

## Early Years and Childcare Entitlement Changes 2023-2025

To: Schools Forum

Meeting Date: 14 July 2023

From: Jonathan Lewis – Service Director: Education

Recommendation: Schools Forum are asked to note and comment on changes to early years and childcare entitlement as outlined in the Spring Budget 2023.

Schools Forum are asked to note changes in consultation requirements for September 2023 early years hourly uplift.

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# 1. Background

- 1.1 Local Authorities retain several statutory duties to secure early childhood services, including but not limited to:
- Securing sufficient childcare for working parents.
  - Securing early years provision free of charge, 570 hours of funded childcare per year for the most disadvantaged two-year-olds, 570 hours of funded childcare per year for parents of three- and four-year-olds (the universal entitlement), an additional 570 hours of funded childcare per year for working parents of three- and four-year-olds (the extended entitlement)
  - Providing information, advice and assistance to parents and prospective parents.
  - Providing information, advice, and training to childcare providers.
  - Improving the well-being of children under five and reduce inequalities.
- 1.2 The Spring Budget 2023, increases activity in the work surrounding the local authorities' statutory duties. The Spring Budget creates the requirement to develop a phased programme of enhanced early years entitlement and the introduction of an entitlement for wraparound childcare for primary aged children shown in the table below –

Date	Group Impacted	Required Change
April 2024	2-year-olds of working parents	15hours a week funded, termtime only or as a stretch claim over the whole year.
September 2024	9 months to 3 years of working parents	15hours a week funded, termtime only or as a stretch claim over the whole year.
September 2024	Primary aged children	Before and after school childcare (8-6) termtime only- paid by parent/carers
September 2025	9 months to 3 years of working parents	30hours a week funded, termtime only or as a stretch claim over the whole year.

# 2. Financial Implications

- 2.1 In addition, the government has announced an uplift to the early years hourly rate to deliver existing funded hours in September 2023. This will be allocated as a grant so will not require consultation. At the time of writing this paper, the final rate is not known but the latest position will be shared in the meeting.
- 2.2 The government will also provide start-up grants for new childminders. Childminders who register with Ofsted will receive a start-up grant of £600, whereas those who register with a childminder agency will receive £1,200.
- 2.3 In addition, Universal Credit childcare support will be paid up-front rather than in arrears and Universal Credit childcare cap will increase to £951 for one child (up from £646) and £1,630 for two children (up from £1,108).
- 2.4 The total national allocation for early years places equates £204m of additional funding 2023-2024, increasing to £288m by 2024-25. This funding is additional to the £4.1 billion that the government will provide by 2027-28 to facilitate the expansion of the new free

hours. The local authority will be passport most of the early years allocation, but the amount does also include LA implementation costs in line with grant conditions that are currently in place for centrally retained element of EY DSG.

- 2.5 The total allocation for wraparound childcare is £289m. This is not permitted to be used to fund places with the funding focused on the development of paid for childcare. The local authority awaits instruction, but it is understood local authorities will be required to enact current duties in the wraparound space and oversee grant allocations to childcare providers which will include schools and those provided by the PVI sector.

### 3. Resource Implications

- 3.1 The Department of Education has published a local data set that shows the predicted number of required early years places for Cambridgeshire. The market is already under pressure faced with a recruitment crisis and rising operating costs, we are working to secure current provision currently.

May 2023:GP Registered 0-4s	May 2023:Est. children using formal childcare	Anticipated new demand from April 2024	Anticipated new demand from September 2024
35200	19000	700	1700

- 3.2 The Department of Education has provided data that indicates that approximately 100 schools in Cambridgeshire have no wraparound in their local area or on school site. Of the remaining schools most only offer one type of wraparound provision. Demand for places has yet to be determined.
- 3.3 Demand estimates for the new entitlement and wraparound are uncertain. They are currently underpinned by judgement-based assumptions. We therefore have limited confidence in the data provided and are conducting a local forecasting exercise, this will be completed mid-August.
- 3.4 It is necessary to note that an inability to meet the needs of working parents of early years and primary aged children means Cambridgeshire would be in breach of statutory duties and impact on parent/carers ability to work or train and impacts negatively on children's outcomes.
- 3.5 It is unclear what local authority funding will be available to support capital and Officer time to support both programme of works.

### 4. Actions

- 4.1 As the policy and guidance emerges, the key actions the LA will be undertaking will be the following –

- Supply and demand survey / review planned with stakeholder engagement planned.
- Complete an updated forecasting model with a tool developed by Sheffield City Council  
This has been used previously used to predict local early years and childcare forecasts.
- Cambridgeshire is represented at three DfE new policy development and co-design groups. This is enabling our voice around delivering this policy in a large rural authority to be delivered.
- Developing our workforce to meet the demand for new provision. Recruitment and retention support is available with a funded qualifications pathway.
- The impact of SEND and additional children requiring Early Support is underway.
- Support for breakfast clubs and out of school clubs is established.
- The pseud dynamic purchasing system (PDPS) is established for new early years providers and consideration of replicating this for wraparound providers is being considered.

4.2 It is proposed that progress is reported via the Service Director, Education at Children and Young Peoples Committee, to ensure teams are accountable and risks understood. Schools Forum views will be added to this report.