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## **People Scrutiny Committee**

3 December 2025

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 and other related policy developments.
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) acknowledged the crucial role local authorities (“LAs”) play in supporting local early years and childcare markets. From April 2024, eligible working parents of 2-year-olds have been eligible to access 15 hours early education and care. From September 2025, most working families with children aged between 9 months and 5 are eligible for 30 hours each week of early education and care. The changes were introduced gradually to make sure that the providers could meet the needs of more families. The DfE’s 2023-24 Childcare Capital Expansion grant allocation to York was £333.6k. This funding had to 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 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 could 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. Regulations for the new entitlements came into force on 1 January 2024 and therefore these are new statutory duties for CYC to deliver.
6. Timescales have been tight and 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. Year 1 funding was released by the DfE and Year 2 funding can be requested once year 1 funding is allocated.
7. At its meeting on 23rd January 2024 Scrutiny were informed about the proposed early years and childcare reforms.
8. Since then, there has been a change in government with confirmation by the new government of their commitment to the Early Years and Wraparound childcare reforms and the same delivery timescales. There have also been a number of significant national policy announcements such as Best Start In Life, School Based Nursery School Programme and Free Universal Breakfast Clubs. The forthcoming Schools White Paper may also have implications for early years inclusion fund arrangements.

#### School Based Nursery Programme

9. As part of its drive for a Best Start in Life the Department for Education launched the School Based Nursery Programme (SBN) earlier this year. The SBN programme was available for state funded primary phase schools and maintained nursery schools to apply for up to £150,000 of capital funding to create or expand a school-based nursery if there was evidence of need and no impact on existing provision. One York school was successful with their application in round one (Poppleton Road) and support remains available to schools for round 2 of the programme and will be available when round 3 is launched in 2026.

10. Some schools have also applied to the DfE outside of the School Based Nursery Programme to lower and/or expand their numbers and this is still being done in a considered way to meet a sufficiency need for places and minimising impact on 'good' and 'outstanding' provision. Details of changes are:
- Knavesmire Primary School has recently received DfE approval to lower its nursery age range to two-year-olds and expand those places to meet a sufficiency need in the local ward.
  - One other primary school is currently seeking DfE approval to lower the age range of its nursery to two-year-olds.

### Free Breakfast Clubs

11. Under the Children's Wellbeing and Schools Bill, the government is committed to offering a free breakfast club to every primary aged pupil in England to break down barriers to opportunity and help tackle the impact of poverty. This is to be phased in over a three-year period following a first round of early adopters. In York there has been a successful application to the DfE for a York Primary school to be an early adopter, and this started in June 2025. The DfE expects that LA wraparound reform leads manage the transition to the new breakfast club programme given local knowledge, expertise and skills about the wraparound sector, minimising impact on existing paid for breakfast, sustainability and join up with other initiatives such as the Holiday Activities and Food Programme and for this LA York Hungry Minds. The LA is awaiting the confirmation of an allocation of capacity funding from the DfE to support the new free breakfast clubs. For the first phase of the national rollout, priority will be given to those schools with 40% or more pupils eligible for free school meals (FSM), or the most disadvantaged school in an area, whichever is lower. Delivery will begin from April 2026.

### **Progress on Implementation of the Early Years and Wraparound Reforms**

12. The team works closely with the DfE's strategic support partner Childcare Works and 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 possible emerging challenges.

13. The new and expanded early education entitlements were implemented fully from September 2025 following place creation via procurement rounds by the local authority and settings offering more places themselves in response to parental demand.
14. In September 2025 which was the key milestone for the extended entitlements, the LA had created sufficient places to continue meeting its statutory duty to secure 'as far as practicable' enough provision overall for parents to take up or remain in work. Even though there are sufficient early years and childcare places across the city as a whole, some wards have less availability especially for under 3s, and whilst parents could reasonably travel to other providers, the LA is committed to continuing to grow high quality and inclusive provision in a considered way using DfE and S106 capital monies to give parents an even better range of options, more choices and increased flexibility to meet their needs. There have been some localised gaps in after school provision and those are in the Dringhouses and Woodthorpe ward, Rural West York ward and the Rawcliffe and Clifton Without ward. The revenue funding via the national wraparound programme is working to address these localised gaps.
15. The Autumn Term is also consistently the lowest term for occupancy as older children move into school reception. Whilst the key milestone for September 2025 has been met the LA continues to plan for the Summer Term 2026 which will see the largest impact from the roll out of the new entitlements as this is the busiest term for occupancy in private nurseries, voluntary playgroups and with childminders. The development of new sustainable, high quality and inclusive places continues to focus on where places are needed and not just where the market can respond more easily. Priority wards for potential additional early years places include: Acomb, Clifton, Dringhouses & Woodthorpe, Fulford & Heslington, Haxby & Wiggington, Heworth & Heworth without, Holgate, Hull Road, Micklegate and Westfield. In the majority of priority wards places are required for children aged under 3 years and this would give more options and choice to parents to be able to take up a place closer to home.
16. There remains a small gap for after school provision for children with complex needs and the LA continues to work on longer term sustainable solutions for these families.
17. The local authority is working to ensure eligible two-year-olds of non-working parents are not displaced by the new reforms which are focused on working families.

18. A Procurement Project Board remains in place with representation from Early Years and Wraparound, Commercial Procurement, Finance and Legal to support this work and they developed a competitive grant application process and associated documentation.
19. Market engagement events have taken place to promote the opportunity to apply for capital funding and to date three rounds have taken place to commission new places in wards where there has been a need for additional places.

## **Early Years Places**

20. More details on place creation includes:
  - A first round of procurement took place in Spring 2025 for use of capital funding and awarded a successful provider in the Acomb Ward to create 12 additional places from September 2025. This provider has a strong focus on inclusion. The tender process was then re-opened to provide a further opportunity for providers to apply. The second round was undertaken in Summer 2025 with a further successful applicant in the Fishergate ward who will increase by 12 places which will be available from Summer 2026. These places will support the Fulford & Heslington families as well as Fishergate families. Alongside the expansion of places via the reforms capital funding the LA has S106 developer contributions to create childcare places due to increased demand from housing developments. Applications have followed the same procurement process as the reforms capital funding. To date there has been one commissioning round undertaken using S106 developer contributions from the Chocolate Works development. One provider will be delivering an additional 18 places from Spring 2026, and a further application is currently being considered.
  - As mentioned there has been a successful school-based nursery application to the DfE which created 26 additional places for September 2025.
  - Targeted 1:1 business support is promoted and is provided on request and has been well received by providers. The LA has also developed a bespoke Business Support training package in partnership with York Learning and funded through the Economy Team. Further training is planned for early 2026 and will be funded via wraparound revenue funding. The Local Authority also promotes online tools that are available to the sector e.g. business support webinars, national resources etc.

- Revised statutory guidance to give clarity on charging parents for extras over and above funded hours was issued in February 2026. The national communications about the changes caused some challenge for the DfE from providers. However, this was mitigated locally by providing group support and an offer of 1:1 support about the charging arrangements and how providers could implement the guidance within their settings.
- An early years funding consultation was undertaken in January 2025 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 2025.
- In December 2024, the DfE announced two grants - Early Years Expansion Grant (EYEG) and National Insurance Contribution's Grant (NICs). Using a local based formula the total allocation of the EYEG was paid to eligible providers in August 2025 to support the delivery of the expansion of early education funded places from September 2025. NIC's grant is for school-based provision, and this is being administered by the Finance Team.
- Provider and parent surveys to further understand childcare needs in the coming year have been undertaken to support sufficiency of places.
- Funding sessions / Leaders & Managers briefings have been held regularly to keep the sector informed as the new reforms were being introduced. Weekly updates have been sent to providers with information, support, and guidance.
- Tax Free Childcare continues to be promoted to parents across the City.
- A national recruitment campaign known as 'Do Something Big' is continually being promoted to the sector, both by the LA and in partnership with Department for Work and Pensions. There remain ongoing pressures to recruit and retain staff. However, this year's provider survey highlighted less reliance on agency staff being used by the sector. Monthly payments of early education funding are paid to providers in line with DfE guidance. The providers welcome the monthly payments, and this supports sustainability and cash flow for all provider types.

Developing sufficiency assessments and responses to the DfE for School based nurseries are produced to support applications where applicable and support is available to schools with understanding local demographics / sufficiency.

21. Whilst the roll-out of the entitlements has been taking place this has required the system to process payments to be implemented. York uses a system called Synergy to process payments for providers and upgrades have been required to meet the changing nature of the rollouts. From Spring 2026 the DfE will be requiring LAs to undertake termly census returns, however further details are not yet available on the full requirements of the census returns.

### **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.
- Following the closure of an out of school provider in the Hempland Without Ward a grant application process has taken place for a new provider to be procured for the site. In the meantime, parents were signposted to FIS for brokerage and Hempland Primary School's Out of School provision. The new provision reopened in the autumn term and offers 56 places before, after school and during the holidays.
- Grant application rounds take place monthly, and this has led to an increase in the expansion of hours and places at a number of clubs across the city. In total 348 places have been created to date towards the DfE target of 390 places.
- The LA continues to highlight the barriers to delivery of wraparound provision at the Primary Special School with the DfE as this continues to be financially unsustainable due to higher staffing levels and lower group sizes. Recent surveys by the Primary Special School indicate that families would prefer access to holiday provision and the LA is committed to finding a solution more widely across funding streams, such as HAF and Short Breaks.

- Further briefing sessions have been held for Headteachers and Wraparound care providers including childminders, alongside information shared with school governors via the Governance update.
  - Representation at and feeding into the DfE's National School aged Childcare steering group.
  - A training offer is part of the wraparound programme and Playwork training was delivered over the summer term, with plans to repeat this in the spring term; Neurodiversity training is planned for the Spring Term with four sessions planned for delivery by Inspired Children Ltd. The service has also linked with York Learning to commission training which can support all types of childcare providers to ensure their provision is sustainable. This is called 'Building Brilliant Settings' and will begin roll out from February 2026 and builds on the previous sessions delivered last term.
22. It should be noted that the operating environment for all early years and wraparound providers remains challenging due to historical low funding as well as rising costs. A recent annual Childcare Provider Survey was carried out by the LA for open dialogue about sustainability, business support needs, and overall readiness for the extended entitlements from September 2025. The vast majority of the respondents felt that they were reasonably confident that the setting would be financially sustainable for the next year and had generated a surplus in this financial year, however it was noted that four providers identified that they were not confident that they would be financially sustainable for the next year and eight others were not sure. One to one support has been offered to providers and to date one provider who was unsure of future sustainability has engaged with this targeted support.

## **Council Plan**

23. Education and Skills: High Quality Skills and Learning for All
24. 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.



## **Recommendations**

25. The Committee is asked to note the content of this report including related national policy developments.

Reason: For members to understand the progress made for successful local implementation so that families can benefit from the new early education entitlements and extended wraparound care.

## Contact Details

**Author:**  
**Barbara Mands**  
**Head of Education**  
**Support**  
**Children & Education**  
Tel No.07923235520

**Chief Officers responsible for the report:**  
**Maxine Squire**  
**Assistant Director Education and Skills**

**Report**  
**Approved**



**Date** 25 November 2025

**Martin Kelly**  
**Corporate Director of Children and Education**

**Report**  
**Approved**



**Date** 25 November 2025

**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

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=1066&MId=14333>

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

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=14500>

Early Years and Childcare Reforms Progress Update – Children, Culture and  
Communities Scrutiny Committee 1 October 2024

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=1066&MId=14656>

## Annexes:

None.