

Expanded Funding Entitlements and Wraparound ProvisionReport of the Director for People and Neighbourhoods**1. Purpose of the Report**

1.1 To update Stockport leaders and elected members of the programme of work that has supported the introduction of the expanded childcare policy. This has two elements:

- An expansion of funded entitlements for working parents of children aged 9 months to 3 years.
- Increased access to wraparound childcare for all school aged children commencing from September 2024.

1.2 This report updates on the national policy context announced in the previous Governments March 2023 Budget and confirmed to be continuing by the new Government and presents 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. A phased approach to expansion began in April 2024:

- from April 2024, working parents of 2-year-olds began to access up to 15 hours of funded childcare per week;
- from September 2024, working parents of children aged 9 months began to 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 **Wraparound 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. The roll out is from September 2024, and is to be fully implemented for September 2026. The Department for Education (DfE) has allocated some funding, 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 such as Tax Free Childcare that can be found on [Childcare Choices](#).

2.5 New government plans are to provide free breakfast clubs in every primary school and over 3,000 new nursery classes in school. We are awaiting full details and clarification of how this will impact on this policy in the near future.

### 3. Local vision expanded entitlements

**3.1 April 2024 expansion** - From our analysis of the supply and demand for childcare places using data sets below we were confident that we could meet the demand for funded two-year-old places in this first phase, and this was confirmed in the summer 2024 term.

- 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 September 2024 expansion** - From the data analysis we were more concerned about the ability to meet potential new demand for places for the under twos. This was because there was no precedent for recording take-up of childcare in this age range. We analysed the detail in the pros and challenges and developed a targeted approach to each point for the expansion of the twos and under twos places.

### 3.3 How did Stockport meet this demand?

Pros	Additional context	Update September 2024
Sufficiency 2023 occupancy is below 100%. Childminders, 79% Day Nurseries, 74%, Preschools is 82%.	This suggests that there is some capacity in existing childminders and settings.	Sufficiency 2024 - occupancy has increased to over 80% which suggests some spare capacity is being used.
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 one place can be occupied by more than one child.	Sufficiency 2024 -This was verified. Numbers on role were higher than Ofsted registered numbers which means there is additional capacity in the sector.
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.	This has proved to be the case for two-year-olds and the under twos. This means that new places have not had to be created.

Flexibility in ratios of 1:4 to 1:5 from Sept 2023.	More children allowed per member of staff.	Settings are using the 1:5 ratio. This has helped settings to manage increased numbers and have not had to increase staffing.
Childminders that currently don't have funded children could start taking funded 2-year-olds.	We know from census that 200+ two-year-old children already have places with childminders.	236 funded two-year-olds were with a childminder in our summer count. Many already had places and have just converted it to a funded place.
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.	Some settings have expanded places for 2-year-olds and under twos. This was the focus of our capital grant.

<b>Challenges</b>	<b>Additional context</b>	<b>Update September 2024</b>
EY Providers indicate that they cannot operate at capacity because they cannot recruit qualified staff.	We may be overestimating the number of places available.	This is an ongoing national issue that is and will continue to be a key Stockport focus. National recruitment campaign, links with JC+ GM recruitment campaign plus videos.
Provision with available spaces may not be in the right places or suit parental preferences.	Potential that all the available spaces will be filled by funded 2-year-olds in April 24. Most Preschools do not take children under two and do not want to extend their age range.	Spaces are available in Sept 24 and parents have taken more flexible hours and days. Sept 2024 (phase 2) benefits from spaces created by children moving on to reception. Settings have rearranged their rooms and reconfigured their settings.

Recruitment to the sector is very difficult and 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. Therefore more space and staffing requirements.	Working closely with JC+ to advertise and triage vacancies. Local campaigns and events are a focus.
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.	Take up in summer 2024 was 92%. This will continue to be monitored closely to retain this high take up.
Children are eligible the term after nine months.	This means a variable 9-month population depending on the term the child is born in.	
The funding rate for the entitlements is seen as insufficient by the sector.	Additional charges are made for consumables and services. This needs clear marketing to parents.	Under twos rate has been seen as good and has encourages childminders to take funded under twos.
Additional administration is seen as a burden for the sector, checking codes and entry on EY Portal for payment by LA.	Additional administration for the LA.	Systems updated to ensure the process is as simple as possible. Settings are adjusting well.

### 3.4 Capital Funding

Stockport was allocated Capital Funding for early years expansion. This has meant we have been able to create places for two-year-olds and under in readiness for September 2025 expansion. It was targeted to good quality settings in areas predicted to have high demand for places. In areas of disadvantage, in particular, we have taken a closer look at sufficiency and created additional places, for example in Brinnington we have newly created baby places in a provision that had only had places from two years old. This will support families in the area to return to work.

Total Capital Grant	Grant allocated	Number of Places created	Cost per place
£511,000	£381,455	210	£1800

We intend to offer a further round of Capital grant applications in the Autumn term as we prepare for the phase 3 expansion to increase the eligibility to 30 hours funded childcare for working parents.

**3.5 September 2025 – Phase 3 expansion.** 30 hours funded childcare places for working parents of children 9 months to 3 years. This is the phase that the growth in places achieved through the capital grant will be required. There are concerns that places will already be filled by children from the earlier expansion to entitlements or that any spare capacity will be occupied by additional hours not additional children. However, the timing of this expansion being September does mean that there will be spaces created by children leaving to go on to reception classes.

**3.6 Risk and challenges of the further expansion in September 2025:**

<b>Risk</b>	<b>Mitigations</b>
There are insufficient places, and we don't meet our sufficiency duty.	We are targeting the capital grant in areas of the borough where we need growth. We have a Childminder recruitment campaign.
Settings limited in their ability to work to capacity through the difficulties in recruiting quality staff.	We are promoting DfE national campaign, GM local campaign, working with JC+ and other organisations to advertise jobs.
Some settings are limited in their expansion through planning restrictions.	We are working with planning updating on childcare policy for expansion.
There is additional administrative and financial work for settings and the LA both on already stretched resources.	We are updating systems to ease the administration tasks.
The sector have on-going concerns regarding funding rates, and this is exacerbated as their % of business becomes more public funding than private fees.	We are listening to the sector and informing them of any changes in funding in a timely manner so that they can prepare their finances.

**3.7** The expanded childcare policy is improving access to childcare for families from lower socio-economic backgrounds. The offer of funded places means that families from lower income families that may not have traditionally used childcare can now access quality early education. This enables parents especially women to return to / stay in work after maternity leave while their children access high quality early education and childcare which will improve their educational outcomes. It offers parents choices helping to reduce poverty and increase employment opportunities as childcare businesses expand.

**4. Local Vision Wraparound Childcare**

4.1 Wraparound care should be available every school day outside of school hours and is aimed at helping parents work the hours they want to with access to regular childcare. This is different from other out-of-school activities, or enrichment school clubs, which are less frequent and can be a one-off activity. Wraparound childcare is not funded but is paid for by parents, although parents can get childcare support through Tax Free Childcare and Universal Credit.

Wraparound provision can be delivered in many ways such as:

- School based provision delivered by the school;
- School based provision delivered by a private provider;
- Off school site provision operated by a private provider;
- Childminders who pick up from /drop off at your school.

4.2 The Local Authority has analysed supply and demand across the borough and most schools have access to wraparound provision that meets the core offer of being available from 8am until 6pm.

4.3 A further 30 schools have access to wraparound provision, but close before 6pm.

4.4 There are 7 schools that further clarity is required about the wraparound offer of which a small number do not have a wraparound provision linked to the school.

4.5 The Early Years Project Team is prioritising contacting the 37 schools that the offer is unclear or do not meet the core criteria to discuss growth and expansion options as demonstrated in the table below.

<b>Key theme</b>	<b>Actions</b>
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?
Wraparound closes before 6pm or opens later than 8am.	Is there parental demand for an earlier/ later opening? Can the session be extended?
Wraparound 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.
Wraparound 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 to the OOSC provision.
Wraparound 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.
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4.6 We will work with schools on the above themes and consider areas such as staffing, recruitment and training resources and space available within the school in order to grow wraparound provision as appropriate.

## 5. Capital and Revenue Funding

5.1 There is a capital and a revenue grant available for this wraparound childcare expansion and although priority will be given to those schools and settings that do not meet the core offer, there is also an opportunity for all schools and settings to apply if they want to expand their wraparound provision.

5.2 We have set up an application process for the autumn term and intend to allocate funding to create the required places that meet the core offer by October half-term.

## 6. Legal Considerations

6.1 The Council has a statutory duty to ensure it meets the requirements of the “Department for Education Early Education and Childcare Statutory Guidance for Local Authorities” which covers this new provision. Therefore, this establishes the requirement and importance of a successful roll out of the new entitlements and all of the additional work this entails.

## 7. Conclusions

7.1 The early years expanded entitlements and wraparound 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.

7.2 Stockport has sufficient high-quality childcare and has been successful in meeting the first two phases of the expanded entitlements. But there are risks associated with phase 3 from September 2025. Concerns are that the speed of growth may mean that demand may increase faster than the supply. To prepare for this we are targeting our capital grant to create places in the appropriate geographical areas and increasing our recruitment campaigns to increase the staffing in the workforce to unlock unused capacity in our nurseries in readiness for the September 2025 expansion.

7.3 The expansion of the wraparound provision will move at pace during the autumn term as schools and settings are prompted to grow and develop their provision to meet their local demand.

7.4 We will continue to work closely with early years providers and schools to support the required developments in line with the DfE guidance and funding allocations.

7.5 The Local Authority will also have regard for any new or change in policy that may arise from the recent change in government relating to these areas of expansion.

We are expecting more detail on the free breakfast clubs for primary children and the 3,000 new nursery classes across England later in the autumn term and will consider any implications for this policy.

## 8. RECOMMENDATIONS

8.1 Members note the content of this report.

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There are no background papers.