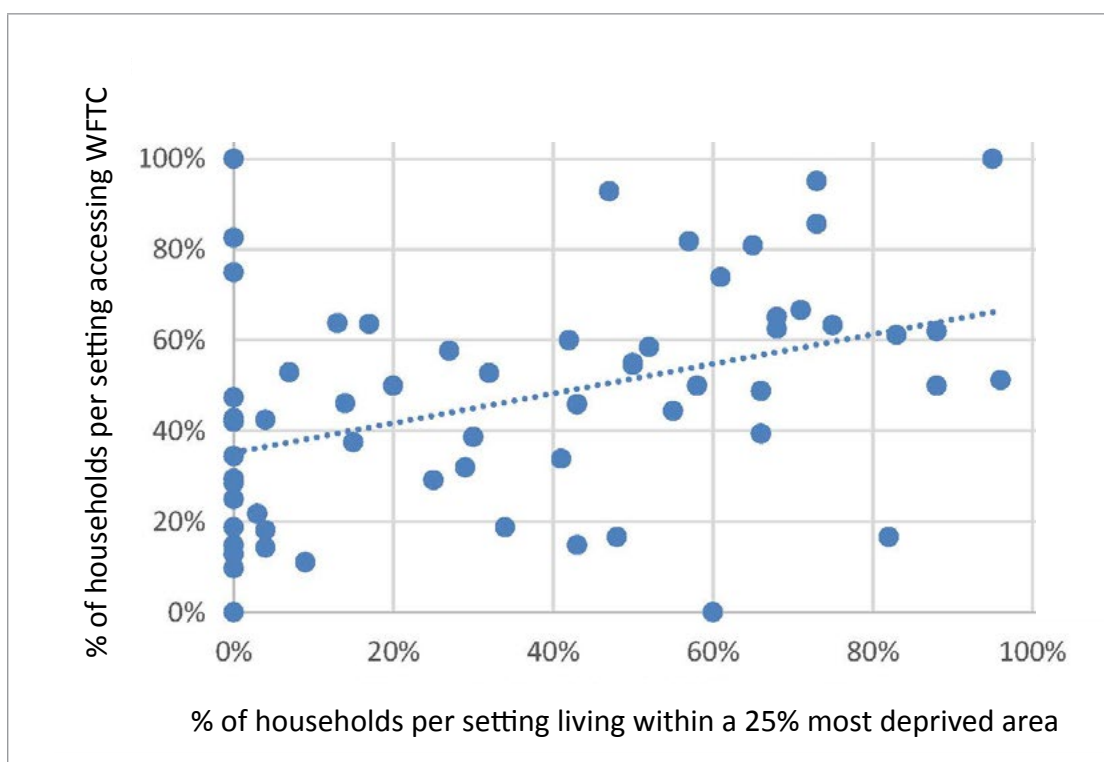
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<sup>15</sup> Based on 62 Round 1 and Round 2 settings for which household postcode data is available out of the 69 Round 1 and 2 settings that provided monitoring data.



It is interesting in this context to consider the relationship between households located in the 25% most disadvantaged areas and the uptake of WFTC within the Round 1 and 2 funded settings. This is illustrated in the correlation analysis in Figure 3.1. As would be expected it indicates a fairly high degree of correlation between the two variables. However there are notable outliers - that is settings where very few (or none) of the households are located in the 25% most disadvantaged areas and where uptake of WFTC is very high. Similarly there are settings where almost all of the households are located in the 25% most disadvantaged areas and where uptake of WFTC is very low. A key factor linked to the latter is the fact that WFTC is only available for working parents and in a few of the 25% most disadvantaged areas there are cases of parental unemployment and/or economic inactivity, as discussed further in Section 4.

**Figure 3.1** Households in 25% Most Disadvantaged Areas Versus Uptake of WFTC



In any event each of the outliers could be considered on a case-by-case basis in that there are likely to be specific factors linked to the reasons why they do not more closely follow the broad trend indicated in Figure 3.1.

Analysis of the outliers (where almost all of the households are located in the 25% most disadvantaged areas and where uptake of WFTC is very low) may also provide some market intelligence to help with targeting of the Family Benefits Advice Service provided by Employers for Childcare (EfC). This service provides expert advice on

issues relating to childcare, employment, entitlements and workplace legislation, and can support families to make the right choices for their own circumstances through 'better-off' calculations. The primary research conducted for this evaluation, indicates that there is already very good linkages and interaction between this service and funded settings in the SAC Grant Scheme. However there are a few settings that service a large percentage of families living in the 25% most disadvantaged areas where uptake of WFTC is low, and where there may be an opportunity to explore if the families availing of the SAC places are fully informed of what assistance they may be entitled to with childcare costs and how to access it.

### **3.3 Uptake in rural areas**

Section 2 has already highlighted that 69 of the 109 funded settings across the three rounds (63%) are located in a rural area or serving rural families, indicating a strong presence of the scheme in rural NI. This pattern is also borne out by analysis of the location of the household/ parents availing of the SAC places in the settings funded through Round 1 and 2 to date. The funded settings through these two rounds are sustaining and creating 2,217 SAC places. There are postcode records for 1,895 households/parents linked to these places. There are various reasons for the gap (350) between the number of postcode records and the overall number of SAC places. In the first instance settings may still be building up to operating capacity (and have vacancies as discussed further in Section 5); secondly there can be multiple children in one household/family attending the same SAC setting (and therefore not a distinct postcode record for every child); thirdly some settings have incomplete postcode records for the households/families availing of their services and finally in one case a SAC setting has ceased to operate.

Household/parental postcode records have been categorised as urban and rural locations<sup>16</sup> on an ongoing basis as part of the routine data capture processes/monitoring of the scheme. Of the 1,895 records categorised by the Managing Agent in March 2016 for Round 1 and 2 settings 39% were rural and 61% urban. The working definition of rural in NI, applies to settlements of less than 4,500 people and based on this definition 35% of NI's population live in rural areas. Therefore the SAC Grant Scheme in terms of funded settings and uptake by rural families is fully representative and inclusive of the needs of rural communities in NI.

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<sup>16</sup> Using agreed NISRA definitions of urban and rural postcodes.



### 3.4 Children with additional needs

A key imperative for the SAC Grant Scheme is to ensure that funded settings are accessible to children with additional needs. In the quarter ending December 2015 settings funded via Round 1 and Round 2 were supporting 266 children with additional needs across the 5 CCP areas. The percentage of children at each setting with additional needs ranged from 0% to 100% (in the case of Sólás which is a special needs charity which supports children and young people with autism spectrum needs) and averaged 9% across all the settings.

The draft Childcare Strategy<sup>17</sup> highlights that there is an estimated 12,000-15,000 children under 16 with a disability or special needs. It further highlights that survey research indicates that around 40% of childcare providers can provide places for children with a disability. The majority of the settings funded via Round 1 and Round 2 provide a childcare place for at least one child with additional needs (ie only 26% of the settings did not).

These findings would illustrate, in the main, that the SAC settings have the capacity to support children with additional needs and many are actively doing so. This may in part be influenced by some of the foundations laid through the former DHSSPS pilot *Improving Outcomes for Children with a Disability* initiative. This initiative funded childcare providers (including SAC providers) to provide childcare services that are responsive and accessible to children with a disability, through support for awareness raising training and grant-aid to enable the purchase of specialist equipment or to adapt premises. Interviews with sectoral stakeholders as summarised in Section 6, highlighted that while the SAC Grant Scheme had made progress in terms of supporting children with additional needs, there is a need to build further on this. The interdependency with the proposals in the draft Childcare Strategy to look at the feasibility of continuing the *Improving Outcomes for Children with a Disability* initiative to 2025 was recognised in this context.

### 3.5 Children from ethnic minority families

In the quarter ending December 2015 settings funded via Round 1 and Round 2 were supporting 181 children from ethnic minority families across the 5 CCP areas. The percentage of children at each setting from ethnic minority families ranged from 0% to 55% and averaged 7% across all the settings. Over 60% of the settings had at least one child from an ethnic minority family.

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<sup>17</sup> <https://www.education-ni.gov.uk/articles/childcare-strategy>.

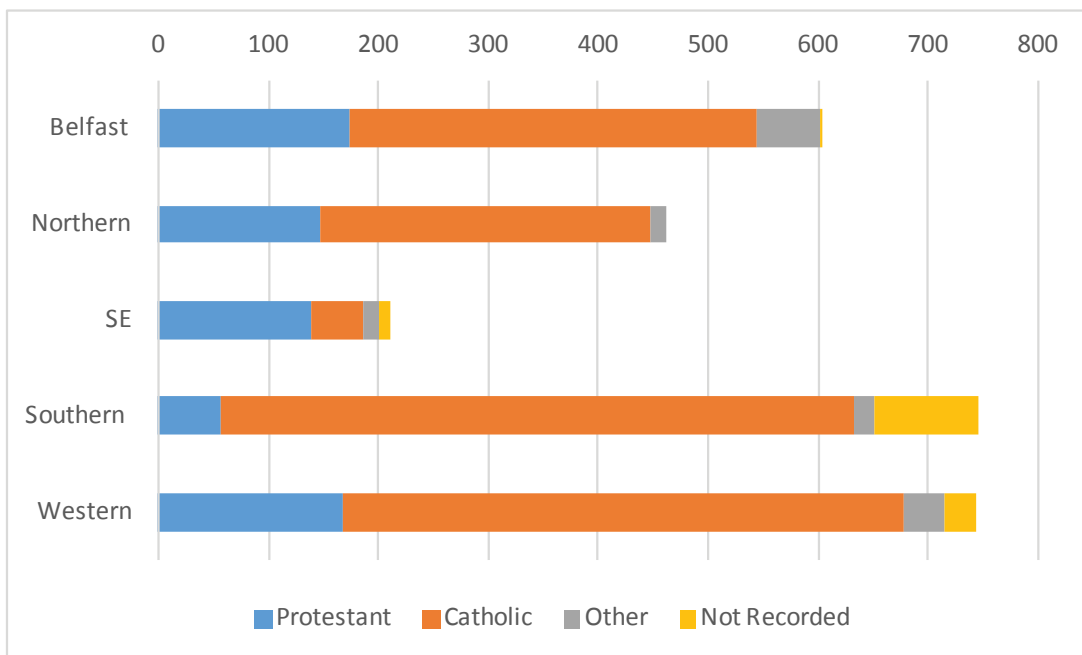
The 2011 Census indicated that 1.8% (32,400) of the usually resident population of Northern Ireland belonged to ethnic minority groups in 2011. On this basis, and even allowing for more recent increases since the time of the 2011 Census, the SAC Grant Scheme is performing very strongly in extending inclusion to ethnic minority families. In this regard the SAC Grant Scheme is contributing to 'instilling lifelong respect for diversity' which is a key element of the draft Childcare Strategy.

### 3.6 Main religious affiliation

The quarterly monitoring data includes the main religious affiliation of the children/families availing of the assisted SAC places - categorised within the two main religious communities in NI, Protestant and Catholic, as well as 'Other'.

In the quarter ending December 2015 within settings funded via Round 1 and Round 2 the breakdown was 25% of children from the Protestant tradition; 65% of children from the Catholic tradition; 5% Other and 5% unrecorded<sup>18</sup>. The proportion of each within the 5 CCP areas is shown in Figure 3.2.

**Figure 3.2** Children Availing of SAC Places - Religious Affiliation by CCP Area



Source: HSCB/CCP Data for quarter ended December 2015 presented graphically. This relates to 2,769 children across the 5CCP areas this quarter, in the context of a maximum of 2,157 places sustained and created by the 69 settings in Rounds 1 and 2 that provided monitoring data for the quarter ending December 2015 (and 2,217 places being sustained and created by the 72 settings funded overall in Rounds 1 and 2). There are more children than places in that some children use part of a place with the balance of the place (ie the remaining available sessions) used by another child.

<sup>18</sup> Based on the difference between the attendance register for the quarter and data from three categories above.



The above analysis indicates underrepresentation of children from the Protestant community in NI. Although there is some minor fluctuation in the quarterly data as new children move in and out of settings; what is presented in Figure 3.2 above for the quarter ended December 2015 would appear to be fairly representative of the trends overall within the funded period to date.

These findings need, however, to be interpreted in the context that in the school age population there is a much higher proportion of children from a Catholic community background than a Protestant community background. Data supplied by NISRA from the 2015/16 NI School Census indicates that the religion/community background of the 5-14 age population is 51% Catholic; 35% Protestant and Other 14%.

### **3.7 Uptake of childcare vouchers**

A key imperative of the SAC Grant Scheme is to ensure that parents are supported to maximise the uptake of Government financial assistance with the costs of childcare, which also in turn help to improve the sustainability path of the setting where their child/children are being cared for. Under current arrangements this includes WFTC (discussed previously) and Employer Supported Childcare Vouchers, which are a cost-saving employee benefit, available to all working parents throughout the UK. It is a salary sacrifice scheme, implemented through an employer's payroll<sup>19</sup>. To this end there has been active promotion of Employer Supported Childcare Vouchers to the funded settings, and good linkages/interaction with Employers for Childcare (EfC) who are the Childcare Voucher provider in NI.

In the quarter ending December 2015 an average of 15% of children in the funded Round 1 and Round 2 settings had the cost of their care part paid for through Childcare Vouchers. There are constraints (eg linked to the fact that employers have to be willing to offer the voucher scheme and parents have to be in employment) to achieving much higher levels of uptake in some settings. However generally speaking there may be further potential and promotional efforts should continue.

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<sup>19</sup> £55 per week (£243/month) for a basic rate tax payer, £28 per week (£124/month) for a higher rate tax payer, £22 per week (£110 per month) for an additional rate tax payer.

In 2017 the Government introduced Tax-Free Childcare<sup>20</sup>, a new scheme to help parents with the cost of registered childcare, which will replace Employer Supported Childcare Vouchers. The Chancellor announced in the 2016 Budget that the closure date for new entrants to the Childcare Voucher scheme would be extended from early 2017 until 2018 as part of the transition plan to the new scheme.

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<sup>20</sup> The Tax-Free Childcare Scheme will allow eligible working families to claim 20% of their childcare costs, up to £2,000 per child per year, or £4,000 for a child with a disability, from the Government. To be eligible both parents will have to be in employment, working over 16 hours a week, earning a minimum of £107 per week and not more than £100,000 per year. Self-employed parents will also be eligible to join. The scheme will be available to parents of children up to the age of 12 (or age 17 for children with disabilities).





## SECTION 4 Parental Employment/Pathways to Employment

### 4.1 Introduction

The draft Childcare Strategy highlights that good quality childcare, which provides positive experiences and promotes children's opportunities to develop, is a starting point for lifelong achievement.

Whilst the above is the main policy imperative around which the SAC Grant Scheme is framed, there is the related perspective of parental employment. Working parents in general and women in particular, may be constrained in their ability to access various types of work or training for reasons associated with existing childcare provision. Therefore the provision of accessible and affordable childcare for families through the SAC Grant Scheme was also intended to help parents to take this path into employment or training on the path towards employment. This offers potential to tackle child poverty in that employment with a reasonable wage is the best path out of poverty and disadvantage and to achieving greater levels of gender equality (by enabling mothers to join the workforce, return to work, remain in work, work the hours they want and progress in their careers).

With the above in mind this section sets out the prevailing trends in terms of employment and pathways to employment for the parents of the children availing of the assisted SAC places in the Round 1 and Round 2 settings. It is important to note that there was no explicit targets set in the original business case<sup>21</sup> for this, in that there are a wide number of external factors that can influence uptake of employment and training. Rather both were areas that were to be monitored.

### 4.2 Parental employment

Table 4.1 sets out the parental employment rates averaged across Round 1 and 2 funded settings by CCP area for the quarter ended December 2015. It is important to note that the monitoring data reported quarterly does not extend to the nature of employment, the occupational level or salary. It merely reports whether mothers and fathers are in full-time or part-time employment.

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<sup>21</sup> OFMDFM Business Case for School Age Childcare Grant Scheme 2014.

**Table 4.1** Average Parental Employment Rate Quarter Ending December 2015

CCP Area	% Mothers in Employment	% Fathers in Employment
Belfast	80	61
Northern	85	88
South Eastern	87	77
Southern	80	73
Western	91	66

Source: HSCB/CCP Data for Quarter Ended December 2015

The data in Table 4.1 above and a review of parental employment data for all settings funded through Rounds 1 and 2, conveys a number of key points:

- parental employment rates are generally high. However in 4 CCP areas there is a higher percentage of mothers in employment, than fathers in employment. This is particularly pronounced in the Belfast and Western CCP areas. This trend may in part be due to single parent households headed by the mother rather than the father;
- there are a few settings where the employment levels of mothers and/or fathers are particularly low and are likely to have implications for building sustainability within the setting; and
- there are missing data points for some settings and some data anomalies that could be explored further. For instance this includes a few percentages slightly in excess of 100%, which would appear to be errors in the data captured and provided to HSCB/CCPs. As with all the data presented in this report, the evaluation team have taken the data as captured/provided by the HSCB/CCPs and it has not been further audited/cleansed etc. The purpose within this report is just to use the data to illustrate broad trends only.

Generally speaking it would appear that the SAC Grant Scheme is contributing to facilitating high levels of parental employment. However the causality of the availability of the SAC to facilitating this employment at this point is unknown. Recently the data capture processes have been modified to include an additional question to track what arrangements parents had in place for childcare prior to them availing of the assisted places within the scheme, but there is not sufficient data gathered yet to report on this. This should provide some insights as to the extent to which the parents were previously constrained in their ability to access various types of employment for reasons associated with childcare provision. This question is also important to understanding the additionality of the SAC Grant Scheme overall.



### 4.3 Pathways to employment/training

Table 4.2 sets out the percentage of parents that are accessing training within each of the SAC settings funded through Round 1 and Round 2 by CCP areas for the quarter ended December 2015. It is important to note that the data captured does not extend to the nature of training (eg HE/FE/Other) and whether parents are full-time students or training part-time whilst employed. It does not however relate to 'in-job' training linked to employment/a career, and as such is interpreted mainly as putting parents on a pathway towards employment and creating greater levels of employability.

**Table 4.2** Average Parental Training Rate Quarter Ending December 2015

CCP Area	% Mothers in Training	% Fathers in Training
Belfast	6	2
Northern	2	1
South Eastern	13	4
Southern	4	0
Western	5	0

The general trend is that there is a low percentage of parents in training across the settings funded in Rounds 1 & 2. This is intrinsically linked to the fact that again generally speaking the majority of parents are in employment across the funded settings, rather than 'on a pathway to employment/training' for a particular career. There are one or two exceptions in each CCP area and where the 'data spikes' relate mainly to mothers in training, the highest percentage recorded is just over 30%.

Again the causality of the availability of the SAC to facilitating this training uptake at this point is unknown, in that the data capture processes do not capture whether the availability of SAC through the scheme has been the catalyst for parents to take-up/ maintain training towards employment. Answering this question is important to understanding the overall additionality of the SAC Grant Scheme.

## SECTION 5 Analysis of Vacancies and Projected Sustainability of Settings

### 5.1 Introduction

One of the seven stated objectives that the draft Childcare Strategy is working towards is supporting '*Childcare settings that aim to become sustainable, able, eventually, to cover their costs from the fees they charge*'. This is arguably one of the most challenging objectives in the strategy, and it has the potential to 'cut across' other stated objectives around affordability and accessibility. In practice, and as borne out by the stakeholder consultations for this evaluation, whilst some settings based on the constituency of demand they service may have prospects of covering all of their costs through fees (ie 100% sustainability) over the medium term, others will never be in a position to achieve this because the constituency of demand they service in their community is more constrained in terms of household incomes and affordability issues. There are good examples from the previous Playboard scheme<sup>22</sup>, of settings that have moved off grant support to be 100% sustainable and equally many examples of settings that came forward consistently to each round of grant support, because they did not have the same potential to recover their costs through fees charged (and many of these are now still funded through Round 1 of this scheme). Thus sustainability is perhaps more usefully viewed as a 'continuum' where some of these settings are 'on a journey' to recover a greater percentage of their costs through fees charged to parents over time. It is also important to note that there is a degree of fixed costs in operating an SAC scheme linked to staffing ratios and regulation/inspection regimes<sup>23</sup>, which limits the degree to which cost-reduction can impact on progress with respect to sustainability. Therefore more of the progression is necessarily required to arise through fees charged to parents.

A key element in building sustainability is ensuring that settings are operating at a reasonable level of capacity (ie minimising vacancies) and as such this section sets out a snapshot of this for the Round 1 & 2 funded settings in the first instance. Thereafter it sets out projected sustainability for the Round 1 & 2 funded settings, drawing on information included in their original application (ie a 3 Year Fee Projection v 3 Year Cost Projection).

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<sup>22</sup> This was funded by OFMDFM and supported 40 SAC settings - operated by voluntary and community sector (VCS) providers - mainly in disadvantaged areas. These offered around 1,000 SAC places. The settings are in the main a legacy of EU PEACE Programme initiatives.

<sup>23</sup> Childminding and Day Care for Children Under Age 12 Minimum Standards, Implementation Guidance July 2013.

This analysis is based on original intentions, in that settings have not been operating long enough to have 'actuals' in terms of an update of this 3 year sustainability projection. Therefore they should be interpreted in this context and are not at this point reliable indications of potential actual sustainability/progression towards sustainability.

## **5.2 Analysis of sessional vacancies**

It is important to briefly outline the way in which vacancy information is captured and reported under the current monitoring arrangements, to then be able to interpret subsequent data presented below.

On a quarterly basis each setting reports on the 'number of sessions of SAC' delivered in the preceding quarter. This can and does vary between quarters, for instance the inclusion of a summer scheme or holiday club can mean that additional sessions are delivered in the July-September quarter. Similarly in the October-December quarter the number of sessions delivered could decrease due to parental leave/school holidays for a fortnight over Christmas. Thus the number of sessions delivered by each setting is 'flexed' up and down on a planned basis by each setting.

The second variable in analysing vacancies is the number of 'capped places', essentially the number of children that a setting can care for within stipulated staffing ratios. In practice this is likely to remain fairly constant but could increase from one quarter to the next if a setting takes on another member of staff, which would mean that in terms of the stipulated ratios they could then care for an additional 8 children.

The 'number of sessions of SAC' delivered in a quarter is multiplied by the number of 'capped places' prevailing in a setting for the same quarter to arrive at a total figure of the available delivery capacity of that setting within the quarter. Against this on a quarterly basis settings are required to report how many sessions are 'allocated' to children and how many are 'unallocated'. The latter represents the absolute number of sessional vacancies that is then expressed as a percentage of the total capacity within that setting by the Managing Agent in their monitoring activity.

Typical 'business as usual'/operating at normal capacity would be with a running vacancy rate of around 20%. In practice as SAC is delivered in sessions, parents typically work around weekly commitments in terms of their work, activities the children may have at school after school hours and occasional use of informal/grandparent care, to avail of sessions at an SAC setting. Thus it is not typical that parents would book 5 breakfast sessions and 5 post-school afternoon sessions week in/week out and full

uptake of holiday sessions/summer club hours. In addition one child may avail of a place 2 afternoons a week and another the balance of the same place, in the same way that 'job share' works in employment. In practice the needs of these two families may mean that the 'two parts' of the available place, as taken up may not add up to full use of all available sessions linked to this one place, resulting in sessional gaps. On a positive note this means that more than one child can avail of each SAC place in these circumstances. Indeed the attendance register data provided in the HSCB/CCPs equality monitoring returns for the quarter ended December 2015 includes 2,769 children, in the context of 2,157 places being sustained and created by the 69 settings in Rounds 1 and 2 that provided monitoring data this quarter (and 2,217 places being sustained and created by the 72 settings funded overall in Rounds 1 and 2).

As such it is the view of the evaluation team that a sessional vacancy rate of 30% or less is not of material concern at this point, albeit that efforts should continue to reduce these as far as is possible. The quarterly monitoring processes via HSCB/CCPs also differentiates between settings below/above this 30% figure, where the latter are highlighted for focus in relation to under-occupancy. For Round 1, based on the snapshot of the quarter ending December 2015, 31 out of 46 settings (67%) at this point in time were within this band of 30% or less. For Round 2, based on the snapshot of the quarter ending December 2015, 7 out of 23<sup>24</sup> settings (30%) at this point in time were within this band of 30% or less. There is missing data for a couple of the settings in both Round 1 and 2 which means that these percentage figures are likely to be slightly understated. Removal of the missing data points would change these percentages to 70% and 37% respectively.

A monitoring report<sup>25</sup> covering all quarters up to end of December 2015 prepared by HSCB/CCPs indicated that 58% of the Round 1 and 2 projects had a sessional vacancy rate of 30% or less (for the quarter ended December 2015).

The difference between the Round 1 and Round 2 figures above is partly explained by the fact that many of the Round 2 settings were in the early phases of setting up and/or expanding their capacity in the quarter from October to December 2015 and still recruiting families/children to build up towards their operating/'business as usual' capacity.

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<sup>24</sup> There are 26 additional settings over Round 1 settings funded through Round 2, but monitoring data captured on only 23 for quarter ended December 2015, as some were not fully operational.

<sup>25</sup> Report on the sustainability objectives of the Bright Start Scheme - Round 1 and Round 2 (based on monitoring returns from 69 out of 72 settings funded through Round 1 and 2).



It is the view of the evaluation team, having looked also at some of the trends in the underlying data for preceding quarters for some of the settings showing high vacancy rates for the quarter ended December 2015, that the reliability of the data in a few cases is questionable. In some instances there are logical reasons why a setting is showing a particularly high vacancy rate (eg a setting may have closed). In other cases there are potential errors in the data capture where the vacancies recorded at the data point for one quarter do not tally with previous quarters.

Reflecting on the above it is the view of the evaluation team (also confirmed through discussions with HSCB Bright Start team) that in a few of these cases the data captured appears to be incorrect. There are multiple points 'in the chain' of capturing information on vacancies - at the level of guidance issued to settings; interpretation of the guidance by settings; input of data by Playboard to the data capture system and calculations of vacancies (on a percentage basis) by the Managing Agent. One error anywhere in this chain has the potential to impact on the overall figure reported. It is also possible in the view of the evaluation team, based on discussions with some settings, that some settings could report sickness of children allocated a place as 'a vacancy' when the absolute level of vacancies reported should just be the unallocated SAC sessions in any quarter (ie the difference between the sessions delivered X capped places and the sessions allocated to children). Whilst there are some inaccuracies in other aspects of the monitoring data captured and reported (eg there are a small number of anomalies that need to be explored on a few data points for parental employment as set out in Section 5) in the view of the evaluation team, these are not that material to getting a fairly accurate picture of the overall trends. This may not be the case with the vacancy data (ie it would appear to have higher levels of inaccuracies that could have a bearing on the overall picture).

Discussions with the HSCB Bright Start team indicate that they are drafting new guidance on how to capture and report on vacancies and providing awareness training to reinforce good practice.

It is important to highlight that in this evaluation report, it was necessary to take a snapshot of data for one quarter only. This caveat is important to interpreting the above in that an analysis of every successive quarter to date, may have presented a wider picture. Overall, notwithstanding the potential for incorrect data recording and the fact that some Round 2 settings were not up and running long in the quarter ending December 2015, there are still some settings where the sessional vacancy levels would give cause for concern. For example, there are 7 settings in Round 1 where vacancy levels for the quarter ending December 2015, were over 40% and which should be a priority focus for the Managing Agent.

### 5.3 Projected sustainability

All Round 1 & 2 funded settings provided a sustainability projection for their setting in their original application (ie a 3 Year Fee Projection v 3 Year Cost Projection). A review of these indicates that a very small number were projecting that they would recover 100% (or more) of their costs through fees. This reinforces the point made above that sustainability is perhaps more usefully viewed as a 'continuum' where some of these settings are 'on a journey' to recover a greater percentage of their costs through fees charged to parents over time, rather than 100% of the same. The fact that the majority of settings funded through Rounds 1 and 2 are eligible for support under the disadvantaged criteria because they are either based in the 25% most disadvantaged areas and/or targeting disadvantaged families (per the WFTC targets set out previously in Section 1) underlines this further.

The headline trend across Rounds 1 and 2 is that 80% of the funded projects are projecting to cover over 70% of their costs through their fees, with Round 2 projects projecting better prospects generally for sustainability.

At face value the headline trend that 80% of the funded projects are projecting to cover over 70% of their costs through fees would indicate reasonable prospects for progress in building sustainability within SAC settings. However the analysis is based on original intentions, in that settings have not been operating long enough under the scheme to have 'actuals' in terms of an update against their 3 year sustainability projection in their original application. There are prevailing challenges (eg addressing vacancies in a few settings); the impact of the Living Wage on increasing the cost-base of settings (beyond that projected initially) and the potential impact of Welfare Reform on the affordability of fees at a household level. Therefore overall it is the view of the evaluation team that not much reliance should be placed on these projections, beyond an initial reference framework, and it is imperative that actual sustainability is closely monitored moving ahead. In addition there is also a view discussed further in Section 6, that a social economy model, centred on a commercial and sustainable approach, whilst appropriate in many cases, is not viewed to be universally appropriate for childcare provision (particularly in the most disadvantaged areas) where there are quotas, ratios and regulations to meet involving fairly fixed costs.

Across all Round 1 and 2 funded projects the average fee levied to parents for the childcare is £2.00 for Breakfast Clubs, £11.50 for After School and £20.00 for Holiday Schemes.





## SECTION 6 Stakeholder Interviews

### 6.1 Introduction

The evaluation team conducted a programme of interviews with various representatives of sectoral stakeholders - HSCB/Childcare Partnerships; Playboard; NI Child-minding Association (NICMA); Employers for Childcare; the Early Years Organisation; and Children In Northern Ireland (CINI) to inform the evaluation. The interviews were structured around the requirements of the Terms of Reference for the evaluation.

### 6.2 Summary of findings

The key points raised through the programme of stakeholder interviews were as follows:

- Those consulted were supportive in principle of the SAC Grant Scheme and of the focus given in early Bright Start actions to SAC. It is viewed that new settings have been slow to materialise, but it was recognised that it is challenging and takes time to build these up 'from scratch'. It was viewed that Round 3 was likely to show momentum and progress on this (which has indeed since happened).
- The role and contribution of the Social Enterprise Incubation (SEI) Hubs has been of great value in providing business planning and governance support in facilitating new start SAC settings (and negated against the need for significant transition grant support).
- The rationale for limiting eligibility to those operating on a social economy model - ie those settings that invest any surplus back into providing the childcare service - has been a point of debate. In effect it is viewed that a social economy model whilst appropriate in many cases, is not universally appropriate for childcare provision in the most disadvantaged areas. There are quotas, ratios and regulations to meet in the delivery of SAC involving fairly fixed costs. As such, setting up on the basis of a commercial/business model in an area where household income/ability to pay is constrained creates a risk that these fixed costs cannot be covered, in turn impacting on the potential sustainability of the setting. It is viewed that this has deterred some potential projects in the most disadvantaged areas from coming

forward to the scheme and there was evidence of this in a couple of the case study groups interviewed by the evaluation team. Linked to this there is a concern that there remains a constituency of demand that has not been reached/serviced by the scheme to date, and children who are missing out/ or may be at risk of 'fending for themselves' after school hours. Anecdotally in such areas there is viewed to be demand from workless families, asylum seekers and refugee families that has not been reached/serviced by the scheme. Given that an element of the vision of the draft Childcare Strategy is that *'every child, parent and family will have access to affordable, integrated, quality childcare'* it is viewed that if Government is serious about this then additional and/or different measures will need to be introduced to ensure that constituencies such as this are not left behind.

- It is unrealistic that all (or many) settings will show 100% sustainability within three years. There is support amongst the stakeholders interviewed for the concept of sustainability being viewed as a 'continuum' where some of these settings are 'on a journey' to recover a greater percentage of their costs through fees charged to parents over time, rather than 100% of the same. Allied to this it is viewed that new start settings are likely to have better prospects for sustainability if attached to day-care settings and the SAC provision is part of that model.
- The original targets of 6,000-7,000 places sustained/created was ambitious for a pilot scheme, where much of the additional capacity had to be created 'from scratch' and in an environment where quotas, ratios and regulations have to be achieved with a degree of fixed costs and timescale constraints prevailing (eg the lead-in time to achieve minimum standards registration to operate). Looking ahead it is viewed unlikely that the target will be reached, which in turn has implications for the achievability of the 18,500<sup>26</sup> SAC places in the draft Childcare Strategy by 2025, without some additional and/or different measures being put in place (and some initial ideas are included on this in Section 7 of this report, drawing on stakeholder views).
- Notwithstanding the above, it is important to recognise the value of the capacity sustained and created, with particularly strong reach into rural areas

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<sup>26</sup> It is proposing to create 44,000 childcare places in total. It envisages that an expanded version of the SAC Grant Scheme will create around 18,500 of this total.

and in tackling disadvantage (albeit that it is viewed there are some areas/constituencies that have been left out). The development opportunities that this has created for the children involved is contributing to the vision in the draft Childcare Strategy, to give *'all our children the best start in life, preparing them for lifelong wellbeing and achievement, thereby creating the basis for a better, more prosperous future'*.

- The issue of assessing localised demand is difficult in the childcare market, in that multiple factors impact on parental choice and evidence of expressed demand does not always convert to actual 'uptake'. There is not a seamless visible picture of SAC supply and demand across the private sector (including group based settings and home based childminding and community/ third sector (including social enterprise)), which makes holistic planning of where to 'intervene' difficult. Against this 'backdrop' the operation of the Strategic Advisory Panel, is viewed to have been effective in minimising the risk of displacement, by ensuring that all key sectoral and regional stakeholders were around the table (eg including NICMA in terms of home-based childminding) in informing decisions about 'where' to intervene to fill identified and agreed gaps in SAC provision. This process has been supported by detailed information and mapping through the HSCB/CCPs which has been valuable in promoting visibility of all salient considerations around funding particular settings in particular localities. In the main the view is that there has not been evidence<sup>27</sup> of material displacement through the scheme to date, because of this process. It is also possible that with the scale of the 'gap'<sup>28</sup> in registered SAC places versus SAC children as set out in the original business case<sup>29</sup> for the scheme that the addition of around 1,500 new places to date would not have presented a displacement risk, as long as the issues of localised supply and demand were properly factored in.
- A factor that is a constraint on the visibility of demand for SAC is the continuing challenge of unregulated provision ie providers who are not formally registered but who charge a fee for their services. This includes for instance home-based childminders that operate outside the formal economy/

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<sup>27</sup> eg objections from settings and/or sectoral stakeholders that funded settings displaced their interests.

<sup>28</sup> 20 school age children versus 1 registered childcare place for school age category (inclusive of SAC settings and home-based childminding).

<sup>29</sup> OFMDFM Business Case for School Age Childcare Grant Scheme 2014.

offer unregistered care. It is the commercial aspect of unregistered provision that distinguishes it from informal childcare. All childminders and private day nurseries (which provide care for more than two hours each day) are subject to regulation by HSC Trusts, ensuring that the care provided is safe, appropriate and well-managed. This was highlighted as an issue of concern in the consultations for the early actions within Bright Start and is viewed to continue to have a bearing (albeit that the scale and precise impact is unknown).

- On the level of capital funding there has been a continual need to manage expectations that (up to £30k funding) will only assist in capital renovations up to minimum standards. Again there is a view that if Government is serious about the achievability of the 18,500 SAC places by 2025, then additional capacity at this scale, needs investment to create the facilities/ space to service this additional capacity. Comparisons were made with the Republic of Ireland where there has been a sustained programme of capital investment for childcare in the last decade. The principle of refurbishment/extending space (eg via Portacabins) of existing facilities, rather than supporting universal new builds, to make best use of potentially underutilised assets was supported. However investment of up to £30k is a limiting factor in bringing some of these potential assets into productive use for SAC provision. It is also understood from discussions with HSCB that many of the Round 3 applications are at the maximum figure of £30k and based on initial technical input, may cost slightly more.
- The way in which the scheme is framed around assisting projects to apply for the 'shortfall' between projected fee income and running costs (ie a deficit model) is not a positive message to promote/sell the scheme. This is particularly the case for new start settings and arguably particularly difficult for new settings in the schools estate where there is a need to get a Board of Governors to take a risk in setting up a new service, that whilst it can add to attractiveness of a school's offer to the community and encourage/reinforce enrolments, it is not the core remit of the school.
- The revenue funding on offer is also viewed by some to be inadequate, as a sufficient 'carrot' to incentivise new starts (in particular). It is also viewed that the degree of paperwork/information and data capture can be disproportionate to this.

- Allied to the point about the deficit funding model, the fact that payments are all in arrears, and that the claims process can take some weeks/ months for payment in arrears to arrive with settings, all pose a risk to the sustainability of the settings, which in itself is fairly finely balanced in most cases.
- The impact of Welfare Reform and the introduction of the Living Wage poses future risks to the sustainability of the settings and reinforces the above points in terms of the level of revenue intervention and the timing of payments even further.
- It is viewed that demand has been slower to materialise from the schools estate to date because of a range of factors - inadequacy of capital funding; the 'deficit' funding model; the need for a single set of arrangements for inspection and regulation between DE & DoH to provision and the fact that it takes time to get school principals and governors 'on board'. There has been good engagement from potentially interested schools but conversion of this to applications and onto funded projects has been slow to date, until Round 3. It is anticipated as set out in Section 2, that Round 3 will fund 24<sup>30</sup> settings based on the schools estate which is welcome progress at this stage in the grant scheme, that can be further built upon in future. It was suggested that additional progress could potentially be made in this area if the scheme was to permit a consortium set up as a social enterprise entity to deliver/operate the SAC scheme for a group of schools in a locality, to effectively 'de-risk' it for the school, and avoid the school having to develop the skills and capacity to deliver the service.
- The partnership between HSCB/CCPs and Playboard is important in bringing together expertise around the oversight of regional supply and demand, handling public finances and governance and the practical 'hands-on' expertise to optimise the performance of the SAC schemes. That said, it is important to ensure that there are not multiple points of contact with a setting to minimise the administration/bureaucracy for funded projects (commensurate with what in many cases is a small amount of funding). This can also create confusion in terms of potential overlap/'double-up' between aspects of the two roles.

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<sup>30</sup> 18 new start settings and 6 existing settings expanding to create new places.

- It is important to continue to incentivise settings to provide for children with additional needs. Integration of the SAC Grant Scheme with future rounds of the former DHSSPS *Improving Outcomes for Children with a Disability* initiative to 2025 (as proposed in the draft Childcare Strategy) is key to this.
- There has been good alignment and joint working between the SAC Grant Scheme and the Family Benefits Advice Service, provided through EfC. The uptake of WFTC could be testimony to some of this, which is on or above target in 62% of the funded settings (as per December 2015 quarterly monitoring data).
- In the context of the focus on a social economy model as an eligibility requirement, it was highlighted that private providers are a big part of market (and also under pressure with introduction of Living Wage and minimum standards). Therefore to achieve ambition at the scale outlined in the draft Childcare Strategy (of 18,500 places) some consideration of how private sector settings and home-based childcare (eg via NICMA membership) catering for school age children may be factored into this is needed.



## SECTION 7 Conclusions and Recommendations

### 7.1 Introduction

This section summarises the main conclusions of the interim evaluation. Rather than replicate much of what is in the body of the evaluation report the performance is summarised under the seven objectives of the draft Childcare Strategy - that is availability; affordability; sustainability; informed parental choice; quality; an integrated approach and diversity.

Then a series of recommendations are proposed, drawing on the findings of this interim evaluation report - these are categorised as short term recommendations (ie immediately relevant to currently funded projects and implementation of Round 3); medium term recommendations (ie in the event that DE decides to progress with a variation/enhanced version of the SAC Grant Scheme); and discussion of longer-term considerations (ie those that are relevant to the ambition to 2025 in the draft Childcare Strategy to create 18,500 SAC places).

### 7.2 Conclusions

Availability/Accessibility: Taking the activity of the three rounds together it is projected that the scheme inclusive of indicative Round 3 funding decisions will support 3,014 SAC places (1,527 of which are existing places that are being sustained and 1,487 of which are new places that are being created). This is linked to funding support from the scheme to 109 settings, of which 40 of these are new start SAC settings. The original targets of 6,000-7,000 places sustained/created were ambitious for a pilot scheme, where much of the additional capacity had to be created 'from scratch' and in an environment where quotas, ratios and regulations have to be achieved with a degree of fixed costs and timescale constraints prevailing (eg the lead-in time to achieve minimum standards registration to operate). Reflecting on all of the above, it is unlikely that the target of 6,000-7,000 places will be met within the pilot period. However the scheme has gained momentum and traction in working towards this target. In particular it has contributed strongly to improving SAC availability in rural areas; in tackling shortfalls in SAC provision amongst disadvantaged areas/constituencies; and in starting to open up the schools estate for SAC provision (with particular impetus from Round 3). The Western and Southern CCP areas have exhibited the strongest performance within Rounds 1 and 2 in creating new capacity/new SAC places. The Southern CCP area has continued to strongly lead the field in this regard in Round 3, with the Western CCP

fairly steady and the Northern and Belfast CCP areas making up some ground (relative to slower performance in Rounds 1 & 2 in creating new capacity/new SAC places). Throughout all three rounds performance has been particularly slow in this regard in the South Eastern CCP area and this needs to be explored further as this CCP area has historically had the highest ratio of school-age children to registered SAC places in out-of-school settings and therefore had a large 'gap' to close. As previously detailed in this area there could be more of a preference for home-based childminding rather than group-based after school care and/or informal care, including grandparents. Or there could be a high degree of commuting to the greater Belfast area for parental employment and schooling which means that after school care for these children is more likely to happen in the Belfast CCP area.

Affordability: Across all Round 1 and 2 funded projects the average fee charged to parents for childcare is £2.00 for breakfast clubs, £11.50 for after school and £20.00 for holiday schemes. The EfC Childcare Costs Survey 2015<sup>31</sup> outlined a weekly fee/cost to parents for after school clubs in the private sector to be £84 (£16.80 an after school session) and £55 in the community sector (£11 per after school session). The latter is consistent with the average figure to date in the settings funded by the SAC Grant Scheme. The scheme has been successful in engaging families from disadvantaged areas/constituencies to a degree (and the uptake of WFTC is testimony to some of this, which is on or above target in 62% of the funded settings as per December 2015 quarterly monitoring data). However there is some anecdotal evidence from stakeholder interviews and a couple of the case study interviews completed by the evaluation team, that some of the most disadvantaged areas/constituencies have not been reached by the scheme thus far. This is mainly because what the schemes would be required to charge to be affordable to parents in the locality would be a constraint to sustainability if operating on a social economy basis.

Sustainability: This is arguably one of the most challenging objectives in the draft Childcare Strategy, and it has the potential to 'cut across' other stated objectives around affordability and accessibility. In practice, and as borne out by the stakeholder consultations for this evaluation, whilst some settings funded through the scheme based on the constituency of demand they service may have prospects of covering all of their costs through fees (ie 100% sustainability) over the medium term, others will never be in a position to achieve this because the constituency of demand they service in their community is more constrained in terms of household incomes and affordability

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<sup>31</sup> <https://www.employersforchildcare.org/report/childcare-costs-survey-2015/>



issues. Indeed with 104 out of 109 settings funded across Rounds 1, 2 and 3 being funded under the disadvantaged criteria within the scheme as set out in Section 1, this is a real constraint. Thus sustainability is perhaps more usefully viewed as a 'continuum' where some of these settings funded through the scheme are 'on a journey' to recover a greater percentage of their costs through fees charged to parents over time. More evidence is needed on actual performance against original sustainability projections in the applications for each of the settings (as covered in the recommendations below) to conclude formally on the extent to which the SAC Grant Scheme is making progress in this area.

Informed parental choice: The research and consultations for the interim evaluation would indicate that the scheme has enabled parents to have ready access to detailed information on the registered SAC services available in their area. Involvement of HSCB and Playboard, both with detailed knowledge of what exists and has been developed in each CCP area, has been key to this as well as effective integration of the SAC Grant Scheme with the Family Support NI Website. Similarly the SAC Grant Scheme has worked well with the Family Benefits Advice Service, provided through EfC, to ensure that parents are informed on financial support with the costs of childcare.

Quality: The SAC Grant Scheme has worked effectively to promote quality through ensuring that existing and new settings are at minimum compliant with the new minimum standards and aspire to exceed the same. As such, the development opportunities that the scheme has created for the children involved, is making a solid contribution to the aim in the draft Childcare Strategy, to give *'all our children the best start in life, preparing them for lifelong wellbeing and achievement, thereby creating the basis for a better, more prosperous future'*.

An integrated approach: The SAC Grant Scheme has worked well through the auspices of the Strategic Advisory Panel, to build on what already exists in terms of SAC infrastructure in NI, and work to minimise the risk of displacement. The new start settings interviewed by the evaluation team indicated that they would not have set up the SAC setting in the absence of the scheme, ie at a setting level the additionality associated with these cases is high. More evidence is needed at a parental level to understand the additionality of the parental employment/pathways to employment associated with the scheme and recommendations are included on this below. The scheme has also worked well in some cases to build SAC provision onto existing day care settings thus maximising prospects for sustainability/synergies, but there is more that could be done to realise 'transition' cases and recommendations are included on this below.

**Diversity:** The SAC Grant Scheme has worked well to promote SAC services that *'encourage children to acknowledge and respect diversity, promoting positive co-operation between children regardless of their gender, religious community background, nationality or ethnicity, and regardless of whether they have a disability'* as set out in the draft Childcare Strategy. It has performed strongly in terms of participation of children from ethnic minority families and children with additional needs in particular. In terms of religious community background there is some under-representation of children/families from the Protestant community. These findings need, however, to be interpreted in the context that in the school age population there is a much higher proportion of children from a Catholic community background than a Protestant community background.

### **7.3 Short-term recommendations**

These are immediately relevant to currently funded projects and implementation of Round 3 and include:

- There is a need for the data capture/monitoring process to gather evidence on the causality of the availability of childcare to facilitating parental employment/pathways to employment. It is understood from discussions with HSCB/CCPs that this has been recently initiated.
- Now that the SAC Grant Scheme has been in place for over 18 months in some of the early funded settings, it would be useful to start reporting formally on the quality of SAC in the context of the imperatives expressed in the draft Childcare Strategy in respect of child development. This should be framed around the extent to which each funded setting is delivering against the minimum standards and Playwork Principles<sup>32</sup> and more generally is providing age and stage relevant development activities for the children availing of the places. It is understood that this is largely done through the support and visits by the Playboard team to funded projects and as such this recommendation is more about formalising the reporting of the same on a quarterly basis.

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<sup>32</sup> <http://www.playboard.org/wp-content/uploads/2014/11/Playwork-Principles.pdf>

- The sessional vacancy data for Round 1 & 2 settings needs a degree of scrutiny - to separate out those anomalies that relate to incorrect reporting/ data capture from those settings where the vacancy levels would give cause for concern (and require measures/ priority support to address). Again discussions with HSCB indicate that they are drafting new guidance on how to capture and report on vacancies and planning awareness training to reinforce consistent practice. This is important to having better/more accurate visibility on vacancy levels.
- Allied to the above there is a need for an additional measure around reporting of vacancies and the number of children accessing places. As detailed, the current process is framed around sessions that remain unallocated within the overall capacity of the setting to deliver the same on a quarterly basis. It would be useful to also understand at a headline level the number of children who have accepted a place in a setting on a quarterly basis. For instance in a 24 place setting there may be 24 children accessing a place each quarter, even if every session that the setting is capable of delivering that quarter is not fully utilised. Or where children 'share a place' on a weekly basis the setting could in practice provide SAC to more than 24 children on a regular basis. This level of headline analysis of allocation of places and the number of children accessing SAC through the funded settings would be useful as an additional measure over and above the sessional vacancy analysis.
- The active promotion/linkages between the scheme and the Family Benefits Advice Service provided by Employers for Childcare (EfC) should continue. The evidence indicates that uptake of WFTC appears to be reasonable (with 62% of funded schemes meeting WFTC targets for the quarter ended December 2015) but that uptake of Childcare Vouchers is fairly low (15% of children in the funded Round 1 and Round 2 settings had the cost of their care part paid for through Childcare Vouchers). Thus there may be an opportunity for greater promotion of Childcare Vouchers (and the successor Tax Free Childcare scheme) albeit that there may be constraints (eg employers of parents have to be signed up to the voucher scheme) that preclude eligibility for assistance in some cases.

- Unregistered childcare, that is providers who are not formally registered but who charge a fee for their services, is a challenge to the viability and sustainability of funded settings. This includes for instance home based childminders that operate outside the formal economy/offer unregistered care. In addition it constrains having a complete picture of supply and demand when making funding decisions about new settings and can impact on the sustainability of funded settings (through displacement). Research/consultations around the early phases of the draft Childcare Strategy, highlighted potential actions in this area around awareness raising with parents (and providers) of the risks for both parties of accessing/providing unregistered childcare respectively.
- There is a need to streamline contacts with funded projects to minimise confusion and the administrative/reporting burden for funded projects (which is viewed by some as disproportionate to the amount of funding). It is understood that there is typically an intensive period of engagement with projects around initial capital requests and that it can ease off to a degree thereafter. Notwithstanding this there is still a general point about seeking to streamline and co-ordinate contact with funded projects. There was a Communications Flowchart developed in 2014 that was shared with all stakeholders to reflect effective lines of communication based on the different roles and responsibilities attributed to various stakeholders that should be the reference framework for this.
- There is a need to start to monitor 'actual' progress towards sustainability against the projections set out for Round 1 & 2 funded projects in the original applications. Thus far there has not been sufficient funded delivery time to have enough evidence from funded settings but this is starting to become important to get a sense of what the prospects for sustainability/progress towards the same might be. In addition there are uncertainties prevailing - on the downside the impact of the Living Wage and Welfare Reform and on the upside the potential future impact of Tax Free Childcare in increasing affordability of SAC places for parents - that will have a bearing on the sustainability progress made by settings. Having an accurate picture of actual performance versus original sustainability projections would help in looking ahead and planning scenarios around some of these uncertainties in the funded settings.

- There is a need to ensure that the claims process/payments to funded settings are consistently timely as this can have cash flow implications for funded settings that have a bearing also on longer-term sustainability. Within the implementation of the scheme to date the HSCB/CCPs have been guided by OFMDFM Audit requirements in relation to implementation of the SAC Grant Scheme and there have been instances of flexibility granted<sup>33</sup> when projects directly contact HSCB in this regard. The action moving forward is for HSCB/CCPs and other partners and the Department of Education Auditors to liaise in relation to the above. Any actions that could help further with cash flow would clearly help to progress towards sustainability in the funded settings.

## 7.5 Medium-term recommendations

These are relevant in the event that DE decides to progress with a variation/enhanced version of the SAC Grant Scheme in future and include:

- In encouraging more new starts to come forward, there is more potential to promote the existing 'transition' cases as case studies. Private sector operators are a big component of the childcare market and there are few instances of 'transition' cases but those who are in the scheme have a positive story/experience to relay. More generally continuing to promote a grant scheme such as this to existing day care settings (VCS/social enterprise and private as 'transition cases') is sensible in that there are likely to be better prospects for sustainability if a new SAC facility can leverage from the established presence of an existing day care setting.
- The progress achieved in Round 3 in terms of new start settings on the schools estate offers a good opportunity to promote the same to other schools, in any potential future intervention/scheme.
- The stakeholder input would suggest that it would be desirable that there is a single set of arrangements for inspection and regulation between DE and the Department of Health to SAC provision on the schools estate. Allied to this there is viewed to be an opportunity in the sector to bring this about now with DE as the Childcare Strategy lead and changes planned in relation to delivery of HSCB functions.

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<sup>33</sup> For instance it is understood there was a case of a project where there were delays in securing registration from social services to operate and the scheme allowed them the flexibility to use start-up grant funds to pay staff wages in the interim.

- The research for the evaluation highlighted the potential for new starts on the schools estate to be expedited if the scheme was to permit a consortium set up as a social enterprise entity to deliver/operate the SAC scheme for a group of schools in a locality, to effectively 'de-risk' it for the school(s). In the view of the evaluation team this should be kept under review as a recommendation in any potential future intervention/scheme in that Round 3 has delivered considerable potential progress on this. As such, there should be a period of time to see how this 'beds down' first.
- There is a need to promote any potential future intervention/scheme within geographic and thematic gaps that have prevailed to date. In the case of the former, the South Eastern CCP area and in the case of the latter areas/localities where the community is largely from the Protestant tradition. To date this constituency is underrepresented in terms of families accessing the scheme albeit that the school age population is weighted in favour of children from a Catholic tradition (based on the 2015/2016 NI School Census).
- In the context of any future intervention/scheme there is a need to plan for synergy with future phases of the former DHSSPS *Improving Outcomes for Children with a Disability Initiative* as planned in the draft Childcare Strategy, to build on the performance of the scheme to date in supporting children with additional needs.
- The maximum capital threshold of £30k needs to be increased, or there needs to be a two-strand approach to capital eg a lower amount for refurbishment up to minimum standards and a higher figure for those seeking to create significant additional physical space/capacity on their site. The Technical Advisors<sup>34</sup> working with HSCB on existing capital grants should be in a position to draw on the evidence base of figures applied for and the reasonableness/adequacy of the same to advise the Steering Group of what would be appropriate in this regard.

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<sup>34</sup> The HSCB/CCPs put the Technical Advisors in place to advise on the reasonableness (associated costs) and feasibility (completion within the required timeframe) of the capital works applied for within each Round of funding. This was a quality assurance measure devised for capital funding streams managed previously by the HSCB/CCPs on behalf of DE, relating to pre-school and SureStart capital developments.



## 7.5 Discussion: Longer-term considerations

The draft Childcare Strategy outlines ambition to work towards an '*indicative target of 44,000 low cost childcare places to be created over the next ten years*' (ie to 2025), which would 'aim to increase the current supply of childcare places from the present 56,000 to 100,000'. As a contribution towards this it assumes 'if the [SAC Grant] Scheme continues to 2025, it could create as many as 18,500 School Age Childcare places'.

For the purposes of illustration only, if this was all to be based on totally new 24 place settings this would require 770 new SAC settings/social enterprises to be created, over a 10 year period. This would include those already set up through Rounds 1, 2 and 3 to date - where there are 40 new SAC settings/social enterprises and 1,500<sup>35</sup> new SAC places.

It is important to put the scale of this ambition in the context of the size of the social enterprise sector in NI. A survey<sup>36</sup> commissioned by former Departments, DSD and DETI, into the Third Sector in Northern Ireland identified 3,821 organisations in the Third Sector of which 3,348 (88%) were community and voluntary organisations and 473 (12%) were social enterprises. This figure may be slightly out of date (2013) and the work of the SEI Hubs and the SAC Grant Scheme will have added to this since (40 in the case of the latter). However, at face value, addition of 770 new SAC settings/social enterprises to the 2013 figure for the total number of social enterprises would more than double the size of the sector over 10 years, which would appear to be highly ambitious.

This interim evaluation has indicated that a social economy model, whilst entirely appropriate for some, does not work for all contexts, and can be particularly difficult in the most deprived communities. Therefore there is likely to be a constraint on the extent to which intervention based on a social economy model alone can deliver against the stated ambition for additional 18,500 SAC places in the draft Childcare Strategy.

Allied to the above, the research for this evaluation also indicates that there is a constituency of demand that has not been reached/serviced by the scheme to date, and children who are missing out/or maybe at risk of 'fending for themselves' after school

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<sup>35</sup> This includes expansion of existing settings to create new places as well as new places created by new settings.

<sup>36</sup> A Survey of Northern Ireland's Third Sector and its Potential to be more Enterprise Driven, PwC May 2013.

hours. Anecdotally this is viewed to include demand from workless families, asylum seekers and refugee families that has not been reached/serviced by the scheme. Given that an element of the vision of the draft Childcare Strategy is that *'every child, parent and family will have access to affordable, integrated, quality childcare'* it is viewed that if Government is serious about this then additional and/or different measures will need to be introduced to ensure that constituencies such as this are not left behind.

A further consideration is that private providers are a big component of the SAC sector. Of the 6,075 registered SAC places cited in the draft Childcare Strategy and also referenced in Table 2.5 of this evaluation, 28% are in the third sector (VCS/ social enterprise); 3% trust; and 69% private. Not included in this is the home-based childminding sector (affiliated to NICMA) which also provides for school age children with 5,736<sup>37</sup> registered places for children over 5 years of age and which is a key part of the private provider market. Thus encouraging private providers to create additional places is also likely to be needed in some shape or form, if the ambition to achieve 18,500 new SAC places by 2025 in the Childcare Strategy is to be achieved.

The research and consultation for this interim evaluation would suggest that there may be a potential alternative to the current scheme to address the two considerations above. That is for future intervention to be based on Government buying/funding SAC sessions akin to the model deployed in the non-statutory Pre-School Education Programme (PSEP), both to help sustain existing places and create new places. This programme is aimed at children in their immediate pre-school year and there are almost 24,200 children in funded pre-school education<sup>38</sup>. In the non-statutory settings all places secured under the programme are part-time (normally 5 sessions per week, each lasting at least 2.5 hours) and provided on a full year basis (normally secured for 38 weeks over the school year, from September to June). Children from socially disadvantaged circumstances are prioritised within the pre-school admissions process. Over 90% (92%) of all three year olds in the population attend pre-school<sup>39</sup> indicating good success in terms of the universality of it. Indeed in each of the last four years, at least 99.8%<sup>40</sup> of children whose parents stayed with the pre-school admissions process to the end received the offer of a funded pre-school place by the end of the admissions process. In the programme, funding is provided to the setting not the parents.

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<sup>37</sup> OFMDFM Business Case for School Age Childcare Grant Scheme 2014.

<sup>38</sup> DE statistical bulletin 3/2016.

<sup>39</sup> DE statistical bulletin 3/2016.

<sup>40</sup> Programme for Government 2011-2015.





The experience of the SAC Grant Scheme to date indicates that it is not typical that parents would book 5 breakfast sessions and 5 post-school afternoon sessions week in/week out and full uptake of holiday sessions/summer club hours. In practice as SAC is delivered in sessions, parents typically work around weekly commitments in terms of their work, activities the children may have at school after school hours and occasional use of informal/grandparent care, to avail of sessions at an SAC setting. As such replicating the concept of the PSEP for the SAC scheme could entail support for afternoon sessions say 3 days a week in a setting. It could be piloted for a particular age group in the SAC population, rather than available to all in the first instance. Settings from the VCS/Social Enterprise sector and Private Sector would receive the same rate/intervention from Government per SAC session, to put both sectors on a level playing field. This is the case in the PSEP where non-statutory PSEP places funded via the Education Authority at a rate of £1,801 per place (covering part-time, usually 2.5 hours per day, 5 days a week for 38 weeks of the year). There is also scope to draw on the experience of the pre-school programme to shape criteria to ensure places are targeted in the first instance on children from socially disadvantaged circumstances.

Clearly the above would not co-exist with the current SAC Grant Scheme, and would be a replacement for/a transition from the current scheme in due course. It could however help to sustain the additional places in social enterprise settings that the SAC Grant Scheme has created in the pilot programme. It would require much more scoping than the initial conversations in this interim evaluation have permitted and various options around scale, eligibility and uptake would need to be modelled and costed to progress the considerations. Ideally a scheme like this would be complemented by a capital programme supporting refurbishment of facilities in the community/on the schools estate to create the additional physical capacity for the additional 18,500 places and there would also be value in having access to mentoring support around enterprise/social enterprise start-up and skills to run an SAC facility (as is the case in the current SAC Grant Scheme).

All of the above would of course be subject to budget availability in that it is understood that there is at this point no agreed budget/investment to achieve the additional 18,500 SAC places in the draft Childcare Strategy. Nevertheless if the ambition in the draft Childcare Strategy is to be achieved, it is necessary in this evaluation to highlight that in all likelihood different and/or additional measures will be needed to realise the same. As such it is recommended that consideration is given to assessing the feasibility of options around some of the above.







**Interim Evaluation of the  
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Childcare Grant Scheme**