

York Schools Forum

17<sup>th</sup> October 2024

Report of the Head of Education Support Service

**EARLY YEARS AND CHILDCARE REFORMS**

**Purpose of Report**

- 1 This report provides the Schools Forum with details of the Early Years and Childcare Reforms.

**Background**

- 2 The Local Authority works in close partnership with a mixed economy of registered settings to deliver approximately 3,674 places for children aged 0-14 (and up to 18 for disabled children). The Local Authority commissions approximately £19 million grant funding per annum to registered settings who deliver early education places for eligible 9 month old children and two, three and four year olds. The private and voluntary sector is made up of 41 private day nurseries, 26 Pre-School groups, 94 childminders, 16 academy nurseries, 7 maintained nurseries, 4 independent nurseries and 61 out of school clubs. Daily breakfast places offered are 1,838 and daily after school places 2,200.
- 3 Section 6 of the Childcare Act 2006 places a duty on local authorities to secure, as far as is reasonably practicable, sufficient childcare to meet the requirements of parents in their area who need childcare in order to work or to undertake training or education to prepare to work. The Local Authority continues to meet its statutory duty to secure sufficient early years and childcare provision for children aged 0-14 (and up to 18 for disabled children). However, there remains a gap for specialist after school provision for a small number of children with complex health care needs.
- 4 From April 2024, eligible working parents of 2 year olds became eligible to access 15 hours early education and care. Children from 9 months old became eligible to access 15 hours from September 2024. By September 2025, most working families with children aged between 9 months and 5 will be eligible for 30 hours each week of early education and care. The changes are being introduced gradually to make sure that the providers can meet the needs of more families. The DfE's 2023-24 Childcare Capital Expansion grant allocation to York is £333.6k. This funding should be used to increase the physical capacity of early years *and* wraparound provision in local areas where demand is likely to exceed existing supply. There are conditions of grant relating to the allocation alongside grant determination and guidance to support LAs how to best use their allocation. The Department for Education (DfE) have acknowledged the crucial role local authorities ("LAs") play in supporting the expansion of local early years and childcare markets.
- 5 The DfE has also allocated £579.2k revenue funding to York to support the creation of wraparound places to make sure all families of primary school children who need it can access childcare between 8am and 6pm. It also supports LA capacity for the delivery of this work. Allocations are administered by a non-ringfenced Section 31 grant. Alongside the

allocations there is a programme handbook to give clarity on the programme expectations so that LAs can begin to plan for the implementation of the wraparound programme, ready to deliver an increase in the availability of high quality, inclusive and sustainable wraparound care.

- 6 CYC has also been successful in securing £10k from the DfE to support the commissioning of specialist after school provision for children with complex needs. York is the only local authority to successfully secure this funding via a strategic support partner and is the first in the country to test the market for specialist provision, which is sustainable in the longer term. The DfE is keen to capture our learning so that good practice can be shared with other local authorities. As a result of scoping the Early Years and Wraparound Team have revised the timeline for this new specialist provision and aim to commission it to be up and running for families in the latter part of the Spring Term 2025.
- 7 Regulations for the new entitlements came into force on 1 January 2024 and therefore these are new statutory duties for CYC to deliver.
- 8 Timescales are very tight and by early June the DfE expected each LA to confirm its Delivery Plan for capital and revenue spend, so that a value for money assessment could be made by the strategic support partner prior to the release of funding. The assessment included consideration about reach, increased supply of places, costs, addressing of barriers and alignment with the analysis of supply and demand. CYC's delivery plan has been submitted, assessed and Year 1 funding has now been released by the DfE.
- 9 It is important to note that the new government have confirmed their commitment to the Early Years and Wraparound childcare reforms and the same delivery timescales. They also have an ambition to open 3,000 high quality nursery places by using spare spaces in primary schools to deliver the extension of the government funded hours. They also confirmed a commitment to Free Breakfast Clubs in every primary school in England. Whilst the DfE have opened up applications for both of the new programmes for schools to apply to be early adopters, they want to reflect the LA role in managing childcare sufficiency in funding decisions as well as minimising the impact on existing provision.
- 10 The LA also has a unique and award winning model of 'Shared Foundation Partnerships' defined as early years and childcare networks across the city made up of childminders, playgroups, private nurseries, schools and out of school clubs who work collaboratively on ensuring effective transitions, good holistic outcomes for children and ensuring there are sufficient high quality and flexible places to meet demand. The Shared Foundation Partnerships have been instrumental in the delivery of local and national early years and childcare policy changes and indeed when the childcare market successfully expanded to deliver 30 Hours early education places. They should therefore continue to work collaboratively to support the implementation of these new significant Early Years and Childcare Reforms as well as being sighted on any implications for new breakfast and school nursery provision.
- 11 Local Authority capacity is in place to support delivery of the reforms. The roles include an Early Years Reforms Programme Lead, Wraparound Programme Officer and Early Years Reforms Programme Support officer.
- 12 The team is working closely with the DfE's strategic support partner who consider CYC to be light touch due to our knowledge, skills and experience. DfE readiness surveys have been regularly completed with oversight from senior officers. There are also regular meetings with a DfE representative to understand progress in more detail and to escalate emerging challenges.

- 13 In preparing for the reforms a deep dive into sufficiency has been carried out for both early years and wraparound care.
- 14 The deep dive analyses inform the development of new sustainable, high quality and inclusive places so that there is most focus on where places are needed and not just where the market can respond more easily. CYC is already aware that there should be a focus on more baby places in the Clifton Green area, after school provision in some areas and for children with complex needs, SEND provision and ensuring eligible two-year-olds of non-working parents are not displaced by the new reforms.
- 15 A Procurement Project Board has been established with representation from Early Years and Wraparound, Commercial Procurement, Finance and Legal to support this work and work has commenced to develop the competitive grant application process and associated documentation.

### **Risks and Mitigations**

- 16 The key risk is the potential failure of CYC to facilitate and expand the childcare market to provide sufficient early years and wraparound places to meet parental demand in line with the reform national deadlines. Statutory sufficiency duties would not be delivered leading to possible legal challenge from parents and reputational risk for the local authority.
- 17 In preparation for this and to support plans to ensure local sufficiency to deliver the entitlements and wraparound the DfE are monitoring national readiness for implementation. A LA readiness self-assessment is completed on a termly basis to help the DfE understand where support for LAs may be needed going forward and to ensure delivery plans will be in place.
- 18 The Early Years Team works closely with the DfE and its strategic partner to update on progress, learn from good practice and to escalate issues that require a national solution for local areas.
- 19 Low levels of funding for the sector is a further risk which has impacted on recruitment and retention of practitioners which is a local and national issue. Practitioners have left the sector due to early retirement, lifestyle changes and better wages in other sectors. This coupled with low levels of new practitioners and apprentices into the sector is resulting in a shortage of staff which has impacted on the local childcare market leading to capping of places in some areas. The cost of living rises and changes in parental demand have further exacerbated the operating environment. A national early years and recruitment campaign is underway to attract more people into the sector.
- 20 Another possible risk associated with development is gaining planning permission. The planning process requires collaboration on all sides and the Council's planning department will work positively on any proposals with the providers. There is however the need to ensure that the providers work with the Planning Department and engage positively to ensure that there is a positive outcome and permission is secured in a timely manner. Any formal planning submission will need to have sufficient quality of information to support the planning application process, being mindful of local and national planning policy requirements. Education Support Services will work with the planning department on this significant programme to ensure that there is an effective and expedient process.
- 21 In mitigation the application documentation for new early years and childcare places will make it clear that any increase in financial costs arising from the planning process and any possible delays should be borne by the provider themselves.

## Recommendations







- 22 Members of the forum are asked to note the content of this report and to consider the implications of the reforms for the early years and childcare sector, including schools.

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## Annex 1 – Timetable for Implementation of Early Years and Childcare Reforms

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### The Budget announced a range of measures to support education and help parents with childcare so they can return to work more easily

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**Entitlements:** Eligible working parents in England will be able to access 30 hours of free childcare per week, for 38 weeks a year, from when their child is 9 months old to when they start school. Govt will also increase the hourly rate for providers.
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**Wraparound:** The government will invest £289m over two academic years, from Sept 2024, to enable schools and local areas to set up wraparound childcare provision
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**Market reforms,** including more choice for childminders and changes to EYFS requirements, to improve flexibility for providers and support the workforce.
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**Changing staff:child ratios** from 1:4 to 1:5 for two-year-olds in England to align with Scotland and provide greater flexibility for providers
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**Childminder grants** to attract people to childminding, with £1200 for those who register with a childminder agency and £600 for those who register with Ofsted
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**Universal Credit reforms** will pay childcare support up-front when parents move into work or increase their hours and increase the monthly re-imbusement caps

### These will be rolled out in stages, to ensure enough supply in the system

<b>Autumn 2023</b>	<ul style="list-style-type: none"> <li>• Childminder grants become available</li> <li>• Invest £204m into 3/4yo and 2yo funding rate</li> <li>• Staff:child 2yo ratio change</li> </ul>
<b>April 2024</b>	<ul style="list-style-type: none"> <li>• 15hrs for eligible working parents of 2-year-olds introduced</li> <li>• Invest £288m into 3/4 yo and 2yo funding rates</li> </ul>
<b>Sept 2024</b>	<ul style="list-style-type: none"> <li>• National wraparound support begins</li> <li>• 15hrs for eligible working parents of children 9 months plus introduced</li> </ul>
<b>Sept 2025</b>	<ul style="list-style-type: none"> <li>• 30hrs for eligible working parents of children from 9 months to primary school age introduced</li> </ul>
<b>Sept 2026</b>	<ul style="list-style-type: none"> <li>• All schools able to offer 8am-6pm wraparound on their own or in partnership</li> </ul>