

NORTH YORKSHIRE COUNCIL

EXECUTIVE REPORT

11 June 2024

National Childcare Expansion Programme for Early Years and Wraparound provision

Report of the Corporate Director – Children and Young People’s Service

1.0 PURPOSE OF REPORT

To inform Executive of the plan to manage the National Expansion of Childcare grant funding for Early Years and Wraparound provision through Capital and Revenue grants.

The funding is to be administered through NYC and will include dispersal of funds through an application process where existing and new providers apply to support the council to meet its sufficiency duties.

The decision required is to enable funds to be distributed through an agreed process, using funding agreements and assurance processes as required.

2.0 EXECUTIVE SUMMARY

- 2.1 This report follows a grant acceptance report to the Executive in November 2023. In March 2023, a new national wraparound childcare programme was announced, providing local authorities with funding to set up and expand wraparound provision for primary school aged children commencing from September 2024. The 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 (wraparound childcare), so that parents can access employment and improve labour market participation. This provision can be offered by schools and private, voluntary and independent (PVI) providers (including childminders and early years settings) and can be operated on a school site or at another setting in the area.
- 2.2 To support this start-up funding is being provided 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.
- 2.3 In addition, capital funding is being provided 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. Childcare Expansion Capital Grant allocations are an un-ringfenced grant under section 31 of the Local Government Act 2003. Whilst it is ultimately up to councils 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.
- 2.4 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.

3.0 BACKGROUND

OFFICIAL

3.1 **Wraparound care programme**

Although many schools and other providers already operate before and after school childcare, access to this provision varies from one location to another due to a number of factors, including risks associated with the cost of sustaining such provision.

3.2 Schools also offer enrichment and extra-curricular activities before and after the school day. It is likely that schools will continue to deliver these activities themselves or in partnership, but in many cases they will not currently be delivered in a way which meets DfE's definition of wraparound childcare.

3.3 The wraparound programme aims to tackle three key barriers: *availability, affordability and quality*.

3.4 Availability:

- Increasing the supply and take-up of wraparound provision
- Removing the financial risk of setting up or expanding current wraparound provision where sufficient demand is not guaranteed to sustain provision from the start (but where sufficient demand may be built over time as parents are assured of the supply of places).
- The over-supply of places will help to generate additional demand, as parents are assured of the availability of provision.
- Provision should be self-sustaining from the end of the 2-year programme, meaning it will continue but will be funded by parental demand and payments.
- Flexible ways of providing childcare can be tested during the programme.

3.5 Affordability & Quality:

- Deliver provision that is child-centred, easily accessible, and responds to the needs of the families, including those of children with special educational needs and disabilities (SEND).
- Ensure that all parents/carers of primary school-aged children accessing wraparound and who are eligible for Universal Credit childcare (support for up to 85% subsidy of their costs) or Tax-Free Childcare (covering 20% of costs up to £2k a year or up to £4k for disabled children) can use this financial support to help pay for wraparound.
- Local authorities should promote the use of Tax-Free Childcare and Universal Credit childcare and encourage providers to sign up to accept both

3.6 Local authorities are responsible for leading the wraparound programme in the area and this builds on our sufficiency duties. Funding should be used to create additional places and ensure existing places are available for the hours required to:

- meet current demand – both in terms of number of places and hours available;
- ensure supply to build further demand; and
- where required, as traditional models of wraparound may not support sustainable provision, test new approaches to identify what works in their local area and identify the level of risk.

3.7 There is funding for local authorities to build internal capacity, but most of the funding will be used to work with providers to set up new provision or expand existing provision. The funding is based on a 'pump prime' model, whereby relatively small amounts of funds are provided to spur growth. Funding is also intended to enable local areas to test flexible ways of providing childcare and gather evidence of what works, including if delivering provision before school from at least 8am and after school until 6pm is sustainable.

3.8 Whilst the council is leading on the programme, the wraparound provision should be school-centred. Wraparound provision should be set up around the needs of schools, given that it takes place directly before or after school hours, and should recognise the circumstances of each school. It is expected that many parents will access childcare through provision on a school site

(either provided directly by the school or by an external provider), and if not then through the school signposting them to alternative local provision, for example PVIs and childminders.

- 3.9 Local authorities have been asked to take the following key steps to deliver the programme:
1. Ensure strong local leadership through a robust governance structure
 2. Allocate a designated wraparound lead and ensure appropriate resourcing
 3. Plan for delivery – undertake supply and demand mapping, and identify delivery models for wraparound provision
 4. Complete and submit costed delivery plans – local authority capacity and programme delivery plans
 5. Allocate funding to providers
 6. Work with providers to set up provision
 7. Promote the National Wraparound Childcare programme to providers and parents
- 3.10 Actions have been taken over the last year to ensure that leadership of this programme is robust with involvement of the Assistant Director, Education and Skills and the Assistant Director, Resources CYPS alongside senior early years and finance colleagues. A new post of Wraparound Childcare Co-ordinator has been established and the postholder has commenced in role. Activity to date has included:
- Recruitment to new posts.
 - Initial surveys to schools and PVI providers to establish provision and supply and take-up.
 - Survey to parents to establish demand.
 - Data analysis has established the needs and likely challenges locally.
- 3.11 The next stage is for a costed delivery plan to be submitted to DfE by 14th June. The plan will set out a high level outline of the funding allocation. It is understood that clear commitments are not being made at this stage, but the plan will offer an overview of the priorities for the local area. The DfE estimates for demand for new wraparound places in North Yorkshire are similar to local survey data (from over 300 schools and providers) though it worth noting that the programme is still in its early stages.
- 3.12 Following submission of the delivery plan, officers will work to allocate and administer funding to wraparound providers through a bidding process (described in section 5.3) targeting funding to areas of identified local need. Although much of the funding will be frontloaded, more than one round of bidding is expected.
- 3.13 Officers will dedicate new and additional resource to offer business support to wraparound providers during the programme, and the cost of this resource will be met by the provision of 'local authority capacity funding'.
- 3.14 To ensure minimum safe standards in wraparound childcare provision, all PVI providers and childminders funded through the wraparound programme must be registered with Ofsted, or in the case of childminders, Ofsted, or a childminder agency.
- 3.15 Dependent on the nature of the provision and the age range of children, this includes registration on the General Childcare Register (GCR) and the Early Years Register (EYR).
- 3.16 The wraparound co-ordinator and other LA officers will ensure that funded providers work towards delivering high quality provision such that:
1. Premises and facilities – are safe, suitable, and meet children's needs.
 2. Environment – is safe, welcoming, non-stigmatising, and inclusive.
 3. Staff-child interaction – when working with children, those who provide care are empathetic, considered, and child-focused. Staff are trained and support appropriately.
 4. Voice of the child – those who provide care facilitate child-led, choice-based activity and play.

5. Resources – are safe, stimulating, varied, age appropriate, and able to meet children's needs.

6. Inclusion – provision is accessible to all children, in accordance with their duties under the Equality Act 2010

7. Safeguarding – all those involved in the delivery of the wraparound programme are competent and have received adequate training and support.

3.17 As required for the grant, officers will produce and maintain a central register of all providers funded through the wraparound programme and will sample provision to ensure providers adhere to the standards set out in 3.16.

3.18 **Childcare expansion capital grant**

Separate funding is available to meet the needs of the communities focusing on projects to increase the physical capacity of early years and wraparound provision in areas where demand is likely to exceed supply. This includes an opportunity to ensure facilities are available for children with a range of needs. As before, the funding can be used to provide new places in a range of provider types, where these are offering the 30-hours early years entitlement and/or providing wraparound provision for primary-aged children.

3.19 Examples of appropriate early years projects:

- Projects that enable and/or increase access to childcare places for eligible children;
- Projects that adapt, re-model or improve existing childcare places to make them suitable for a wider range of needs;
- Central capital works required to enable delivery of the entitlement.

3.20 Examples of appropriate wraparound projects:

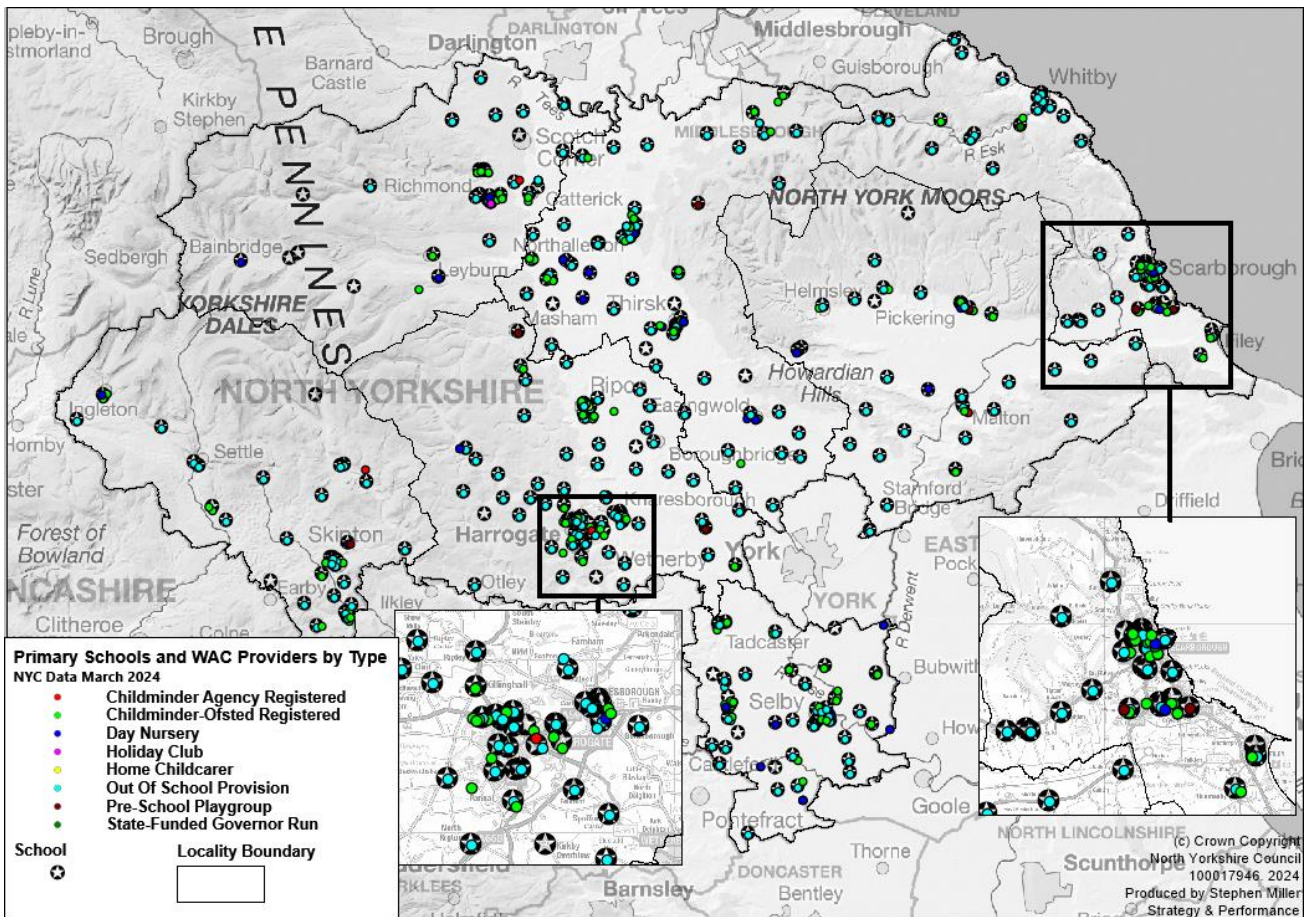
- Projects that enable the creation of new wraparound places and/or increase access to wraparound places (where suitability of space may be a concern);
- Projects that adapt, remodel or improve existing wraparound provision to make them suitable for a wider range of needs;
- Purchasing fixed assets required to deliver wraparound provision.

4.0 **CONSULTATION UNDERTAKEN AND RESPONSES**

4.1 The following section provides a summary analysis of data provided by the North Yorkshire Council Families Information Service examining availability and accessibility of wraparound care across schools (up to and including Year 6) in North Yorkshire.

- The majority of schools (85%) have access to some form of wraparound care provision in both the morning and the afternoon.
- There is some variability by locality. For example, 95% of schools in the Selby locality have access to morning and afternoon wraparound care provision but this falls to 75% in the Ryedale area.
- Access to wraparound care is generally better in towns than in rural areas.
- Across the local area there are 527 known wraparound care providers, of which the three most common provider types are:
 - Out of school provision (53% of providers)
 - Childminders (31% of providers)
 - Private day nurseries / pre-schools (12% of providers)

Locality	No. of schools	No. schools with AM+PM WAC provision (or access to)	Percentage of schools with access to WAC (AM+PM)	Number of providers
Total	305	258	84.6%	527



- Data suggests that 21 schools (with primary aged children) are without access to wraparound care – it is notable that seven of these are special schools although demand for wraparound care places for these children not in mainstream schools is an unknown factor at this stage.
- Across the council area, the proportion of schools that have access to wraparound care between 8am and 6pm is 30%. This suggests that although many schools have access (direct or indirect) to before- and after-school provision, it is possible that many parents may have to alter work or working patterns to fit around the school’s wraparound offer.

Locality	No. of schools	No. schools with 8am to 6pm provision (or access to)	Percentage of schools with access to 8am-6pm	Number of providers (8am-6pm)
Total	305	90	29.5%	95

- 4.2 Of the 258 schools with access to morning and afternoon wraparound care provision, 240 have provision on or very close to the school site, based on school and provision having the same postcode.
- 4.3 There are a small number of providers who only provide wraparound care in either the morning or the afternoon but not both. This may lead to reduced parental choice or, particularly in some small rural schools, an absence of provision available in both the morning and afternoon.
- 4.4 From April 2024 children (aged 2 years old) of working parents or sole parents in a household were eligible for 15 hours government funding for early years. As of 25th April, North Yorkshire had 2663 validated codes from 3111 that applied. This is a validation rate of 85.6% in North

Yorkshire compared to 81.88% nationally. Most providers reported that the children were already in provision and parents were paying fees and are now eligible for the funding. Some codes may have been accessed in neighbouring areas.

- 4.5 From September 2024, working parents are eligible for 15 hours government funding for their children aged over 9 months. Applications opened on Sunday 12th May for this entitlement. Provider surveys have been issued to sector to gain understanding of baseline data regarding supply and demand for spaces for this age group.

5.0 ISSUES AND NEXT STEPS

- 5.1 Data analysis so far highlights the need for focussed support for additional places for wraparound in specific areas. A number of further questions have arisen to ensure funds are targeted correctly, including detailed information about demand for places for children accessing specialist education provision, staffing recruitment, training and retention, rurality and existing barriers for schools that do not currently offer the full 8am to 6pm provision

- 5.2 The council's delivery plan will indicate the expected allocation of funding to specific priorities and will ensure a fair and transparent method leads to the most effective dispersal of funds to providers.

- 5.3 Local authorities are asked to decide how to use the grant funding to best achieve programme outcomes given the context in their local area, and in line with the delivery model adopted by the local authority. This is likely to include dispersal of funding to schools and childcare providers (including childminders) to contribute to start-up/expansion and running costs. The following is an outline of the proposed approach for the distribution of funds in North Yorkshire.

- Ensure a Data Protection Impact Assessment is in place.
- Use latest survey data (May 24) and DfE's data set to identify up to date priorities and create eligibility criteria based on this analysis, paying regard to the minimum standards in 3.16 of this report.
- Ensure procurement processes are adhered to, including reference to subsidy controls
- Agree dates for each bidding round and values of funds available in each round plus any weightings being applied to the identified priorities
- Consider a bidding cap for applications
- Create a brochure and application form inviting bids for funds to create or sustain places according to unmet need.
- Communicate the funding opportunity to providers
- Open bidding using an online form to be returned to a designated inbox
- Receive completed applications
- Evaluate and score the submitted applications
- Allocate funding using a grant agreement that meets the necessary requirements
- Sample check providers against the minimum standards and take follow up actions as necessary
- Complete the process for securing returns from providers and report to DfE as required

6.0 FINANCIAL IMPLICATIONS

- 6.1 The programme funding is tapered over the five terms of the programme, with the highest level of funding available in the autumn term of financial year (FY) 2024-25. There are three elements to the funding.

Capacity funding: Funding for local authorities to use to build their internal capacity to deliver. This could include paying for a designated wraparound lead if one does not already exist.

Programme funding: Funding for local authorities to deliver programme objectives, including to distribute to providers to set up new provision or expand existing provision. Programme funding is designed to reduce each term until the funding ends in March 2026.

Capital funding: Funding for local authorities to support new / extended wraparound provision, including distribution to childcare providers. For capital projects only.

- 6.2 The council will ensure that funding agreements with third parties include requirements to gather the management information necessary for grant assurance and programme reporting. Furthermore, it is recognised that funding agreements with childcare providers and suppliers would be 'at risk' until DfE have confirmed agreement with delivery plans and so this will be avoided. However, it is intended to organise this process efficiently so that all funding agreements are finalised, and funding dispersed in line with programme delivery timelines.
- 6.3 Programme funding can be used to cover costs including staffing, training, and transport costs such as minibus hire (not purchase, although capital funding could be used for this), as well as resources. It can also be used to contribute to running costs whilst demand builds, to remove any financial risk to providers of offering additional places before demand is guaranteed.
- 6.4 Programme funding can also be used to pay for training for wraparound staff, including specialist training for staff to ensure they feel equipped to support children with additional needs..
- 6.5 Capital funding can be used so providers can ensure that inclusive provision is set up from the beginning, by using it to establish inclusive spaces and buy inclusive equipment and resources.
- 6.6 Childcare provision funded from the programme grant must meet the definition of wraparound childcare, but it will not be used to subsidise the cost of places.
- 6.7 The programme grant funding will not be used for:
- i. contributions in kind
 - ii. payments for activities of a political or exclusively religious nature
 - iii. depreciation, repayment or impairment of assets already owned by the local authority
 - iv. the purchasing or improvement of assets
 - v. equipment or supplies which have an expected shelf life of more than one year where either the purchase price is in excess of £500 or is a group of lower value items where the combined value is in excess of £500 (Capital funding must be used for such purchases. Local authorities can use the Childcare Expansion Capital Grant funding.)
 - vi. input VAT reclaimable by the authority from HM Revenue & Customs
 - vii. interest payments or service charge payments for finance leases
 - viii. gifts, other than promotional items, with a value of more than £10 in a year to any one person
 - ix. entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations)
 - x. statutory fines, criminal fines or penalties.
- 6.8 Local authorities can use a reasonable proportion of the overall programme grant for local authority capacity costs, including staffing, administration, and any other internal costs associated with the delivery of this programme.

Allocations are:

FY 23-24	FY 24-25	FY 25-26 (Provisional)	Total
£38,506.84	£2,935,183.89	£1,354,724.13	£4,328,414.86

6.9 Local authorities are required to comply with DfE grant assurance processes and must submit a Statement of Grant Usage (see Annex E) by the following dates:

29 April 2024	End of FY 2023-24	Statement of Grant Usage
28 April 2025	End of FY 2024-25	Statement of Grant Usage
28 April 2026	End of FY 2025-26	Statement of Grant Usage

6.10 The Childcare Expansion Capital Grant funding amounting to £1.162m, was paid to local authorities in one instalment on 1st February 2024. Assurance data returns are required by DfE in June 2024 and June 2025.

7.0 LEGAL IMPLICATIONS

7.1 The Childcare Act 2006 places a duty on local authorities to make sure that there are enough childcare places within its locality for working parents or for parents who are studying or training for employment, for children aged 0 to 14 (or up to 18 for disabled children).² The wraparound programme's specific focus on children in reception to year 6 fits within this age range.

7.2 As the public body allocating funding from the Childcare Expansion Capital Grant and the National Wraparound Care Programme, the council will need to ensure compliance with the Subsidy Control Act 2022.

7.3 Support will be obtained from legal services for the grant agreements with providers.

8.0 IMPACT ON OTHER SERVICES

8.1 It is the responsibility of parents to drop off and collect children from wraparound childcare or make alternative transport arrangements. As is already set out in the home to school travel and transport statutory guidance, children will only be eligible for home to school transport to get to school for the beginning of the school day, and to return home at the end of the school day, provided they meet the eligibility criteria.

8.2 The Requirements for School Food Regulations 2014 (referred to as the School Food Standards) applies to all food and drink provided to pupils on school premises and during an extended school day (up to 6pm). Breakfast and after school clubs provided on school premises or at the request of the governing board (at other premises) are required to meet the School Food Standards. School-based providers will need to give regard to this. Although the School Food Standards do not apply to independent breakfast and after school clubs not connected to a school, those settings may wish to use the standards as a guide.

8.3 The wraparound lead and early years team continue to work closely with the HAF programme leads to ensure both programmes capitalise on opportunities for join-up, consider issues relating to provider capacity and sustainability.

8.4 In order to ensure sustainability, the council will need to promote the availability of wraparound via its Families Information Service and planned media releases and through continued engagement with schools and other providers. We will also continue to offer advice on use of Universal Credit and Tax-Free Childcare. Eligible parents will be able to use Universal Credit childcare support for up to 85% subsidy of their costs, and eligible parents can use Tax-Free Childcare to subsidise costs, covering 20% of costs up to £2k a year (or up to £4k for disabled children up to age 16).

8.5 Officers continue to work in partnership with local job centres to ensure they are aware of where to find the latest information in relation to available childcare and to enable them to signpost parents who cite childcare as a potential barrier for returning to work to the most up to date

information. Early years officers continue to liaise with DWP to understand the potential for future unmet demand as uptake of the new provision increases.

9.0 RISK MANAGEMENT IMPLICATIONS

Risk	Mitigation measures
Accuracy of data – issues around the changing levels of capacity in each provision occurring frequently Data only shows in-county provision and does not reflect movement across county areas	Access to daily Ofsted downloads of registered providers Ongoing use of surveys and engagement with providers as well as review of DfE level data
Equalities <ul style="list-style-type: none"> - Children with additional needs - Rural provision 	Further work to understand demand for places for children attending special schools and understanding the barriers to school-based provision being offered Rural communities may rely more on childminders if schools cannot operate viable wraparound care – need to ensure capacity amongst the childminder workforce
Reputation <ul style="list-style-type: none"> - Managing expectations on the role of the council at the end of the programme 	Communication needs to be clear that the programme is time limited Decisions need to focus on ensuring any investment intends to promote self-sustaining provision and there are no expectations of the LA to provide continued financial support
Administration of the programme <ul style="list-style-type: none"> - New untested programme - Short timescales (incl for capital) 	Governance structures and new posts are established Use of capacity funding to cover additional cost burdens Ensure planning timelines are considered in bid and delivery timelines

10.0 HUMAN RESOURCES IMPLICATIONS

There are no human resource implications with this report.

11.0 EQUALITIES IMPLICATIONS

11.1 An Equalities Impact Assessment has been completed. See appendix 1.

12.1.1 ENVIRONMENTAL IMPACTS/BENEFITS

12.1 Environmental impacts will be considered during the bidding process. Weighting will be added to promote the use of environmentally sustainable approaches and assurances sought within the application process.

12.2 If bids are made for lease of vehicles, low emissions will be prioritised.

13.0 REASONS FOR RECOMMENDATIONS

As the grants is a new policy are, this paper provides an outline of the spending plan relating to the grants.

The aim is to progress the process quickly to enable providers to access the funds as soon as possible and for maximise the council's grant allocation.

14.0 RECOMMENDATIONS

14.1 Approve the approach (section 5.3) to the allocation of the programme and capital funds to providers.

14.2 Delegate to the director of children and young people's services the authority to administer the grant in line with those principles.

Stuart Carlton
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11 June 2024

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Appendix A – Equalities Impact Assessment

Background documents:

[Agenda for Executive on Tuesday, 7th November, 2023, 11.00 am | North Yorkshire Council](#)