

Report of the Director of Children's Services

Expanded Funding Entitlements and Wrap Around Provision

1. Purpose of the Report

- 1.1 To inform Stockport leaders and elected members of a new programme of work to support the introduction of the new expanded funding entitlements for working parents of children aged 9 months to 3 years. Also, for parents to have access to wrap around childcare for all school aged children commencing from September 2024.
- 1.2 This report outlines the national policy context announced in the Governments March 2023 Budget and an overview of the local vision and delivery plan.

2. National policy context

- 2.1 **Expanded Entitlements** - By September 2025 working parents in England will be able to access 30 hours of funded childcare per week, for 38 weeks of the year (although parents can use fewer hours over more weeks of the year) from the term after their child is 9 months old to when they start school.

Starting from April 2024, existing childcare support will be expanded in phases.

- from April 2024, all working parents of 2-year-olds can access up to 15 hours of funded childcare per week
 - from September 2024, all working parents of children aged 9 months up to 3-years-old can access up to 15 hours of funded childcare per week
 - from September 2025, all working parents of children aged 9 months up to 3-years-old can access up to 30 hours of funded childcare per week
- 2.2 **Wrap Around Provision** - The government's ambition is for all parents of primary school children, who need it, to be able to access childcare in their local area from 8am-6pm, commencing from September 2024. The DfE will allocate some funding although we are awaiting details, to support the introduction / expansion of childcare provision on either side of the school day to meet parental need and develop self-financing and sustainable models.
- 2.3 The Local authority has a duty under Section 6 of the Childcare Act 2006 to secure sufficient childcare for working parents. Both the expanded entitlements and wrap around provision sit under this sufficiency duty. The council produces an annual childcare sufficiency report.

2.4 This is a policy to support parents to remain in or return to work. It sits alongside the financial support programmes to help parents paying for childcare that can be found on Childcare Choices. <https://www.childcarechoices.gov.uk/>

3. Local vision expanded entitlements

3.1 In Stockport we have analysed data from various sources to understand if there are sufficient quality childcare places in Stockport to meet the target dates

- **DfE Data sets in MSOA (medium super output areas)**
- **Population ONS mid 2021**
- **Ofsted registered numbers for childcare**
- **Headcount for funded 2-year-olds**
- **EY Census for non-funded 2-year-olds**
- **Percentage take up of 30 hours extended children**

3.2 From this data analysis we are able to assess potential new demand in the borough. This is approximately 200 new places and compares to the DfE estimates of a low and central range of 136-339. This exercise will be repeated for each phase of the roll out.

3.3 Can Stockport meet this demand?

Pros	Additional context
Sufficiency 2023 tells us that occupancy is below 100% in Childminders 79% Day Nurseries 74%, Preschools is 82%	This suggests that there is some capacity in existing childminders and settings
Many children now occupy part time places in our early years provision or take the funded offer as stretched throughout the year	This suggests that 1 place can be occupied by more than one child
High numbers of 2-year-olds are already in provision privately funded. These will convert to funded places	This means that new places are not required for these children.
Flexibility in ratios of 1:4 to 1:5 from Sept 2023	More children allowed per member of staff
Childminders that currently don't have funded children could start taking funded 2-year-olds	We know from census that +200 2-year-old children already have places with childminders.
There may be scope for development of places within existing or new 2-year-old provisions?	Some schools have already made enquiries to take 2-year-olds

Challenges	
EY Providers indicate that they cannot operate at capacity because they cannot recruit qualified staff	We may be overestimating the number of places available
Provision with available spaces may not be in the right places or suit parental preferences	
Recruitment to the sector is very difficult may impact directly on places available but also on quality.	This will become more of a challenge in September 2024 as staffing ratios for under twos are higher at 1:3
Focus needs to remain on the 2-year-old offer children from areas of disadvantage	We currently have a high take up 90% and need to ensure places remain available for these children.
Funding for the entitlements is considered to be insufficient by the sector	Additional charges are made for consumables and services. This needs clear marketing to parents.
Additional administration for the sector, checking codes and entry on EY Portal for payment by LA	Additional administration for the LA also

3.4 September 2024 - additional expansion of 15 hour funded places for children 9 months to 2 years old

This will bring further challenges:

- Already filled the places with the new expanded 2-year-olds
- There is less capacity in the sector as many preschools do not take under twos
- Eligibility the **term after** 9 months means that some children will be just 9 months and others over 12 months - variable population and needs to be clearly communicated to parents.
- Ratios for under twos is 1:3 and therefore more staffing and space required
- Recruitment to the workforce already limiting places available

3.5 September 2025 – increases the childcare offer to 30-hour places for all children 9 months to 3 years

Risk and challenges to Local Authority meeting full expanded childcare offer:

- Ensuing sufficient high quality childcare places to meet statutory duty
- Settings limited in their ability to work to capacity through the difficulties in recruiting quality staff
- Some settings are restricted in their expansion through planning restrictions
- There is additional administrative and financial work for settings and LA both on already stretched resources

- The sector have on-going concerns regarding funding rates, and this exacerbated as their percentage of business becomes more public funding than private fees.

3.6 We are still awaiting details from the DfE about the full funding allocations. Stockport has been allocated for 2023-2024, £77k delivery support funding to roll out the expanded entitlements. We also expect a share of an £80m capital funding allocation.

4. Local Vision Wrap Around Childcare

4.1 In Stockport we have analysed data from the school census January 2023 to understand if primary schools in Stockport offer 8-6 wrap around childcare for working parents. There are very few who have self-declared that they have no provision and there seems to be common themes about the existing provision to inform a development plan.

Key theme	Actions
No before or after school provision at or attached to the school	Contact school to discuss, Is there parental need Support set up, school or PVI and link to other clubs and childminders in area
Wrap around closes before 6pm or opens later than 8am	Is there parental demand for an earlier/ later opening? Can the session be extended?
Wrap around only offers low number of places	Is there further parental demand for places? Are they full? Do they have a waiting list Support increase in places, link to other clubs and childminders in area
Wrap around offers high number of places but still further parental demand	Can the school offer more places? Can links be made with other local provision and CMs?
Role of extra-curricular activities	Consider how can extra-curricular activities support an offer for working parents and be linked to a later pick up. Can children go on to the OOSC provision
Wrap around for nursery children	Is wrap around offered for nursery children? Is there demand from parents? Would schools like to offer? EYFS staffing, qualifications and ratios space Enables 30 hours funding for nursery children
Childminders	What role do they have within the school to support working parents? Promotion of their offer.

4.2 We will work with schools on the above themes and consider areas such as staffing, recruitment and training resources and space.

4.3 The DfE are issuing a handbook for Local Authorities later in the autumn term to clarify the role of the LA and a handbook for Schools in Spring 2024 to focus on delivery options within school or in partnership.

5. FINANCIAL IMPLICATIONS

- 5.1 The DfE have announced some funding for both the new expanded entitlements (some detail above) and the wrap around expansion, but we are still awaiting more details of the grants and conditions.
- 5.2 This new policy will impact on current business models within the sector as they will receive a significant growth in grant funding at the expense of private income.
- 5.3 The grant funding will be used to support the growth of local authority resource to project manage and administer the policy.
- 5.4 Grant funding should be maximised to further develop existing/new provision in full supporting viable business models for the future.

6. CONCLUSION

- 6.1 The early years expanded entitlements and wrap around childcare will support working parents in Stockport. **Affordable childcare is fundamental to the local economy.** These expansions have the potential to grow local businesses over time and to support people to work.
- 6.2 Stockport has sufficient high-quality childcare to meet the current market and potentially the first phase of the expanded entitlements. But there are risks associated with the speed of growth especially from September 2024 and September 2025 that demand may increase faster than the supply.
- 6.3 We will ensure that our communication plan has clear messages to parents, such as this is a funded not free offer and that eligibility is from the term after the prescribed dates,
- 6.4 We will continue to work closely with early year's providers and schools to support the required developments in line with the DfE guidance and funding allocations.

7. RECOMMENDATIONS

- 7.1 Members note the content of this report

For further information please contact either glenda.brocklehurst@stockport.gov.uk
lj.woodward@stockport.gov.uk

There are no background papers.