

**Schools Forum**Date: Thursday 14 March  
2024

Time: 8:30 a.m.

Venue: Via Microsoft  
(MS) Teams

Paper

**B**

Public

**New childcare offers revenue and capital funding****Responsible Officer** Neville Warde-mail: [Neville.ward@shropshire.gov.uk](mailto:Neville.ward@shropshire.gov.uk)

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**Summary**

Details of the Government's recent funding announcements to support the roll out of the new early years and wraparound childcare offers have been announced.

**Recommendation**

Schools Forum are asked to consider and comment upon the Local Authorities proposed plans for this funding.

**REPORT****1 Background**

In the spring budget 2023 the government announced its plans to increase the availability of free childcare provision for working parents and to require all primary schools to make available wraparound childcare places for children aged 4 to 11 during school term time. We have now received details of the various revenue and capital funding allocations to support these initiatives.

**2 Summary of the funding covered by this report**

This report covers the proposed allocation of the following new funding:

- 1 Revenue funding to support the creation of new wraparound childcare places.
- 2 Capital funding to support the creation of new Early Years childcare places and new wraparound childcare places.
- 3 Announcements of the hourly rate of funding for the new EY childcare places.
- 4 Increases to the hourly rate of funding for existing EY childcare places.
- 5 Delivery support fund for LAs to support costs associated to the above schemes



### **3 Revenue funding to support the creation of new wraparound childcare places**

Under this heading Shropshire Council have been awarded the following funding:

	2023/24	2024/25	2025/26(Prov)	Total
Shropshire	£18,830.31	£1,246,990.91	£580,733.41	£1,846,554.63

The DfE have issued supporting guidance to this funding detailing how it can be spent but, primarily, the funding is intended to be allocated to schools and PVI childcare providers to support the revenue costs of establishing new wraparound childcare places to meet parental demand.

The government's ambition is that by 2026, all parents and carers of primary school-aged children who need it will be able to access term time childcare in their local area from 8am-6pm, so that parents can access employment and improve labour market participation.

To support this ambition, the government announced that it will provide up to £289 million of start-up funding over two academic years to support local authorities and providers in England to introduce or expand childcare provision on either side of the school day, which parents of primary school-aged children will be able to pay to access.

This program will only focus on primary school-aged children from reception to year 6, Monday to Friday during term time. Our expectation is that all wraparound provision is 8am-6pm, enabling parents to work a full day with travel time, unless data shows that local demand is for different hours, for example reflecting local labour market patterns.

There is an opportunity for LAs to retain a small element of the funding award to cover costs associated with the delivery of the programme. Our intention is to develop a grant programme for applicants to bid for funding to cover eligible new projects and we hope to have this ready and operational in the spring term 2024.

### **4 Capital funding to support the creation of new Early Years childcare places and new wraparound childcare places.**

Under this heading Shropshire Council have been awarded the following funding:

For the financial year 2023/24 onwards: £541,144

This funding is intended to support the expansion of childcare places. The department is providing £100m of capital funding in 2023-24 to support local authorities in delivering the expansion of the 30-hours early years entitlement for working families and of wraparound provision in primary schools.



Whilst it is ultimately up to local authorities to determine how best to prioritise this funding to address local priorities, it must be spent on capital projects, and is being provided to meet the capital costs associated with projects that help ensure sufficient places for:

- Children taking up an early years place through the expanded 30-hours entitlement for qualifying working parents (from the term following the child reaching 9-months to the term in which they turn 3-years-old);
- Increasing the supply of wraparound childcare for primary-school aged children.

Local authorities may also consider use of this grant to fund central capital works (e.g., modifications to IT systems, etc.) where they are necessary to enable the roll-out of entitlements.

Our intention is to develop a grant programme for applicants to bid for funding to cover eligible new projects and we hope to have this ready and operational in the spring term 2024.

## **5 Announcements of the hourly rate of funding for the new EY childcare places.**

My paper to forum in January 2024 detailed the roll out of the new hourly rate funding 'expanded' childcare offers.

In summary, 2-year-old children from working families will receive 570 hours of free childcare each year from April 2024. This offer will extend to children of working families from the term after they turn 9 months old from September 2024. Then in September 2025 both offers will double to 1140 hours each year.

Funding for these free places will be made available to early years providers through the funding formulae in the same way as for their current eligible 2-, 3- and 4-year-old provision.

The DfE have now announced the hourly rate of funding which the LA will receive to support these new offers, and these are as follows:

	Shropshire	National Average
Funding rate per hour per child for 2-year-olds from 4/24	£7.26	£8.28
Funding rate per hour per child for 9-month-olds from 4/24	£9.85	£11.22

In order to offer the maximum support possible to our providers we aim to pass on as much funding as possible through the hourly rate of funding and modelling is currently in progress to determine funding levels and advise providers as soon as we are able.



## 6. Increases to the hourly rate of funding for existing EY childcare places.

At the same time as issuing details of the rates of funding for the new entitlements the DfE have confirmed then funding levels for the existing free EY entitlements for 2024/25. These are as follows:

	2023/24 rate	2024/25 increase	2024/25 rate	National average 34/25 rate
Funding rate per hour per child for 2-year-olds from 4/24	£7.19	7p	£7.26	£8.28
Funding rate per hour per child for 3- & 4-year-olds from 4/24	£5.20	27p	£5.47	£5.88

It is important to recognise that the funding rate for the 2-year-old entitlement in April 2023 was £5.63 phpc and that this was increased to the £7.19 phpc figure in September 2023 as part of the roll out of the new childcare offers.

The hourly rates set out in paragraphs 5 and 6 above are used to determine the overall level of funding allocated to providers through the Early Years block As well as funding the free entitlements the EY block also funds:

	Current Spend
EY SEND funding for high need children in settings	Around £750k per annum
Sustainability funding for those schools and settings where NoR will not cover basic costs	Around £300k per annum
Provision of a funding supplement to support providers with high level of disadvantaged children	Around £300k per annum
The internal costs of the LA provision of information, advice and guidance to EY providers and the administration of the funding system as a whole.	Around £400k per annum



## **6 Delivery support fund for LAs to support costs associated to the above schemes**

Shropshire Council has been allocated £60,927 in 23-24 to be used to meet program and delivery costs associated with rolling out the expanded Early Years entitlements, which was announced as part of the Spring Budget 2023

This funding will be used in part to cover increased staff administration costs including the proposed employment of new EY inclusion officer posts to enhance provision of the information, support and guidance we offer to EY providers in terms of the meeting the needs of children with SEND.

