

Children, Culture and Communities Scrutiny Committee 1 October 2024

Report of the Corporate Director of Children and Education

Early Years and Childcare Reforms Progress Update

Summary

1. The purpose of this report is to update the Scrutiny Committee about progress on the implementation of the Early Years and Childcare Reforms.
2. For members to understand the progress being made to ensure successful local implementation so that families can benefit from the new early education entitlements and extended wraparound care.

Background

3. The Department for Education (DfE) have acknowledged the crucial role local authorities (“LAs”) will play in supporting local early years and childcare markets. From April 2024, eligible working parents of 2 year olds are eligible to access 15 hours early education and care. 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.
4. 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.

5. 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.
6. Regulations for the new entitlements came into force on 1 January 2024 and therefore these are new statutory duties for CYC to deliver.
7. 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 includes 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.
8. At its meeting on 23rd January 2024 Scrutiny were informed about the proposed early years and childcare reforms and agreed to receive progress reports about local implementation.
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. Local Authorities are currently awaiting more detail.
10. An information sheet for parents about early education entitlements is attached at Annex A.

Progress on Implementation

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.
16. A report was taken to the Full Executive on 12th September to seek approval to the overall programme of capital and revenue spend to create the new early years places and expanded wraparound care.
17. Other progress includes;

Early Years Places

- An early years funding consultation was undertaken in January 2024 to provide feedback from the sector on the early years funding formulae and proposed funding rates, this included the new rates for 9 months

plus. The rates were agreed at the full council meeting in February 2024.

- Consultation was undertaken in Spring term to move towards monthly payments for funding. Monthly payments for funding were trialled with 8 providers in the summer term and full roll-out has taken place for the Autumn term.
- A refresh of the sufficiency analysis, including intelligence from brokerage cases, is being undertaken throughout the Autumn term to plan for the new places so they can be delivered in a timely way up to September 2025.
- A parent survey to further understand childcare needs in the coming year is being undertaken in the Autumn term and to support preparation for new places.
- Funding sessions / Leaders & Managers briefings have been held regularly to keep the sector informed as the new reforms are being introduced. Weekly updates are sent to providers with information, support and guidance.
- Tax Free Childcare continues to be promoted to parents across the City.
- A national recruitment strategy is underway to support the sector with the ongoing pressure of recruitment / retention and there is also support locally to address this challenge.

Wraparound Places

- A wraparound childcare sufficiency assessment was undertaken to map supply and demand.
- The Wraparound Delivery Plan which details LA proposals to increase availability of wraparound care has been submitted and approved by the DfE.
- Since that time an after school club in the Hempland Without ward has closed and a new provider will be procured on this site. In the meantime, parents have been signposted to FIS for brokerage and Hempland Primary School's Out of School provision.

- The LA continues to engage with the Primary Special School to better understand delivery costs of specialist out of school provision in readiness for procurement of a new provider.
- The opportunity to represent the LA with a local provider at a DfE Wraparound Event for other LAs and providers with positive feedback about the partnership working across York.
- Briefing sessions have been held for Headteachers and Wraparound care providers including childminders.
- A key note presentation has been delivered about the expansion of Wraparound at the Annual Out of School Conference in York.
- Representation at and feeding into the DfE's national wraparound steering group.

Council Plan

18. Education and Skills: High Quality Skills and Learning for All
 - City of York Council 'CYC' has a statutory duty to secure sufficient high quality early years and childcare provision for children aged 0-14 (and up to 18 for children with SEND) which includes early education places for eligible children.

Implications

Financial

19. The DfE have made available both revenue and capital funding to support these childcare reforms.
20. Revenue funding for the increased early years entitlements is being provided within the Early Years block of the DSG. This includes provisional allocations for the new working parents of 2 year olds, and the under 2s entitlements. In addition, a small amount of Delivery Support Funding has been made available to local authorities to support the rolling out of these expanded early years entitlements. York will receive £55k from this grant in 2024/25 to fund additional staffing and associated costs to deliver the programme.
21. The creation of wraparound provision for primary aged children is also being supported by separate funding of £253m from the DfE for

programme delivery, and £25m for capacity over two financial years, 2024/25 and 2025/26. York will receive a maximum of £579k from this funding (£8k in 2023/24, £385k in 2024/25 and £186k in 2025/26). This funding is to assist local authorities to deliver the objectives of the wraparound programme and it is expected that much of this funding will be distributed to providers to support in either expanding existing provision or setting up new provision. A small amount can be set aside to fund central costs, such as funding a programme lead, the approach which has been taken in York, where we have agreement to use £110k in total.

22. A condition of release of the first tranche of funding for the 2024/25 financial year is the submission of a delivery plan which has now been finalised and signed off by the Section 151 Officer.
23. The current proposals being designed are based around allocating an amount of funding to providers based on the additional places they plan to create, within three separate models of providing new places and wraparound facilities. These are: existing providers offering more places, existing providers offering longer opening hours, and new providers entering the market, with different levels of support being modelled for each, and tapering down the support available as the places become embedded and funded by the market.
24. Capital grant funding totalling £100m nationally has also been made available to support these roll-outs. York received £334k of un-ringfenced capital funding in 2023/24 which is the full allocation from this grant. A scheme is now included within the Children and Education Directorate section of the overall LA Capital Programme. Where appropriate this scheme will be increased by the addition of funding identified from relevant Section 106 developer contributions which have been agreed to fund Early Years provision. Any increases to the scheme and overall progress will be reported to Executive within the quarterly Capital Monitoring reports.
25. York has also been successful in gaining an additional £10k from the DfE to support the commissioning of specialist after school provision for children with complex needs and is the first in the country to test the market for specialist provision, which is sustainable in the longer term.

Human Resources (HR)

26. There are no HR Implications

Equalities

27. There are no equalities implications.

Legal

28. The grant funding arrangements sought to deliver the proposals set out in this report will need to be reviewed to consider whether the Council's acceptance and use of any such grant funding will comply with the requirements set out within the Subsidy Control Act 2022.
29. Any grant funding agreements put in place to regulate the use of the grant funding by providers will need to ensure the provisions of the DfE grant agreements are reflected and that any Subsidy Control elements are captured appropriately.
30. There may be legal property implications if the suggested reforms cannot be provided within existing property and facilities or if any modifications are required to existing facilities, but these can be advised on as the programme progresses.
31. The Council has a statutory duty under the Childcare Acts 2006 and 2016 and Part B of the Early Education and Childcare Statutory Guidance to secure sufficient early years and childcare provision for children aged 0-14 (and up to 18 for children with SEND) which includes early education places for eligible children.

Crime and Disorder

32. There are no Crime and Disorder implications.

Information Technology (IT)

33. There are no IT implications.

In addition to the implications set out above we have also considered;

Procurement

34. The grant funding secured by the council from the Department for Education (DfE) for the provision of childcare placements expansion and capital works to deliver more placements within York will be subject to a competitive grant application process to published on the e-Tendering website Yortender to invite Grant applications from suitable providers within the childcare placements market.

35. The Procurement Project Board are developing suitable grant application documentation, evaluation criteria, grant agreement legal terms in order to openly advertise the opportunity for suitable childcare placement providers to access the grant application documents on the council's e-Tendering website called Yortender. Suitable providers will be able to access the grants application documentation and consider if they wish to submit an application to be evaluated and considered for the award of grants for capital works to increase capacity of placements that can be offered and/or revenue grant to deliver those childcare placements. This will also comply with the council's Contract Procedure Rules clause 4.4 "to conduct a competitive application process for the award of that Grant if doing so demonstrates best value for the Council."
36. The development of the grant application process documentation and publishing on an open e-tendering website Yortender, will ensure competition is invited from suitable providers and assess providers on quality and grant costs allocation to ensure Value for Money to the council.
37. The Procurement Project Board includes representation from the councils Education Support Service team, Legal, Commercial Procurement and Finance teams who will ensure there is compliance with our CPR's, Financial Regulations, applicable legislation i.e. Subsidy Control Act 2022 and the grants are awarded in accordance with the appropriate provisions for both the council and the DfE grant agreements are reflected within the final signed grant agreements.

Health and Well Being

38. Research suggests that high quality early childhood education and care can have positive effect on children's educational, cognitive, behavioural and social outcomes, in both the short and long term and long-lasting impacts on children's outcomes, particularly for disadvantaged children.

Data Protection

39. As there is no personal data, special categories of personal data or criminal offence data being processed, there is no requirement to complete a data protection impact assessment (DPIA). This is evidenced by completion of DPIA screening questions AD-08544.

Communications

40. Significant communications will be required to ensure the key messages related to this update reach their intended targets. This will require a dedicated communications plan, campaign messaging, and targeted communications that focuses on the relevant members and the families in question.

Economy

41. Childcare is recognised in the York Economic Strategy as a key enabler for the economy, supporting working households to make the most of the economic opportunities that York provides.

Risk Management

42. 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.
43. 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.
44. 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.
45. 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.

46. In mitigation the application documentation 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

47. The committee is asked to note the content of this report and receive further updates about progress on local implementation.
48. Reason: For members to understand the progress being made so far to prepare for successful local implementation so that families can benefit from the new early education entitlements and extended wraparound care.

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Wards Affected:

All

For further information please contact the author of the report

Background papers

Early Years and Childcare Reforms – Children, Culture and Communities
Scrutiny Committee 23 January 2024

Commissioning of New and Expanded Places for Childcare Reforms –
Executive Committee 12 September 2024

Annexes

Annex A: Early Entitlements Parent Information Sheet

Annex B: Equalities Impact Assessment (EIA).