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Executive Summary - Childcare Capacity in Wales

Mapping childcare supply against potential demand

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Executive Summary - Childcare Capacity in Wales: Mapping childcare supply against potential demand

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Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

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1. Background

- 1.1 The Welsh Government places great value on childcare and recognises the crucial role it plays in the lives of families in Wales. Affordable, available and accessible childcare provides key opportunities for child development and enables parents to work or access training, supporting our drive to increase economic growth, tackle poverty and reduce inequalities.
- 1.2 Recognising that childcare enables parents to work, supports economic growth, and helps tackle poverty and inequality; the Welsh Government has made flexible, affordable and high-quality childcare a priority for the next five years. In particular, the Welsh Government has made a commitment to expand its free education and childcare offer for working parents of 3-4 year olds.

2. Research aims and methodology

- 2.1 This report was commissioned with the purpose of determining the ability of the existing childcare market to provide for the potential future demands for childcare, particularly when the new Childcare Offer is introduced. This involved three main stages:
- Identifying the supply of childcare and where it is located
 - Identifying which areas in Wales are likely to have higher demand for childcare
 - Comparing the supply and potential demand
- 2.2 The analysis for this project was undertaken by researchers in the Wales Institute of Social & Economic Research, Data & Methods (WISERD).
- 2.3 To identify the supply and location of childcare, the CSSIW register of childcare settings is used. The exact location of each of these services is known, except for child minders, where their address was limited to postcode . The capacity of each of these settings is also known, and so this can provide a reliable measure of the number of childcare places across Wales and in each small area.

3. Key findings

- 3.1 The distribution of child minders, full day care settings and part time settings are largely distributed across the South East and the North Wales regions, with full day care settings clustered around urban areas.
- 3.2 In general, there appears to be higher childcare capacity levels in urban and affluent areas. The areas around main towns and cities have slightly higher averages than more rural areas, with lower levels of capacity typically in rural and disadvantaged areas.
- 3.3 Estimates of demand for childcare are based on the assumption that areas with high density of pre-school aged children, those with a high proportion of working households and areas that are not deprived, will have a higher demand for childcare.
- 3.4 It is important to note, that childcare supply can be easily measured, but demand can only be estimated from the factors described above. Therefore, while this project attempts to produce a measure of supply against demand for Wales, it is only potential and estimated demand that has been used, and so is unlikely to be fully accurate.
- 3.5 Additionally, only children up to the age of four are considered in this report, therefore estimates of availability are likely to be overestimated as the childcare demands for other age ranges of children has not been considered.
- 3.6 The report estimates are that there are roughly 175,000 children up to the age of four living in Wales. Combined, there are just less than 80,000 childcare places, of which 45,000 are potentially full day places. Therefore there are not enough places for all children to attend childcare full time.
- 3.7 If all of those who are eligible took up the offer, just over 46,000 full time places would be required. This means, at current estimates, if all full time places were devoted to providing the Childcare Offer, there would not be enough places to accommodate all the children.

- 3.8 It was estimated that childcare availability levels would potentially be highest in affluent areas, and especially in the North where population density is lower. In general, this appears to be the case, with higher childcare availability in urban and affluent areas. The areas around main towns and cities have slightly higher averages than more rural areas, with lower levels of availability typically in rural and disadvantaged areas.
- 3.9 There are also several pockets of abnormally high availability. These areas exist where the number of children in that area is lower than average, and the available childcare places are high. However, the results of the analysis suggest that even the areas with the highest availability per child are able to provide little more than six hours per child. It has been identified that some areas have no childcare availability.
- 3.10 Low levels of availability in the South Wales Valleys and Mid-Wales are related to the low levels of childcare supply in these areas, but the higher population density leads to even lower availability in the Valleys.
- 3.11 When only households that are eligible for the Childcare Offer are considered, those areas with a lower proportion of working parents see a larger increase in the availability of childcare than those where employment levels are highest.
- 3.12 Of all childcare provider types, child minders appear to show the most marked difference when only eligible households are included. This suggests that child minders become a more prevalent childcare type in lower employment areas.

4. Conclusions and Recommendations

- 4.1 As part of pulling together the Workforce Plan, the childcare sector in Wales has been given priority sector status and funding has been announced for business support services for childcare providers. Considering these findings and recent policy developments, areas which have been shown to have limited childcare capacity could be targeted to and improve the childcare capacity. Officials are working closely with colleagues responsible for business support and employability, to pull together a support package for the sector.
- 4.2 Although this project attempted to produce a measure of childcare availability for Wales, it is only potential and estimated demand that has been used, therefore caution should be taken around interpretation of areas of potential demand for providers. There may be a number of factors contributing to the lower availability areas of childcare provision, and further work is needed to understand the parental behaviours that contribute to these factors and to gain a clearer understanding of actual demand for formal childcare.