

Report to the Cabinet

Meeting to be held on Thursday, 11 April 2024

Report of the Director of Education, Culture and Skills

Part I

Electoral Division affected:
(All Divisions);

Corporate Priorities:
Supporting economic growth;

Childcare Expansion Capital Grant

(Appendix 'A' refers)

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Brief Summary

The Childcare Expansion Capital Grant has been allocated to local authorities to:

- Support the expansion of early years provision for 2-year-olds and under 2s.
- Increase the availability of wraparound provision for primary school aged children so that parents can access childcare before and after the standard school day whilst they are at work.

The capital funding will be made available to private, voluntary, and independent childcare providers, childminders and schools to create new places or expand existing provision in priority areas across Lancashire where there is a need for additional places.

The county council has been allocated £2,519,795 of capital funding for these expansion programmes. The split is based on 80% towards the expansion of early years provision for 2-year-olds and under 2s, and 20% towards the expansion of wraparound provision.

This is deemed to be a Key Decision and the requirements of Standing Order C18 have been complied with.



Recommendation

Cabinet is asked to:

- (i) Approve the approach to how the capital funding will be allocated and spent.
- (ii) Accept the capital grant and add it to the capital programme and budget.
- (iii) Accept the revenue grant and approve the method of allocation.
- (iv) Authorise the Director of Education, Culture and Skills, in consultation with the Cabinet Member for Education and Skills to agree the criteria for the award of the grant to providers.

Detail

In the Government's Spring Budget 2023, the Chancellor announced transformative reforms to childcare, to support working families with their childcare costs, empowering parents to access work, increase hours or progress their career, through the introduction of up to 30 hours per week of funded childcare for children over the age of nine months:

- Eligible working parents of 2-year-olds will be able to access 15 hours per week from April 2024.
- Eligible working parents of children aged 9 months will be able to access 15 hours a week from September 2024.
- Eligible working parents from 9 months to 3 years old will be able to access 30 hours a week from September 2025.

The Government has also invested an additional £100m of capital funding nationally, and to increase the number of early years funded childcare places for 2-year-olds and under 2s, and to increase the availability of wraparound provision for primary school aged children. Lancashire has been allocated a total of £2,519,795 of the £100m, of which £2,015,836 will be used to support the expansion or creation of new places for 2-year-olds and under 2s and £503,959 to create and expand Wraparound provision. Further information about this new grant funding is detailed below.

Early Years Entitlement Expansion – Capital Funding

All local authorities have a statutory duty to ensure there is sufficient childcare to meet the needs of working parents. To support the roll out of the extended entitlements, the capital grant will be used to increase the number of places for 2-year-olds and under 2s in School Planning Areas identified as having a projected shortfall.

The methodology used to identify the increased number of early years places potentially needed in each School Planning Area is based on data supplied by Early Years Providers across Lancashire, population estimates and the estimated demand for 2-year-old places and under 2s. This data is being used to identify if sufficient places are available to meet the phased roll out, or whether additional places are



required in each of the School Planning Areas. Some School Planning Areas will only show a small gap in places while others will show a more significant gap. On this basis, the School Planning Areas will be rated in order of the highest deficit of places to the lowest deficit of places, and this is how the capital grant funding will be prioritised.

The data is based on existing registered providers and will need to be reviewed on a regular basis as the gap in places may alter due to changes in the childcare market, e.g. a closure or opening of a childcare provider.

£2,015,836 is available to support the expansion of existing provision or the creation of new places for 2-year-olds and under 2s. Funds will be available for private, voluntary, and independent providers and schools to apply for.

To be eligible to apply for the funds, private, voluntary, and independent early years providers and schools must meet set criteria and complete an application form. The proposed funds available are detailed in the table below:

Funds	Description of funding
Fund One	Minor alterations or remodelling space in existing providers current premises, to increase capacity to create new under 2s and/or 2-year-old places in priority areas.
Fund Two	Expanding existing provision, including expanding existing space, or relocating to alternative premises to create new under 2s and/or 2-year-old places in priority areas.
Fund Three	Creation of new childcare in new premises, to create under 2s and/or 2-year-old places in priority areas.

Priority to access the funds will be tapered based on highest to lowest places needed. Highest priority areas will be able to apply for all funds and lowest priority areas will be able to apply for fund one only.

A phased approach to roll out the funding will apply. Phase one will support the expansion of the early education funding entitlements in 2024, for 2-year-olds and under 2s.

During summer 2024, a re-assessment of the supply and demand data will take place and priority areas will be reallocated. Phase two will then roll out which will support the expansion of the early education funding entitlements in 2025.

Wraparound Programme – Capital Funding

Local authorities have a statutory duty to provide sufficient childcare for working families. The Government's aim of the Wraparound Programme is to provide before and after school provision for primary school children aged 4-11 years. This will enable parents to make decisions about returning to work, taking a new job, or working the hours that they wish. The programme also aims to help improve the



availability of wraparound provision and remove barriers for providers, to enable them to create new or expand current provision.

Private, voluntary, and independent providers and schools have supplied data about their current wraparound childcare offer. Parent surveys have also been completed to understand the demand for provision in each School Planning Area. The data provided allows the county council to map the current provision available to children in each primary school, the different provider types, the number of places that are available and being used, and where demand is not being met. It also identifies a number of providers not currently offering 'full' wraparound provision, from 8am to 6pm.

£503,959 of capital funding will be available for private, voluntary, and independent providers and schools to apply for where gaps are identified. To be eligible to apply for the funding, providers and schools must meet set criteria, (to be agreed and approved by the Director of Education, Culture and Skills, in consultation with the Cabinet Member for Education and Skills) and complete an application form. The proposed funds are provided in the table below.

Funds	Description of funding
Fund One	Purchasing fixed assets required to deliver wraparound provision.
Fund Two	Projects that adapt, remodel, or improve existing wraparound provision to make them suitable for a wider range of needs.
Fund Three	Increase access to wraparound places where suitability of space may be a concern. For example, move to a different location and undertake some building work.
Fund Four	Creation of new wraparound places (new provision).

The same criteria will be applied by officers when assessing applications from providers for the Early Years and Wraparound capital funding. Providers wishing to expand their current premises to create new places would be considered before any applications to set up brand new provision. Only where capacity for expansion from existing providers does not meet the deficit of places would applications for brand new provision be considered. Further criteria used for assessment will include the proposed number of places to be created, cost per place, total funding requested and timescale to create the new places.

Information about the Early Years and Wraparound capital funding will be shared with all private, voluntary, and independent providers and schools. Providers will be invited to attend briefing sessions, where they can access details about the process and how to apply for the funding.

Wraparound Programme – Revenue Funding

In addition to the capital funding for the Wraparound Programme, the Government has also invested £289m revenue funding to support the Wraparound Expansion Programme. The county council has been allocated the following:



Financial Year	Total Grant Allocation
2023-24	£53,452.87
2024-25	£4,217,513.31
2025-26*	£1,942,637.41
Total Budget	£6,213,603.59

*2025-26 Allocation is provisional and will be confirmed at a later date.

The funding is being made available to pump prime the initial start-up or expansion costs, so that schools and private, voluntary, and independent providers have the financial support whilst the demand for wraparound places builds up, with a view to them becoming self-sustainable by March 2026. In addition, 11% of the grant allocation is being used to increase local authority capacity to roll out the programme (in line with the guidance).

School and private, voluntary and independent providers will be able to apply for funding to create or extend wraparound provision, so that families of primary school aged children have access to provision for the extended school day (8:00am to 6pm).

Appendix 'A' outlines the proposed funds that will be made available to schools and private, voluntary and independent providers to create or extend wraparound provision.

Appendices

Appendix 'A' is attached to this report. For clarification, it is summarised below and referenced at relevant points within this report.

Appendix	Title
Appendix 'A'	Wraparound Programme Proposed Revenue Funds

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Legal

There are potential legal implications if providers and schools do not use the capital funding for the purpose it is intended. To mitigate this, all providers and schools which are allocated capital funding will be required to sign a grant funding agreement. This will outline the terms and conditions of funding, including specific clauses to help mitigate the risks associated with capital projects not being delivered within the agreed conditions and timescales. Capital projects will be monitored by



officers and failure to comply could result in clawback of funding from providers and schools.

Financial

The Childcare Expansion Grant allocations have been provided as an un-ringfenced grant under Section 31 of the Local Government Act 2003, and any unspent funding will not be clawed back from local authorities. The grant awards will be allocated as per the priorities above and will form a cash limited grant offer, supported by a grant funding agreement with the providers receiving the grant. This agreement will set out the amount of grant and also the outcomes agreed from that grant during the bid process. Clawback provision will be made should the outcomes not be met, so that the grant funding can be redirected to another project or provider to ensure the gap in places is closed.

Risk management

If the county council is unable to allocate the funding for the Early Years Expansion and Wraparound Programme in priority areas, there may be insufficient places to meet the needs of working parents. As a result, parents may not be able to access their Early Years entitlement for 2-year-olds and under 2s, or wraparound provision for primary school aged children.

This could mean that parents are unable to access work or extend their hours of work. This is being mitigated through close partnership working with providers and schools to support them to expand.

List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A

