

# Early Year Sufficiency Report 2024

School Organisation Strategy Group

17/10/2024



## Table of Contents

Executive Summary .....	3
Early Years Entitlements .....	3
Supply and Demand.....	4
Context .....	4
Early Years Providers .....	6
Methodology .....	7
2YO - 2-Year-Old Early Learning Entitlement.....	8
Universal Entitlement (UE) – 3- & 4-Year-Old Childcare Entitlement .....	10
Working Parents Entitlement (WP) - 3- & 4-Year-Old Childcare Entitlement .....	11
Borough Outlook.....	12

## Executive Summary

The demand for Early Years (EY) provision in Tower Hamlets is expected to continue to decline due to a decreasing pre-school age population in the borough. From 2021 to 2024, the total number of children eligible for Early Learning for 2-year-olds (EL2) decreased by 16%. The fall in eligibility for EL2 was due to the declining population and increases to Universal Credit payments without EL2 eligibility thresholds being increased. In contrast, the percentage of eligible children accessing EL2 entitlement rose from 33% to 59%.

Demand for the Universal Entitlement has remained relatively stable between 2021 and 2024, with approximately 65% of 3- and 4-year-old children accessing their universal entitlement place each year. Over this period, an average of 23% of the children using their Universal Entitlement place also accessed the Working Parent Entitlement.

The Early Years capacity in the borough is comprised of 234 settings providing 8,582 part-time places. 64 of these providers are maintained settings offering 3,247 places. As the Early Years market is dictated by customer demand, providers have the autonomy to amend their capacity and the ratio of available places allocated to each entitlement. Additionally, there are 87 providers in the borough that do not currently offer 2-year-old places. Therefore, entitlements for 2-year-old children must be accommodated within 5,395 places offered at the remaining 177 providers.

Since 2021, the demand across the borough has been comfortably accommodated within the available capacity, registering a 38% surplus in 2024. From April 2024, the Working Parents entitlement was extended to include 2-year-olds, which is projected to significantly increase the demand for 2-year-old places. Current forecasts suggest that the additional demand for 2-year-old places may result in a 12% increase to the total number of EY entitlements expected to be accessed by Spring 2025. However, despite an initial growth in accessed EY entitlements, the demand from 2- to 4-year-old children is forecast to reduce over the next five years due to falling birth rates and young families leaving borough.

## Early Years Entitlements

**Early Learning for 2-Year-Olds (EL2):** Available to eligible families on benefits or low incomes The entitlement offers 15 hours of free childcare per week for 38 weeks a year (term-time) or fewer hours spread across the full year. It applies to children from the term after their second birthday until they start school.

**Universal Entitlement (UE):** All 3 and 4-Year-Old children in England are entitled to 15 hours of free early education or childcare per week for 38 weeks a year, from the term after their third birthday until they reach compulsory school age.

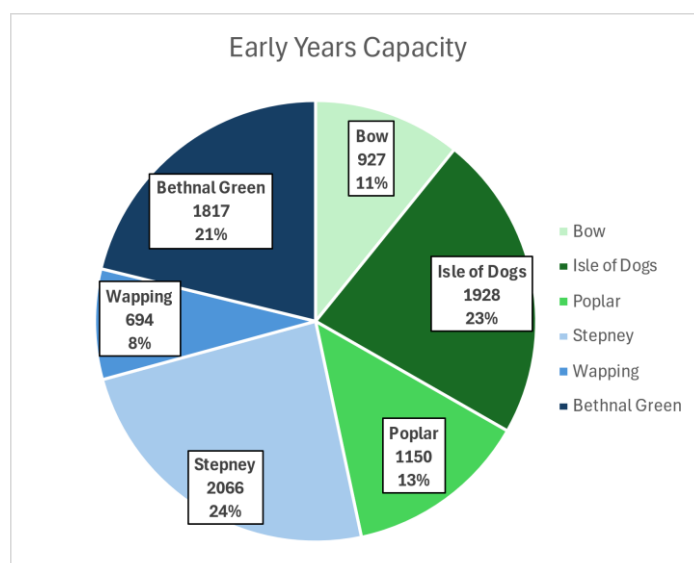
**Working Parents Entitlement (WP):** Working parents of 3 and 4-year-olds may qualify for an additional 15 hours, totalling 30 hours per week during term-time. This is also available for 38 weeks, or can be stretched across the full year to better meet the needs of working parents. From April 2024, 2-year-olds of eligible working parents will be able to receive 15 hours of free childcare per week for 38 weeks a year

## Supply and Demand

### Context

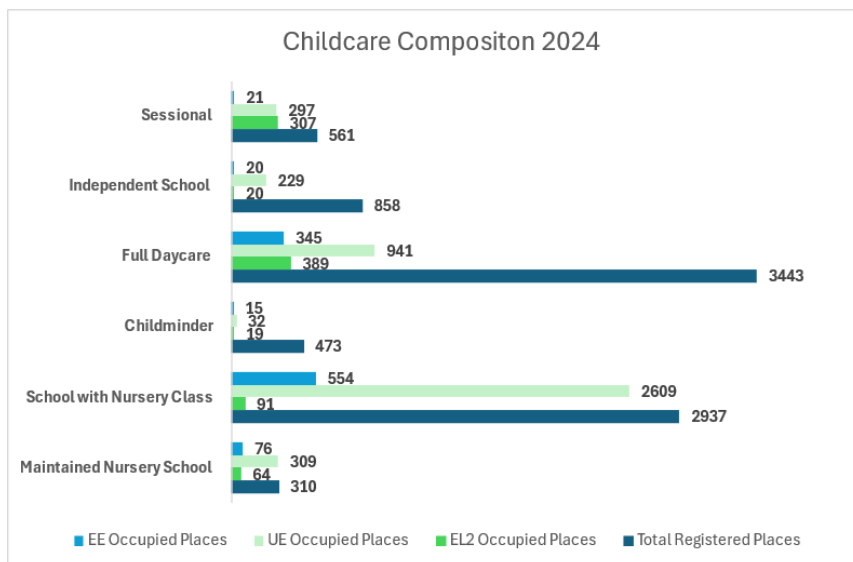
The Early Years capacity consists of 8,582 part-time places available at 234 providers across the borough, of these 5,335 places (62%) are in the Private, Voluntary and Independent (PVI) sector and 3247 places (38%) in the maintained sector. A part-time place denotes a 3-hour AM or PM session, therefore a single part-time place may be accessed by two different children on the same day whereas a Working Parent entitlement place combines the AM and PM session places together.

**Fig1: Early Years capacity across the borough by planning area**



Early Years entitlements are accessed across a range of providers from both the PVI and maintained sector. In 2024, 5,306 children accessed an Early Years entitlement in the borough 83% of EL2 entitlements were accessed at a PVI provider, whereas 66% of Universal Entitlement (UE) and 61% of Working Parent Entitlement (WP) were accessed at a maintained provider.

**Fig 2: EY Entitlements accessed in 2024 by provider type**



## Early Years Providers

The capacity data shown below was collected by The School Admissions Service in March 2024 and is outlined in The School Admissions Service Composite Timetable.

Source: <https://www.towerhamlets.gov.uk/Documents/Education-and-skills/Admissions-and-exclusions/Admissions/Nursery-prospectus.pdf>

<b>Early Years Places in the West Region</b>					
<b>Bethnal Green</b>	<b>1650</b>	<b>Stepney</b>	<b>1887</b>	<b>Wapping</b>	<b>839</b>
<b>Maintained</b>	<b>647</b>	<b>Maintained</b>	<b>687</b>	<b>Maintained</b>	<b>426</b>
Christ Church Primary School	10	Alice Model Nursery School	70	Bigland Green Primary School	100
Columbia Market Nursery School	70	Bangabandhu Primary School	53	Blue Gate Fields Infants School	77
Columbia Primary School	30	Ben Jonson Primary School	104	Mulberry Canon Barnett Primary School	58
Elizabeth Selby Primary School	80	Bonner Mile End	35	English Martyrs Primary School	17
Kobi Nazrul Primary School	10	Cayley Primary School	72	Harry Gosling Primary School	44
Mowlem Primary School	27	Globe Primary School	28	Hermitage Primary School	40
Osmani Primary School	106	Halley Primary School	50	St Mary & St Michael Primary School	34
Rachel Keeling Nursery School	100	John Scurr Primary School	38	St Paul's Whitechapel Primary School	26
St Annes And Guardian Angels Primary School	37	Marion Richardson Primary School	70	St Peter's Primary School (London Docks)	30
St Elizabeth's Primary School	40	Sir William Burroughs Primary School	44	<b>PVI</b>	<b>413</b>
St John's C Of E Primary School	14	Solebay Paradigm Academy	50	Childminder	30
Stewart Headlam and Hague Federation Primary School	17	Stepney Greencoat C of E Primary School	TBC	Full Daycare	308
Thomas Buxton Primary School	51	Stepney Park Primary School	73	Sessional	75
Virginia Primary School	25	<b>PVI</b>	<b>1200</b>		
William Davis Primary School	30	Childminder	67		
<b>PVI</b>	<b>1003</b>	Full Daycare	583		
Childminder	129	Independent School	460		
Full Daycare	634	Sessional	90		
Independent School	60				
Sessional	180				

### Early Years Places in the East Region

<b>Bow</b>	<b>927</b>	<b>Poplar</b>	<b>1351</b>	<b>Isle of Dogs</b>	<b>1928</b>
<b>Maintained</b>	<b>426</b>	<b>Maintained</b>	<b>762</b>	<b>Maintained</b>	<b>299</b>
Children's House Nursery School	70	Bygrove Primary School	50	Arnhem Wharf Primary School	49
Chisenhale Primary School	28	Culloden Primary	80	Cubitt Town Primary School	90
Malmesbury Primary School	51	Cyril Jackson Primary School	64	Harbinger Primary School	45
Old Ford Primary School Paradigm Trust	141	Lansbury Lawrence Primary School	70	Seven Mills Primary School	30
Olga Primary School	72	Manorfield Primary School	48	St Edmund's Primary School	25
St Agnes RC Primary School	26	Marnier Primary School	64	St Luke's Primary School	60
Wellington Primary School	38	Mayflower Primary School	50	<b>PVI</b>	<b>1629</b>
<b>PVI</b>	<b>501</b>	Our Lady and St Joseph Primary School	60	Childminder	70
Childminder	85	St Paul and St Luke Primary School	47	Full Daycare	1221
Full Daycare	372	St Pauls Way Foundation	39	Independent School	338
Sessional	44	St Saviours Primary School	37		
		Stebon Primary School	55		
		The Clara Grant Primary School	46		
		Woolmore Primary School	52		
		<b>PVI</b>	<b>589</b>		
		Childminder	92		
		Full Daycare	325		
		Sessional	172		

## Methodology

The projections produced in this report are calculated using the following data sources:

- GLA 2022-based demographic projections.
- DWP income-based eligibility data 2024
- Spring Term entitlement figures 2024
- *Entitlement Access Rate (EAR)* = No. eligible children divided by No. of children accessing the entitlement.

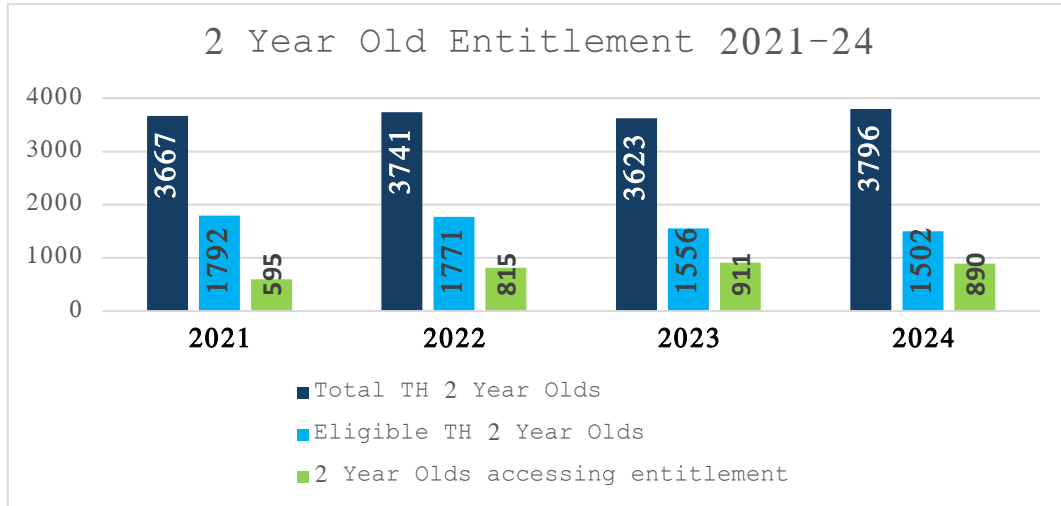
**2 Year Old (2YO) Entitlement Projections** = (GLA projected number of 2-year-olds multiplied by the percentage of 2-year-olds eligible on the 2024 DWP list) **plus** (GLA projected number of 2-year-olds multiplied by the percentage 3- & 4-year-olds that accessed the Working Parent entitlement in 2024)

**Universal Entitlement Projections** = GLA projected number of 3- & 4-year-olds multiplied by Universal Entitlement Access Rate in 2024

**Working Parent Entitlement Projections** = (GLA projected number of 3- & 4-year-olds multiplied by Universal Entitlement Access Rate in 2024) multiplied by the 2024 Working Parent Entitlement Access Rate

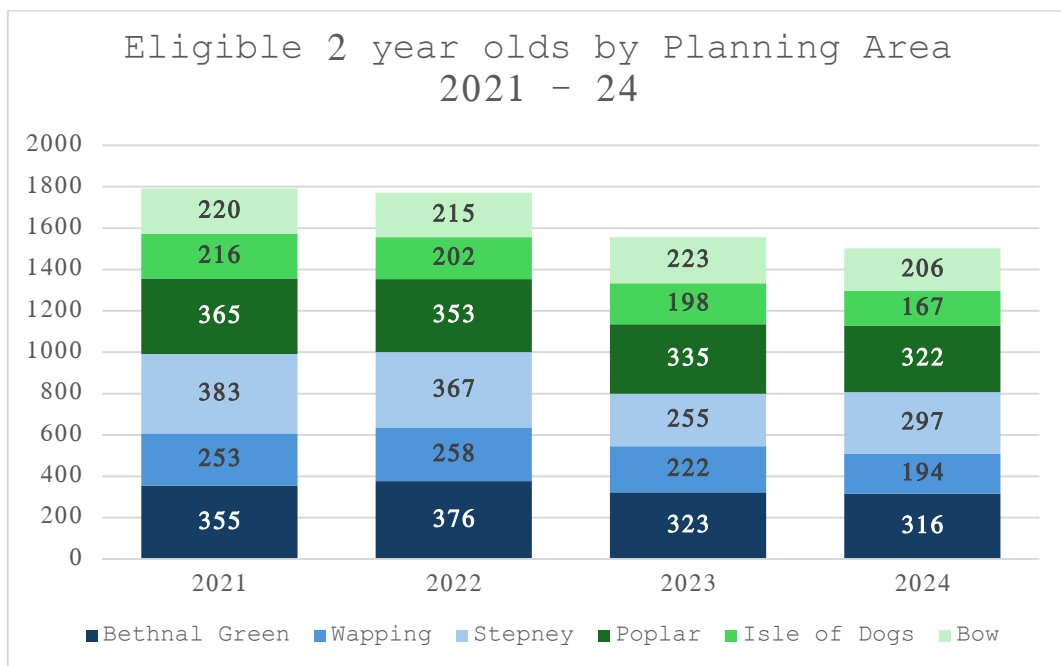
## 2YO - 2-Year-Old Early Learning Entitlement

**Fig3: EL2 Entitlements accessed from 2021-24**



Following the Covid pandemic, there has been an increase in the percentage of eligible 2-year-olds accessing the EL2 entitlement in the borough, as the Entitlement Access Rate (EAR) has risen from 33% in 2021 to 59% in 2024. In contrast, over the same 4-year period, the percentage of Tower Hamlets 2-year-olds that qualified for the EL2 entitlement has decreased from 49% in 2021 to 40% by 2024. All six planning areas have experienced a decline in the number of EL2 eligible children residing within their areas between 2021 to 2024. The most significant decrease of EL2 eligible resident children occurred in Stepney, resulting in a decline of 22% between 2021 and 2024.

**Fig4: Number of children eligible for EL2 entitlement by planning area**

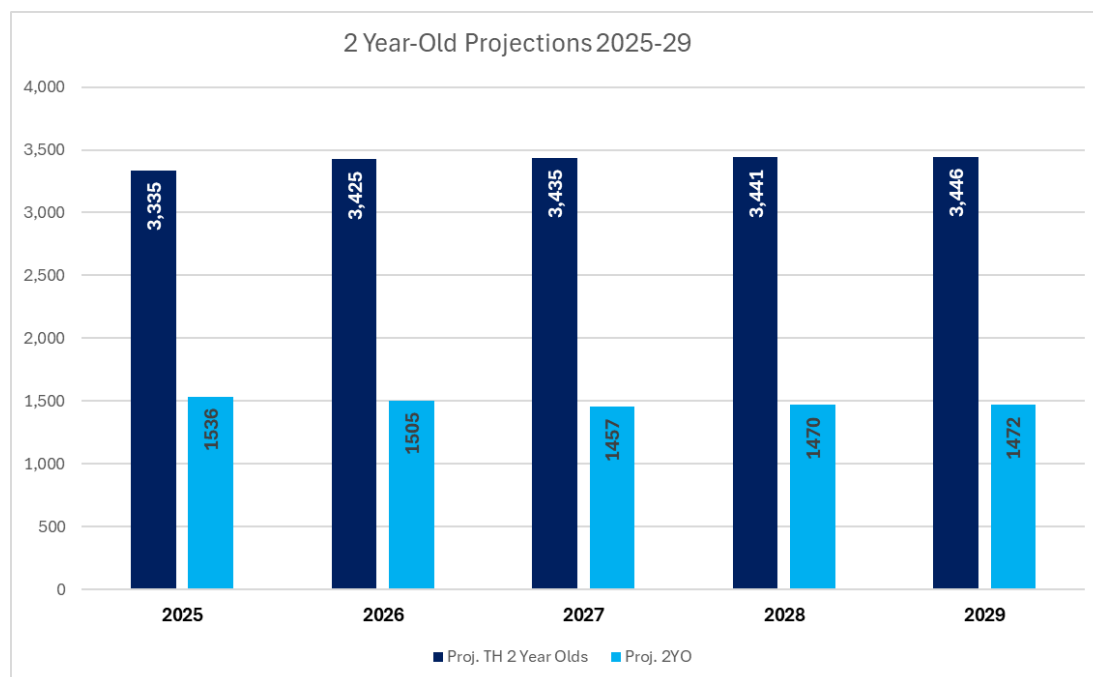




In April 2024, the Working Parents entitlement was expanded to include eligible working parents with 2-year-olds. Therefore, 2-year-old children may qualify for 15 hours free childcare per week for 38 weeks based on working parent criteria.

As the entitlement criteria has evolved to support more 2YO children, the difficulty in quantifying the precise number of children who will be eligible becomes more problematic. Projections for 2YO entitlements have considered historical trends for EL2 and Working Parent Entitlement trends to anticipate future demand over the next 5-years.

**Fig5: Projected 2YO entitlement demand 2025-29**



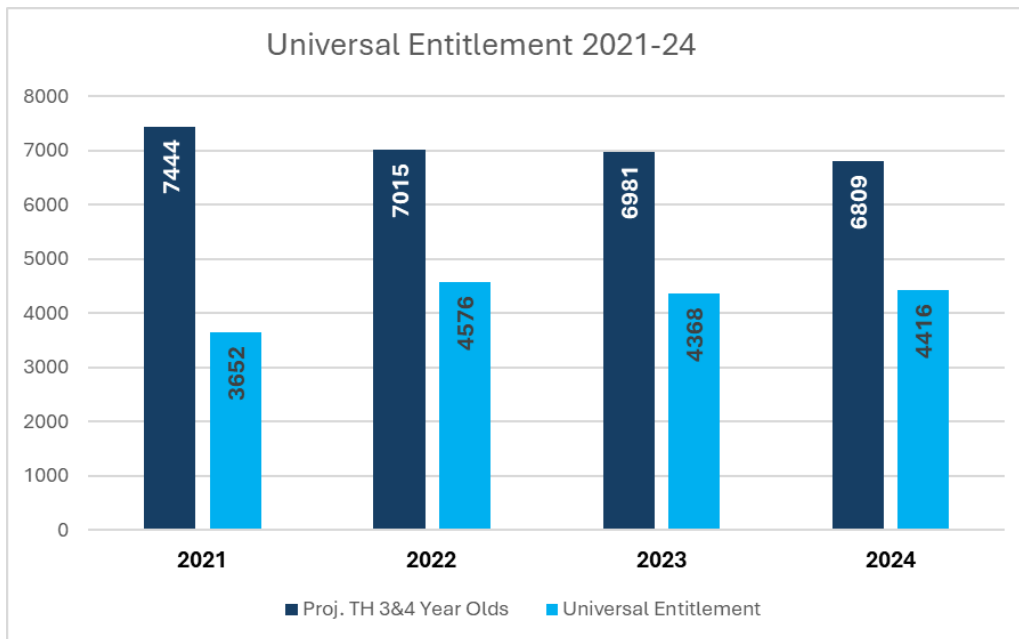
As the childcare market is driven by the needs of the parents, providers will adjust the capacity allocated for each entitlement based on the demand that they receive, consequently, the capacity ratios assigned to each entitlement may change from term to term. In addition, some childcare settings do not offer 2YO entitlement places, only 10 out of 64 maintained providers offer 2YO entitlement places and less than 63% of the borough capacity is capable of accommodating 2YO demand.

**Fig6: Review of 2YO entitlement capacity in 2024**

Settings	No. Providers	No. places	2024 EL2 pupils	2024 EL2 ratio
<b>Maintained</b>	<b>10</b>	<b>618</b>	<b>155</b>	<b>25%</b>
Maintained Nursery School	4	310	64	21%
School with Nursery Class	6	308	91	30%
<b>PVI</b>	<b>167</b>	<b>4777</b>	<b>735</b>	<b>15%</b>
Childminder	81	473	19	4%
Full Daycare	65	3443	389	11%
Independent School	1	300	20	7%
Sessional	20	561	307	55%
<b>Total</b>	<b>177</b>	<b>5395</b>	<b>890</b>	<b>16%</b>

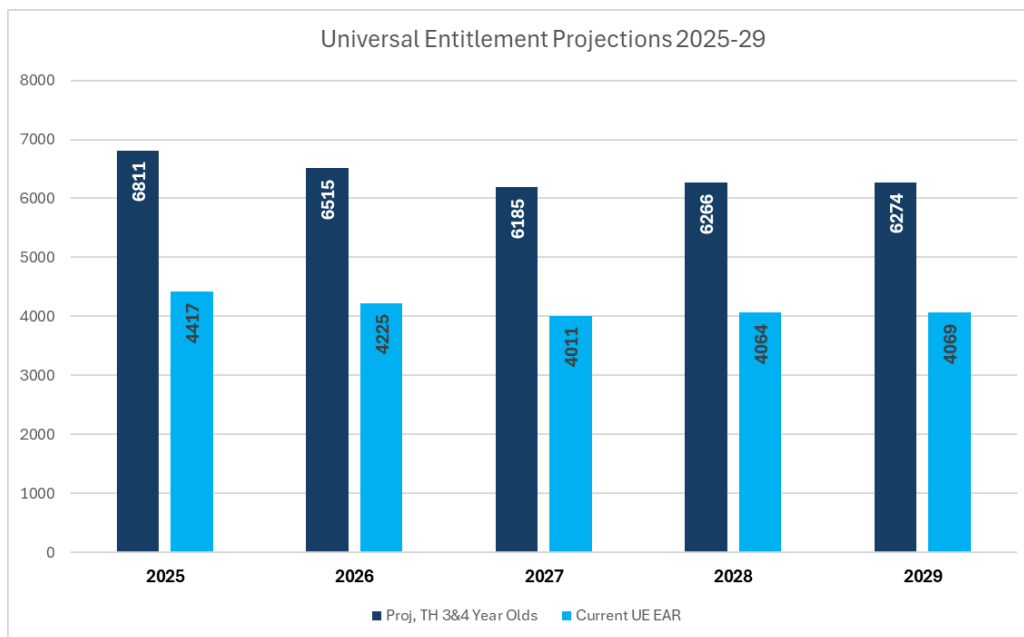
## Universal Entitlement (UE) – 3- & 4-Year-Old Childcare Entitlement

**Fig7: Universal Entitlement accessed from 2021-24**



Between 2021 and 2024 the number of 3- and 4-year-olds residing within the borough declined by 8.5%. Additionally, in 2021 the UE Entitlement Access Rate (EAR) was recorded at 49%, most likely due to the impact of the pandemic. However, over the subsequent three years from 2022 to 2024, the UE EAR has increased and remained relatively consistent ranging between 63-65%.

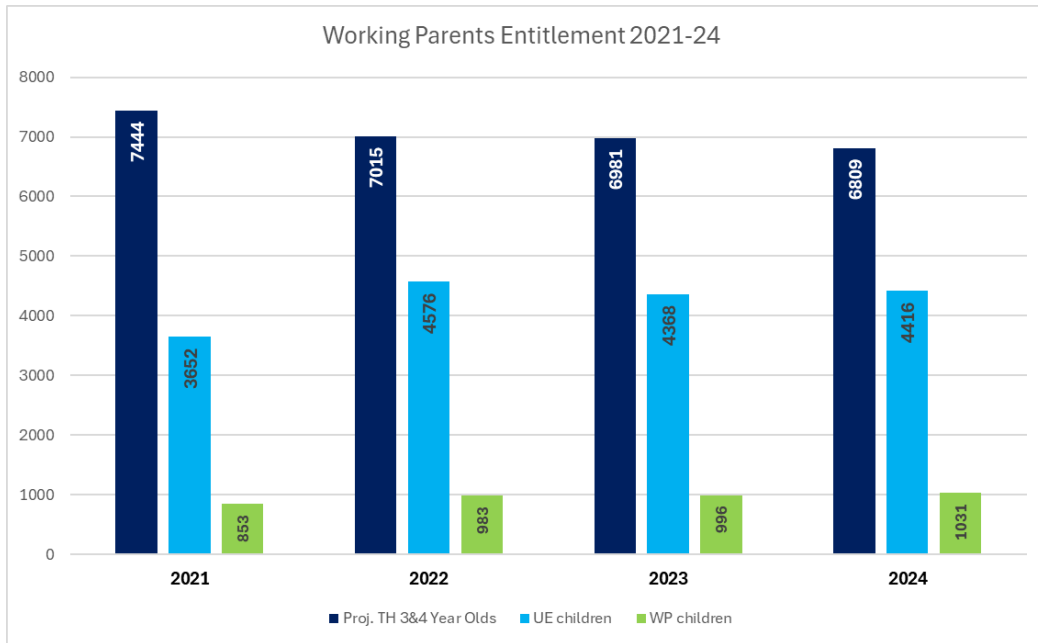
**Fig8: Projected Universal Entitlement demand from 2025-29**



From 2025-29 the population of 3 & 4 years olds residing in Tower Hamlets is projected to decline by 7.9%, consequently, unless the EAR increases, the demand for UE places is anticipated to decline in line with the population.

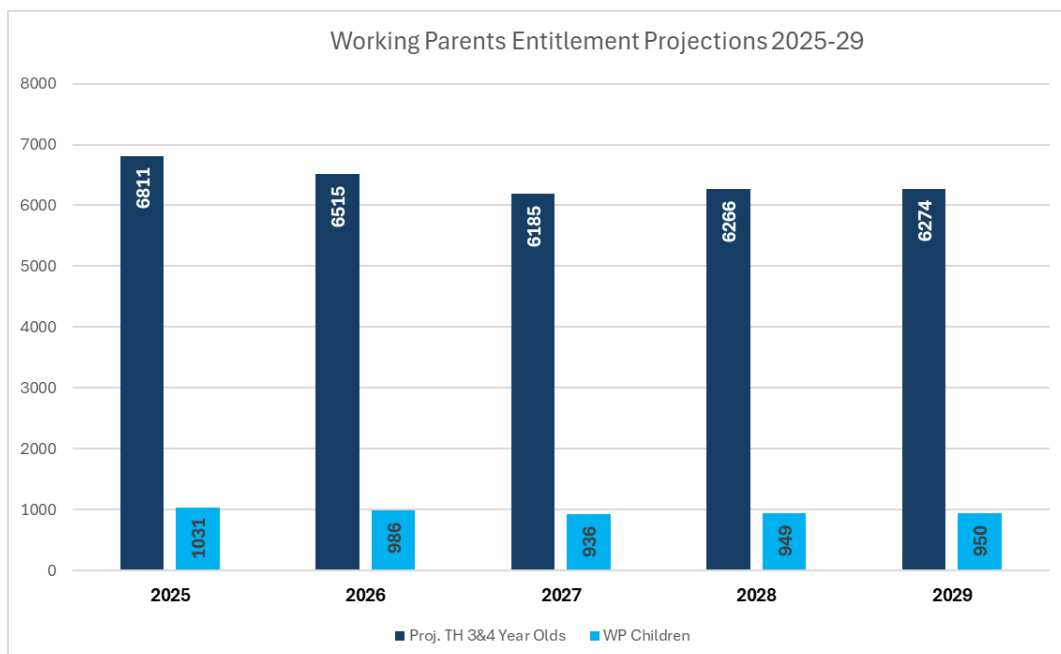
## Working Parents Entitlement (WP) - 3- & 4-Year-Old Childcare Entitlement

Fig9: Working Parents Entitlement accessed from 2021-24



From 2021 to 2024, the number of 3- & 4-year-olds accessing the WP increased by 20.8%, however the Entitlement Access Rate (EAR) for WP has remained remarkably consistent, with approximately 23% of children that access UE also accessing WP.

Fig10: Projected Working Parents Entitlement demand from 2025-29



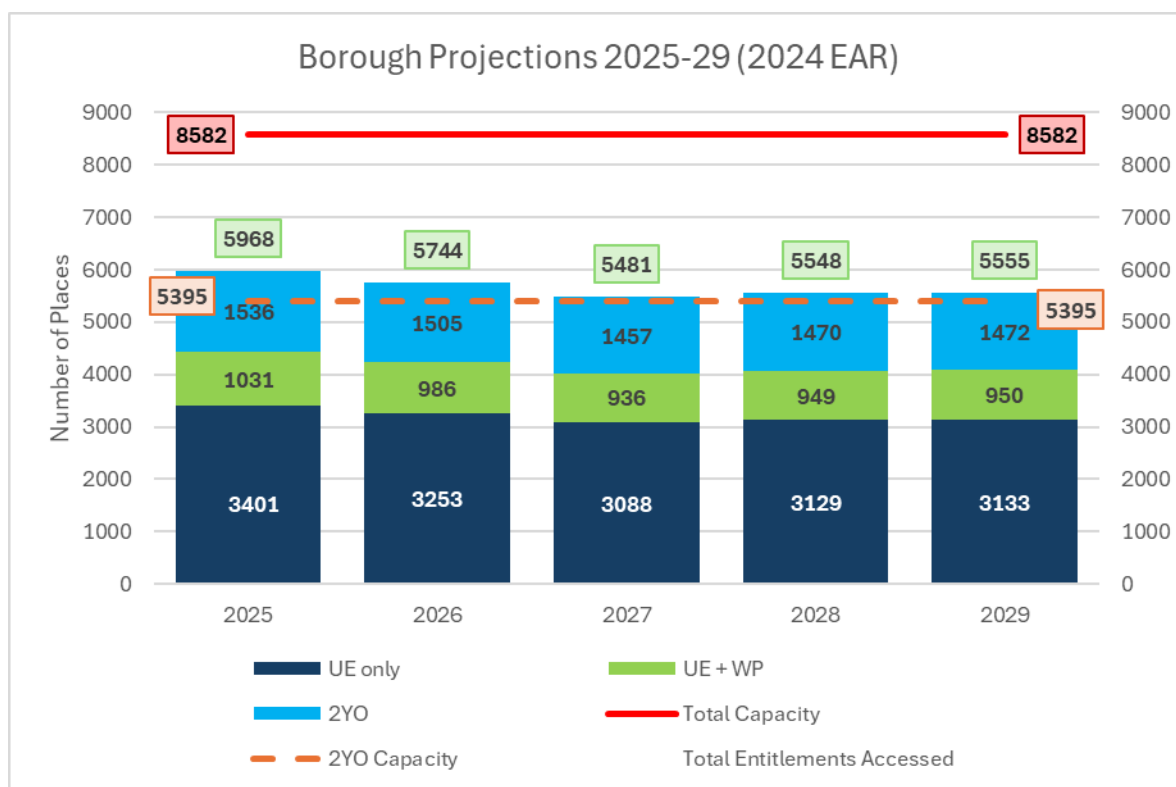
WP trends suggest that demand for the entitlement is closely correlated to the existing demand for UE. As a consequence, the demand for WP places is likely to follow the

projection path of UE, with a decline in numbers expected to occur unless the EAR for UE or WP increases.

### Borough Outlook

The expansion of the Working Parents entitlement criteria to include 2-year-old children has increased the number of children that are eligible to access an entitlement from previous years. The introduction of eligible 2-year-olds of working parents is forecast to add a further 15% of the 2-year-old population to the existing EL2 demand already generated by the DWP. Due to the additional 2YO demand, the total number of 2–4-year-old children accessing an entitlement in 2025 is projected to increase by 12% on the previous year. However, despite the initial increase in overall entitlement demand, the total number of 2- to 4-year-old children accessing entitlements is expected to reduce by 8% over the next five years as a consequence of declining births and negative net migration trend in the borough.

**Fig11: Projected Demand for all EY entitlements across the borough from 2025-29**



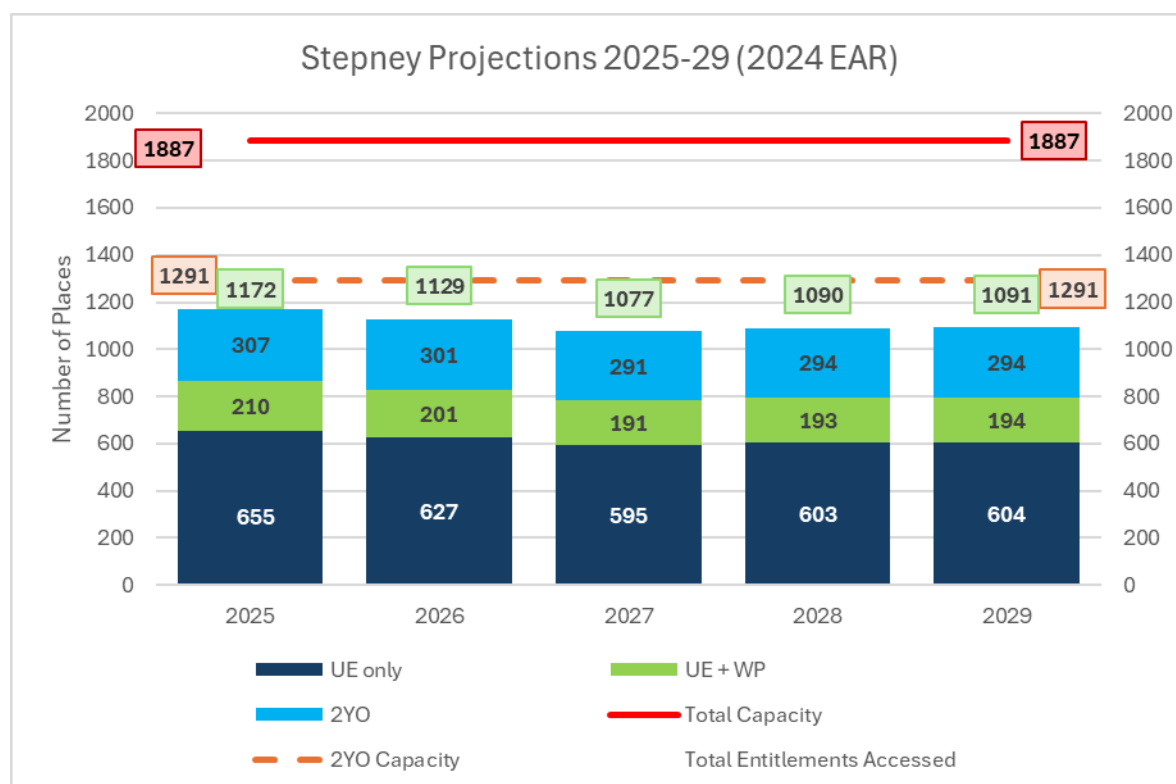
From September 2024, the WP entitlement will be extended further to provide working-parents of children from 9 months old with 15 hours of free childcare a week for 38 weeks. The expansion of this entitlement to a younger age range is anticipated to predominantly impact the capacity in the PVI sector, as most maintained settings are not designed to accommodate children younger than 2 years old. Furthermore, from September 2025, the Working Parents entitlement will qualify children aged 9 months up to school age for 30 hours of funded childcare a week. Subsequently, the new increase in entitlement demand is expected to have a consequential impact on the ability of PVI providers to accommodate 3- and 4-year-olds, which may result in more children needing to access their entitlements at a maintained setting.

Additionally, the government is implementing plans to ensure that all parents and carers of primary school-aged children can access term-time wraparound care from 8am to 6pm by 2026. This initiative is designed to support parents with work and family responsibilities,

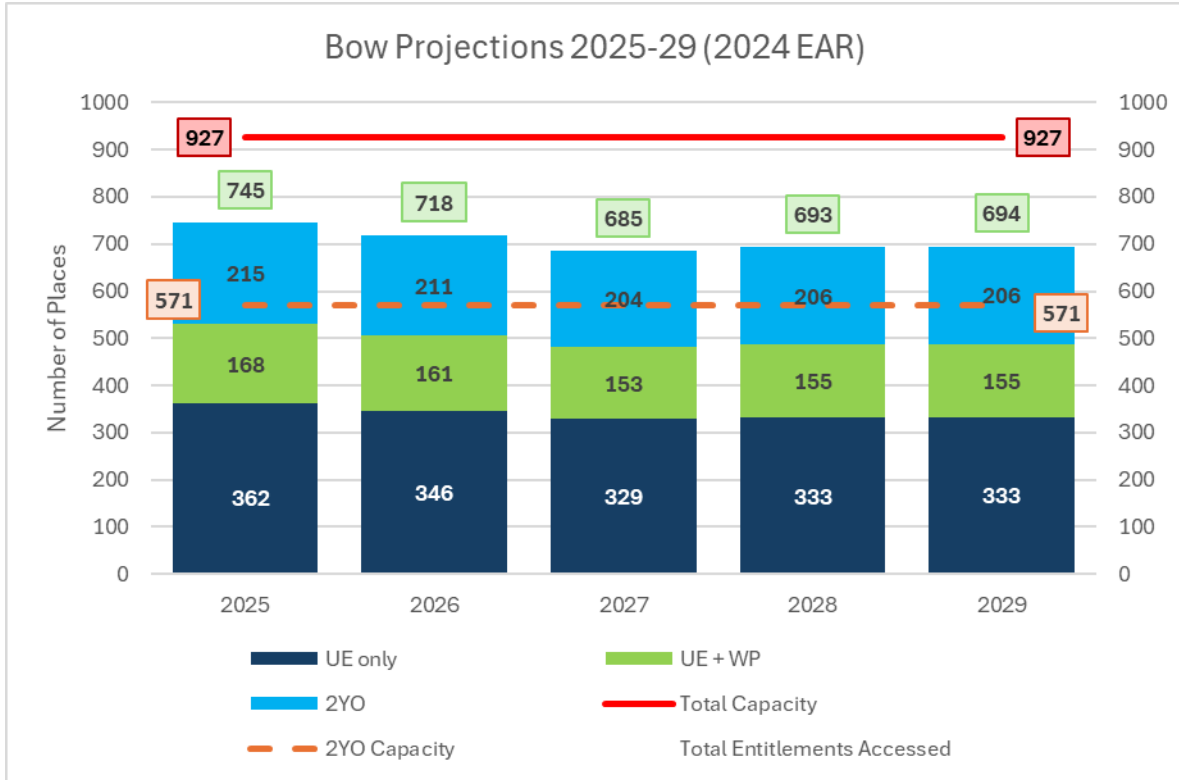
thereby increasing their opportunities to participate in the labour market. As a result, childcare providers may decide to offer complementary services to enable the delivery of the wraparound care offer. The LA is closely monitoring these developments to assess their implications on childcare provision, to ensure that the needs of families in Tower Hamlets are effectively met.

## Appendix – Early Years Planning Area Projections

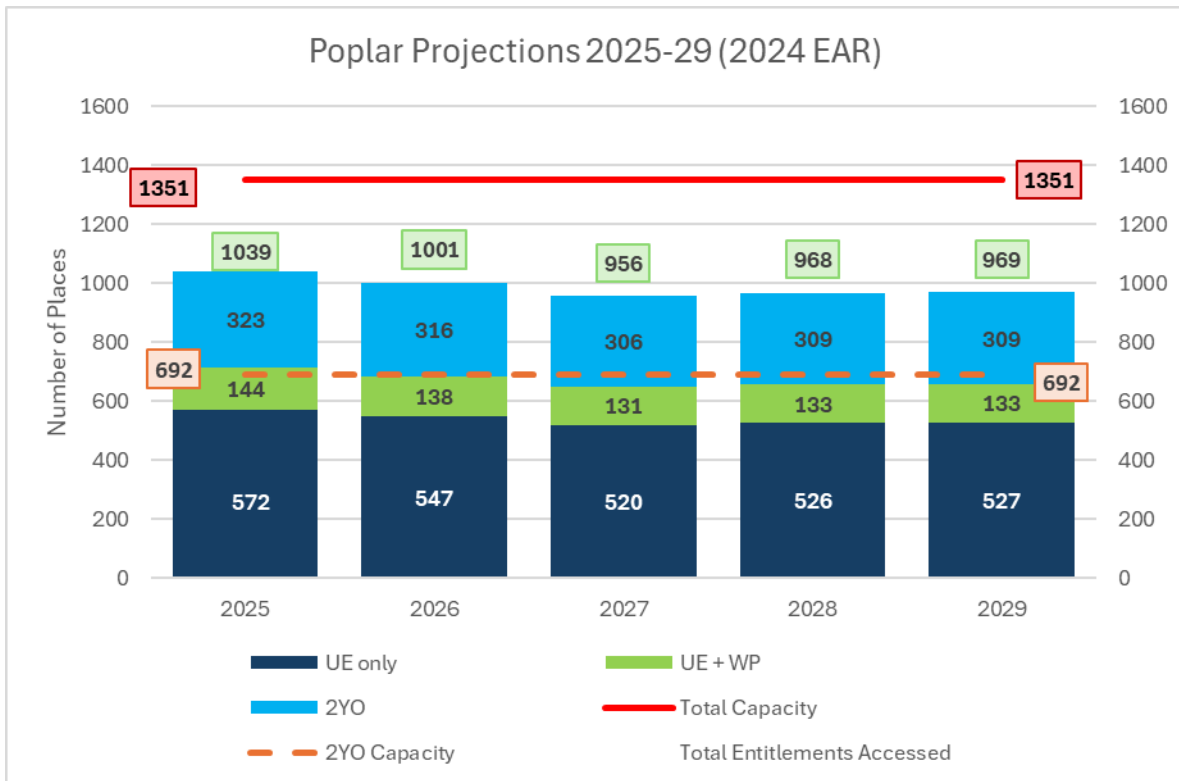
### Stepney – PA1



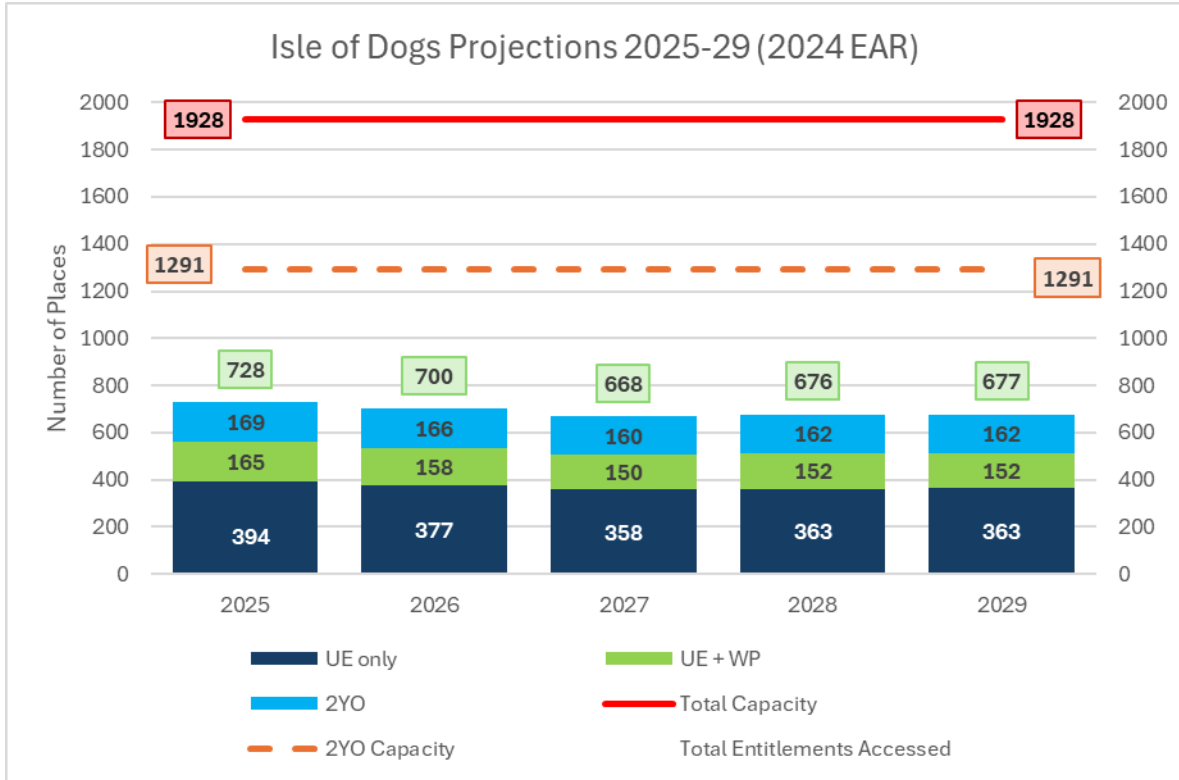
### Bow – PA2



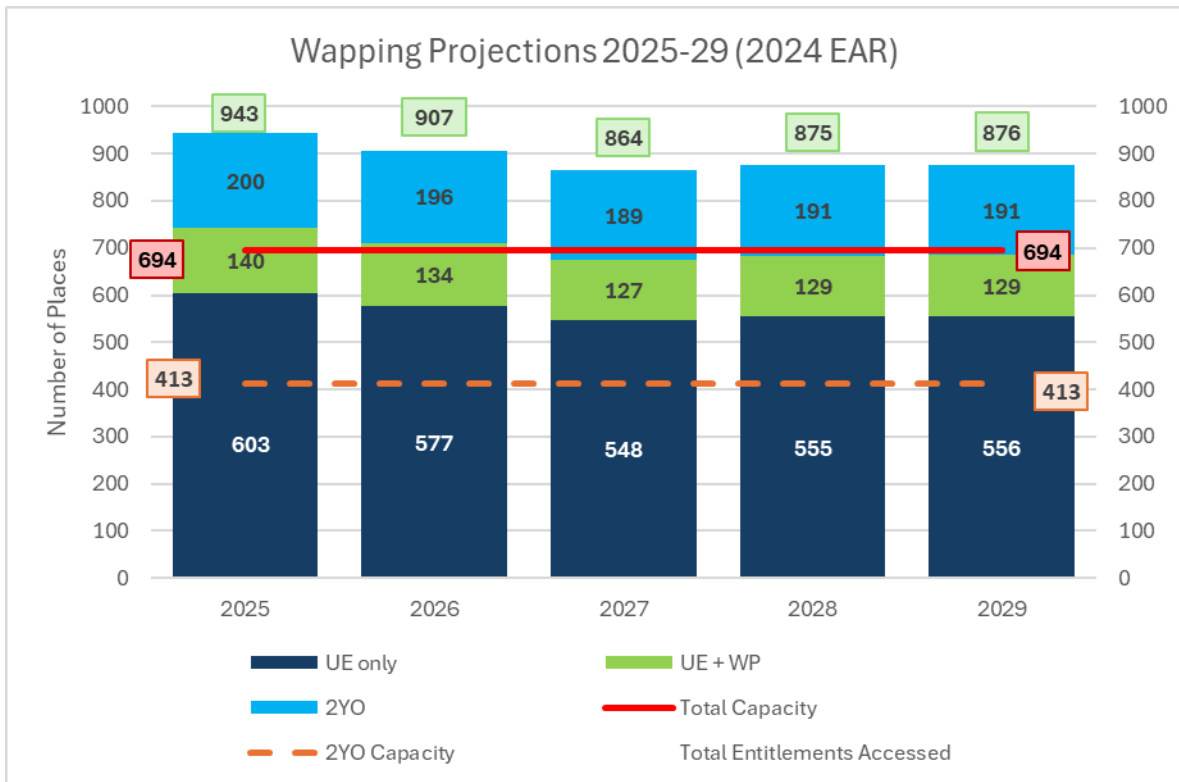
### Poplar – PA3



### Isle of Dogs – PA4



### Wapping – PA5



### Bethnal Green – PA6

