
EXPANSION OF THE CHILDCARE OFFER

Purpose of Report

1. The report summarises changes to the childcare entitlement and wraparound childcare landscape announced in the Spring 2023 budget.

Forum Decision Required

2. The Forum is asked to:

- a) note the report

Childcare entitlement

3. The announcement of expansion of the national childcare offer in the Spring 2023 budget signalled significant reforms to childcare which aim to remove barriers to work for parents with a child under 3.
4. The current funded entitlement consists of 15 hours a week for 2 year olds from low income households, 15 hours a week for all 3 and 4 year olds and an additional 15 hours a week for 3 and 4 year olds from working families.
5. The phased changes announced in the budget are as follows:
 - (a) From April 2024, the introduction of 15 hours of free childcare for working parents of 2-year-olds
 - (b) From September 2024, the introduction of 15 hours of free childcare for working parents of babies from 9 months up to 2 years old
 - (c) From September 2025, the introduction of 30 hours of free childcare for working parents of babies from 9 months up to 3 years old (where eligibility will match the existing 3-4 year-old 30 Hours offer)
6. The changes are likely to present challenges for the childcare sector in Darlington. However, Darlington is fortunate as it has a mixed childcare sector, consisting of private, voluntary and school based provision and this will aid flexibility and adaptation as the expansion progresses. Whilst overall sufficiency exists at present, the expansion of the childcare offer coupled with current recruitment and retention pressures means that there is a risk that sufficiency may not be maintained.
7. The potential take-up of entitlement places, in particular for the youngest children, is hard to predict. The Department for Education (DfE) and the Local Authority are monitoring supply and demand information and readiness assessments are submitted to the DfE regularly. Until the new entitlements are live, we will not have an accurate picture of take-up.
8. There is recognition across that sector that funding rates will be critical in the success of this expansion. The sector reports that a loss of parent paid income as a result of the entitlement expansion may impact on business sustainability.

9. The Early Years Block budget setting proposals are detailed in the Budget Setting Report.

10. The early years allocation is updated throughout the year based upon the January census, therefore the allocation provided (£11,635,771) is provisional at this stage. The final allocation for the early years block will not be known until June/July 2025.
11. As Forum will be aware the 3- & 4-year-old funding formula must cover the following elements:
- a) The hourly rate
 - b) Mandatory deprivation supplements
 - c) Mandatory SEN Inclusion funding
 - d) Centrally held funding
 - e) Other supplements (Darlington does not use any non-mandatory supplements)
12. Changes to the 2-year-old funding formula mean that 2-year-olds will have an entitlement to SEN Inclusion funding and we propose the introduction of deprivation payments to support the market and create consistency across the funding entitlements. It is proposed that a SEN Inclusion budget of 2% of the overall budget is introduced.
13. There is a new entitlement for working parents of under 2-year-olds effective from September 2024 for children aged between 9 months and 2 years old. The formula is calculated on the same basis as the 2-year-old funding. It is proposed to set a deprivation budget and a SEN Inclusion budget on the same basis as the 2-year-old funding.
14. There have been increased pressures on the SEN Inclusion fund in 2023/24. Further work will be required as the childcare expansion progresses to understand the potential budget impacts.

Wraparound childcare programme

15. In the Spring 2023 budget the government announced a national wraparound programme. The government's ambition is that by 2026, all parents and carers of primary school-aged children who need it will be able to access term time childcare in their local area from 8am-6pm, so that parents can access employment and improve labour market participation.
16. Wraparound childcare is childcare that 'wraps around' the conventional school day. For the purposes of the wraparound programme, the term 'wraparound childcare' refers to provision directly before and after the school day during school term time for primary school age children. This provision can be offered by schools and private, voluntary and independent (PVI) providers (including childminders and early years settings) and can be run on a school site or at another setting in the area. It should not require parents to pick their children up from school and drop them off at another location. Parents pay for this childcare.
17. To support this ambition, the government announced that it will provide start-up funding over two academic years to support local authorities and providers in England to introduce or expand childcare provision on either side of the school day, which parents of primary school-aged children will be able to pay to access. The allocation for Darlington is as follows:

FY 23/24	£8,480.25
FY 24/25	£358,983.20
FY 25/26 (provisional)	£173,605.94

18. Local authorities are expected to develop plans to address the availability, affordability and quality of wraparound childcare and take the following key steps to deliver the programme:
- a) Ensure strong local leadership through a robust governance structure
 - b) Allocate a designated wraparound lead and ensure appropriate resourcing

- c) Plan for delivery – undertake supply and demand mapping, and identify delivery models for wraparound provision
- d) Complete and submit costed delivery plans – local authority capacity and programme delivery plans
- e) Allocate funding to providers
- f) Work with providers to set up provision
- g) Promote the National Wraparound Childcare programme to providers and parents

19. In addition, local authorities must:

- a) have and make available as required, a transparent process for allocating funding to suppliers and/or childcare providers
- b) ensure they have sufficient capacity to deliver the programme requirements, using a reasonable proportion of the grant to cover the costs incurred

20. The Department for Education will publish guidance for schools shortly and planning with partners will commence to deliver the programme in Darlington.

Recommendations

21. That Forum notes the report.

Helen Ellison
Head of Education Partnerships
People Group