



**Community and Wellbeing Scrutiny
Committee**
18 September 2024

**Report from the Corporate Director
of Children and Young People**

**Cabinet Member for Children,
Young People and Schools -
Councillor Gwen Grahl**

**Early years provision and progress towards meeting the
expansion of childcare entitlements**

Wards Affected:	All
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	One Appendix 1: Governance – Childcare expansion delivery group structure Feb.24
Background Papers:	None
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1.0 Executive Summary

- 1.1. In the March 2023 Spring Budget, the previous government announced a significant expansion of early years childcare entitlements to take effect between April 2024 and September 2025 and proposals for development of a wraparound offer for school-aged children to access childcare between 8am and 6pm during the school term.
- 1.2. This report provides details about the rollout of these expanded entitlements in Brent, plans for distribution of the capital grant allocation provided by the DfE and the approach for delivering the requirement to have a wraparound offer for

school-aged children to access childcare between 8am and 6pm during the school term.

- 1.3. Whilst there is a reasonable level of confidence that the current changes in early years and childcare entitlements can be implemented, the position around sufficiency for the 30 hours places needed from September 2025 is less clear at this stage. Confirmations from providers indicate that they are engaging with the delivery of 15-hour entitlements across the expanded age ranges. We have systems in place to monitor provider intentions around the further expansion to 30 hours in 2025 to achieve greater clarity in the months to come. This paper sets out the current position, risks and mitigations to ensure the sector can continue to support with the delivery of the expanded entitlements.

2.0 Recommendation

- 2.1 That the Scrutiny Committee note and comment on the contents of this report relating to progress on the expansion of the entitlements and capital grant.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

- 3.1.1 The successful implementation of the expanded entitlements and wraparound offer for Brent, links to the Best Start in Life, Prosperity and Stability and the Thriving Communities priorities in the Borough Plan. There is correlation between children accessing high quality early education, not just for the development of social skills, health and wellbeing but also their readiness for school and future attainment. For parents and carers, this provides the choice of working more hours, developing their careers, or providing more for their family. As many Brent early years providers are local employers, a strong and sustainable early years sector benefits residents and the economy.
- 3.1.2 Other corporate strategies that this work links to are the School Place Planning Strategy and the SEND Strategy (2021-25).

3.2 Background

3.2.1 Free entitlements

Prior to April 2024, the free entitlement to early education and childcare was available to eligible two-year-olds, who could access 15 hours of free early education a week and all 3 and 4-year-olds who could access, at a minimum, 15 hours a week (and up to 30 hours if they are from a working family). There was no entitlement for children aged 0 – 2 years old, other than tax-free childcare for children from working families (covering the 0–11-year age range).

3.2.2 Brent childcare provision

The childcare sector is diverse within the borough, operating across the private, voluntary and independent (PVI) sectors, as well as through maintained

provision. Provision for children before they reach statutory school age can include self-employed childminders operating from home, preschool play groups (often run by voluntary management committees), day nurseries (mainly privately run) and school-based provision. Childcare that supports school-age children (often known as ‘out of school’ or ‘wraparound’ childcare), can be offered by childminders, voluntary or private groups, and schools. In Brent, this mixed economy of 0-5 childcare provision currently sees 59% of free entitlement places delivered by the PVI sector and 41% by the maintained sector.

Figures 1 and 2 below illustrate types of provision and distribution of places across the borough:

Figure 1: 0-5 childcare providers in Brent (as at August 2024)

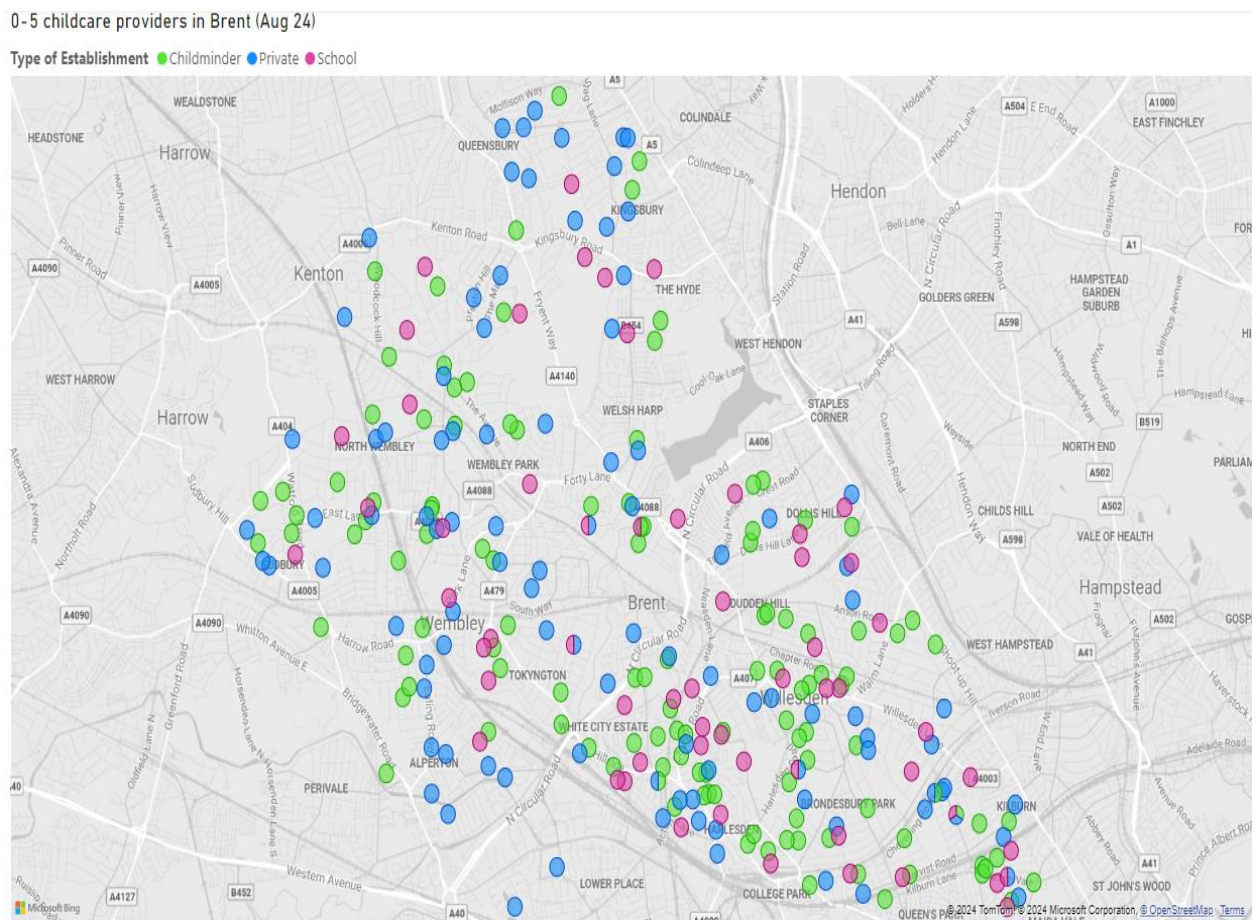


Figure 2: Registered 0-5 places by ward – August 2024

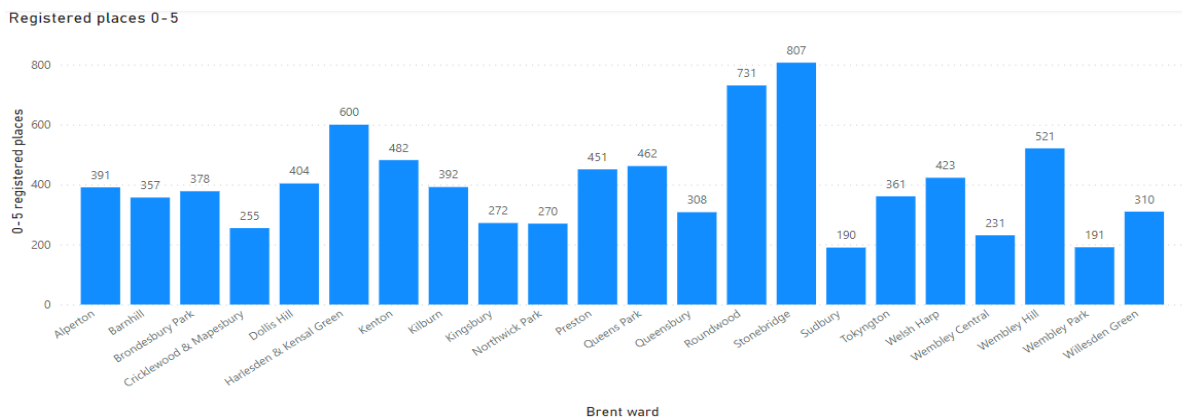
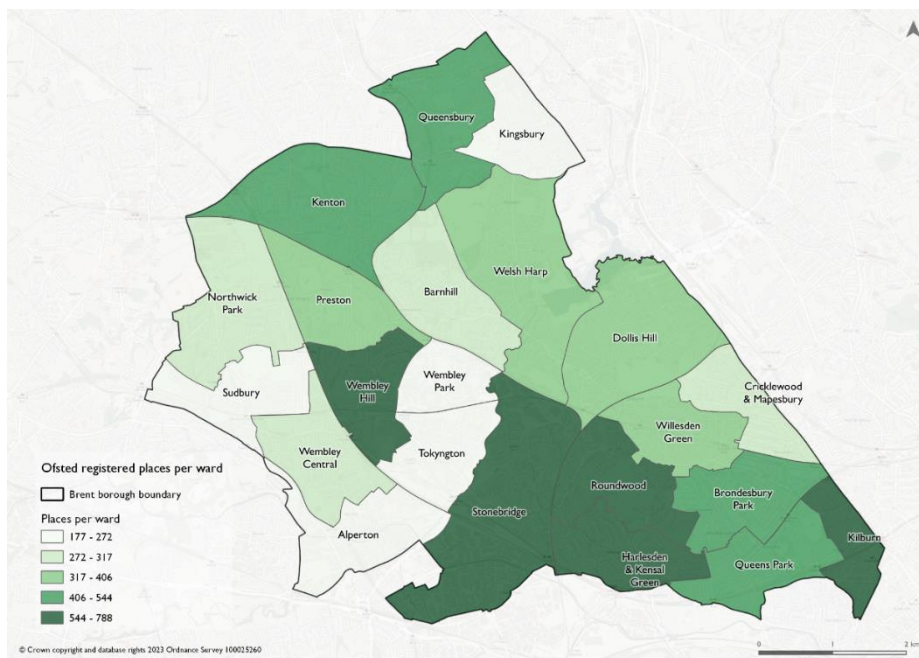


Figure 3 – Ofsted registered places per ward



As at August 2024, there were 294 Ofsted registered early years providers in the borough, including PVIs, childminders, nursery classes in schools and maintained nursery schools.

3.2.3 Role of the local authority

Councils have several statutory duties related to early childhood services. These include:

- Securing ‘early childhood services’, taking into consideration quantity and quality, for the benefit of parents, prospective parents and young children, taking ‘reasonable steps’ to involve parents, early years providers and other relevant people in those arrangements (Childcare Act 2006, s2).

- Ensuring that there is enough childcare available for every eligible child to access their funded early years entitlements for childcare (Childcare Act 2006, s7 and Childcare Act 2016, s1).
- Identifying parents in the area who might not take advantage of early childhood services that could benefit them and their children and encourage them to take these up (Childcare Act 2006, s3).
- Providing advice, information and assistance about childcare in their area, including for disabled children, and to make sure this is provided in a way that is best for those who need it (Childcare Act 2006, s12).
- Providing information, advice and training for childcare providers in their area, imposing reasonable charges for this if they wish (Childcare Act 2006, s13).

In Brent, these duties are carried out by three Early Years Teams within the Children and Young People's directorate. They manage statutory requirements relating to the free entitlements to early education for 2-, 3- and 4-year-olds. They also lead efforts to secure expanded supply and take-up of good quality early learning and childcare opportunities through administration processes, sufficiency planning and partnership working with council colleagues, external partners (e.g. Health, Jobcentre Plus, the community and voluntary sector) and community members (e.g. Parent Champions).

The teams also provide a Children and Families Information Service, early years workforce development, childcare sufficiency assessments, quality improvement support, inclusion support and brokerage support to enable families to access high quality childcare that meets their needs.

3.3 Expansion of entitlements and wraparound care

- 3.3.1 In the March 2023 Spring Budget, the previous government announced proposals aimed at increasing parents' participation in the labour market, by ensuring that parents of children aged 9 months to school age and primary age children have access to early years provision and wraparound childcare in their local area. The proposals also included measures such as funding rate increases and ratio changes to allow providers to increase the number of two-year-olds that staff could care for to address longstanding provider concerns about underfunding and financial pressures.

Figure 4 sets out these proposals and related timelines:

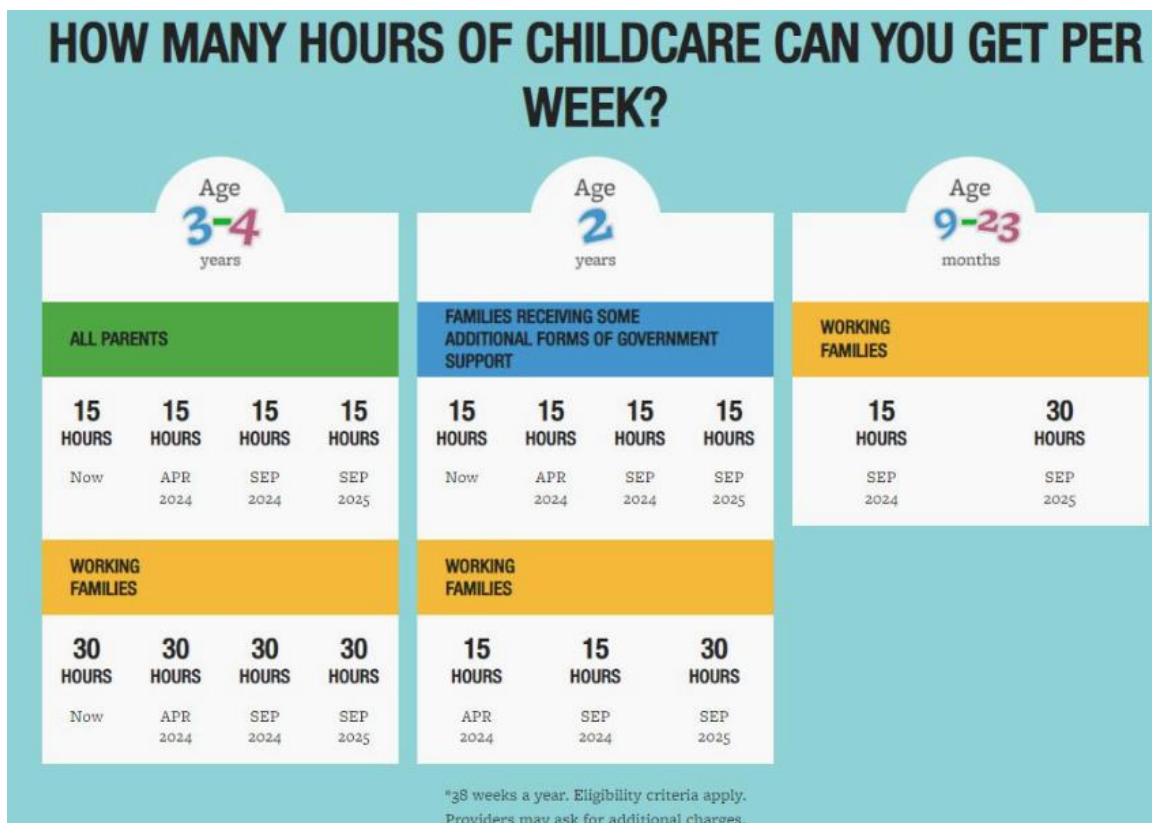
Figure 4: Timeline for implementation of new entitlements

September 2023	<ul style="list-style-type: none"> • Increase in 23/24 funding rates. • Change in staff-to-child ratios for 2-year-olds, moving from 1:4 to 1:5 • Launch of start-up grants for new childminders
April 2024	<ul style="list-style-type: none"> • 15hrs funded childcare for working parents of 2-year-olds
September 2024	<ul style="list-style-type: none"> • New or expanded wraparound provision commences nationally • 15hrs funded childcare for working parents of children 9 months to primary school age
September 2025	<ul style="list-style-type: none"> • 30hrs funded childcare for working parents of children 9 months to primary school age
September 2026	<ul style="list-style-type: none"> • All parents will be able to access wraparound care, either from their school or other provider

(Funded hours are for 38 weeks of the year)

3.3.2 The above expansion of free entitlements will make these available to a much bigger cohort of families and the full range of entitlements with implementation dates are shown in Figure 5 below:

Figure 5 – Full range of entitlements with implementation dates



- 3.3.3 Following the announcement of the expansion, the council’s early years teams worked with early years providers in the borough to assess readiness and support providers to prepare for implementation. This included regular information sharing, online and face to face provider meetings as well as one to one conversations answering provider questions and addressing concerns to support their decision-making process about delivery or not of the new entitlements.
- 3.3.4 Alongside this, a communications campaign (face to face through outreach and through partners and online, including the Council’s social media channels) was rolled out to raise awareness amongst families of the new entitlements and the process for accessing these.
- 3.3.5 The first phase of the early years expansion began in April 2024 with 567 two-year-olds in working families able to take up their entitlement at Brent settings in the summer term 2024. The second phase, making the 15 free hours of free entitlement available to babies from 9 months onwards, commenced on 1 September 2024.
- 3.3.6 All early years providers who wish to offer free entitlement places are required to sign a provider agreement with the Council confirming that these places will be delivered in line with the statutory guidance relating to Early Education and Childcare. The signed provider agreements also give an indication of which of the entitlements the provider will be offering. Figure 6 below shows provider intentions as of the beginning of September 2024. Further surveys will be conducted later in 2024-2025 to ascertain provider intentions with regard to 30-hour delivery in September 2025.

Figure 6 – Provider agreements and indicative delivery

Provider type	3 and 4 universal entitlement	3&4-extended entitlement	2-year-old Low/no income families	2-year-olds in working families	9+ months in working families
PVI	100%	77%	90%	80%	60%
Childminders	97%	72%	98%	77%	74%
Maintained nursery schools	100%	25%	100%	50%	50%
Schools	80%	60%	13%	13%	2%

The above percentages are based on providers who have confirmed their delivery via return of provider agreement or MOU. Some agreements are outstanding.

- 3.3.7 Work will continue with those providers who are unsure / not yet shared their intentions to understand their challenges and provide support to address these. As expected, fewer providers have confirmed willingness to offer under-twos places, and this is frequently due to space / setup constraints. Sufficiency is

likely to be further impacted in September 2025 when current 15-hour part-time places are converted to full-time 30-hour places. The capital grant scheme is intended to address this, supporting providers to create additional under-two- and 30-hour places, as well as places in areas of low sufficiency.

- 3.3.8 In order to take up a funded working family childcare place, parents must obtain an eligibility code via HMRC in the term before they wish to access the place. Parents provide this eligibility code to their chosen provider for validation (confirmation that it is valid). The DfE has now provided local authorities with a dashboard showing both the numbers of eligibility codes issued to families and the numbers of these codes then validated with a childcare provider as the family takes up their entitlement. As at 11 September 2024 over 1293 codes had been issued for 0–2-year-olds with approximately 54% of these validated. It is anticipated that this validation figure will rise as parents and settings return from summer break and registration processes are commenced.
- 3.3.9 Follow up exercises are planned to understand why some eligibility codes have been obtained and not used. The DfE dashboard includes information on codes issued and validated by ward, and in the Autumn term it is planned to target wards with high numbers of codes validated to understand the reasons for this both via a vacancy update survey with providers to identify any sufficiency issues and an engagement exercise with parents / carers seeking their feedback. Anecdotally parents have reported applying for codes and then deciding to not use them for various reasons, including a change in circumstances, but the exercise would also aim to identify if additional charges being applied or lack of flexibility by providers is resulting in parents not accessing places that meet their needs.

3.4 The childcare expansion capital grant scheme

- 3.4.1 In November 2023, the Department for Education announced capital grant allocations to support the expansion. Funding is being provided to meet the capital costs associated with projects that help ensure sufficient places to meet the expanded early years entitlements and increasing the supply of wraparound childcare for primary-school aged children. Local authorities can determine how best to prioritise this funding.
- 3.4.2 Funding is being disbursed through a grant scheme, managed by a cross-council Capital Expansion Working Group, to which providers can apply. The first round of applications were submitted over the summer and are currently being reviewed. Quality is being prioritised and only providers with a Good or Outstanding Ofsted grading are able to apply. Brent has a total of 237 private, voluntary and independent early years providers (PVIs) and 53 schools with nursery provision can choose to deliver these entitlements. As at August 2024, 98% of childminders and 94% of PVI nurseries were good or outstanding.
- 3.4.3 Childcare projects that enable and/or increase access to childcare places for under-twos, remodel existing provision to create additional capacity for delivery of 30-hour places or offer additional capacity in areas of low sufficiency will be prioritised. Similarly, wraparound projects need to evidence the creation of new

wraparound places and/or increase access to wraparound places (where suitability of space may be a concern) or how existing provision will be adapted and improved to make them suitable for a wider range of needs.

3.4.4 In acknowledgment that the funds available in this allocation are smaller than in previous capital allocation funding rounds and to ensure that this can be spread across as many providers as possible, applicants are required to match fund the amounts that they are requesting. This amount will be capped at a maximum of £15,000.

3.4.5 This capital grant scheme is be overseen by a Childcare Expansion delivery group (see Appendix 1), reporting to the Schools Capital Programme Board and the Early Help and Prevention Board. Round 1 of the scheme just concluded with up to 7 applications approved subject to additional information being received. Providers can apply for a maximum of £15,000 which they are required to match fund. Round 2 is being launched mid-September.

3.5 Wraparound childcare

3.5.1 The proposals by the previous government were to ensure that primary school aged children can access wrap around childcare from 8am-6pm. Nationally, £289m was being made available over two academic years to enable schools and local areas to set up wraparound childcare provision. The funding period was to run from April 2024 to April 2026 with an expectation that most schools would be able to deliver wraparound childcare that was self-financing and sustainable by September 2026. The plan was to deliver this ambition by initially creating an oversupply of places to drive up demand.

3.5.2 The new government has confirmed that funding will be available for local authorities to deliver new and expanded wraparound childcare places that commence this financial year (FY24-25) and that these places will receive funding into the next financial year (FY25-26). Decisions on funding for places that are due to commence next financial year (FY25-26) will be taken as part of the upcoming Spending Review.

3.5.3 An increase in parents working from home means that demand for before/after school wraparound may not be as high as it once was. Current wraparound provision in Brent comprises breakfast and after school clubs delivered by schools themselves and by private providers, after school activities and clubs and childminders picking up from school and providing out of school care. Parents use a combination of these. There is limited evidence to indicate unmet demand in Brent. For provision delivered by and in schools, there is not always a registered number of places offered and this is determined by demand at a local level.

3.5.4 This is mirrored in survey responses from out of school providers, where a few report waiting lists, but many also report high vacancy rates. Figures 7 and 8 below show the spread of provision across the borough, and in addition to these, childminders play a significant role in providing out of school provision. A specific focus of the demand mapping will be to understand how the needs

of children with SEND are being met through the current provision and to ensure that any expansion has a focus on inclusive practice.

Figure 7 Breakfast club provider responses:
Breakfast clubs

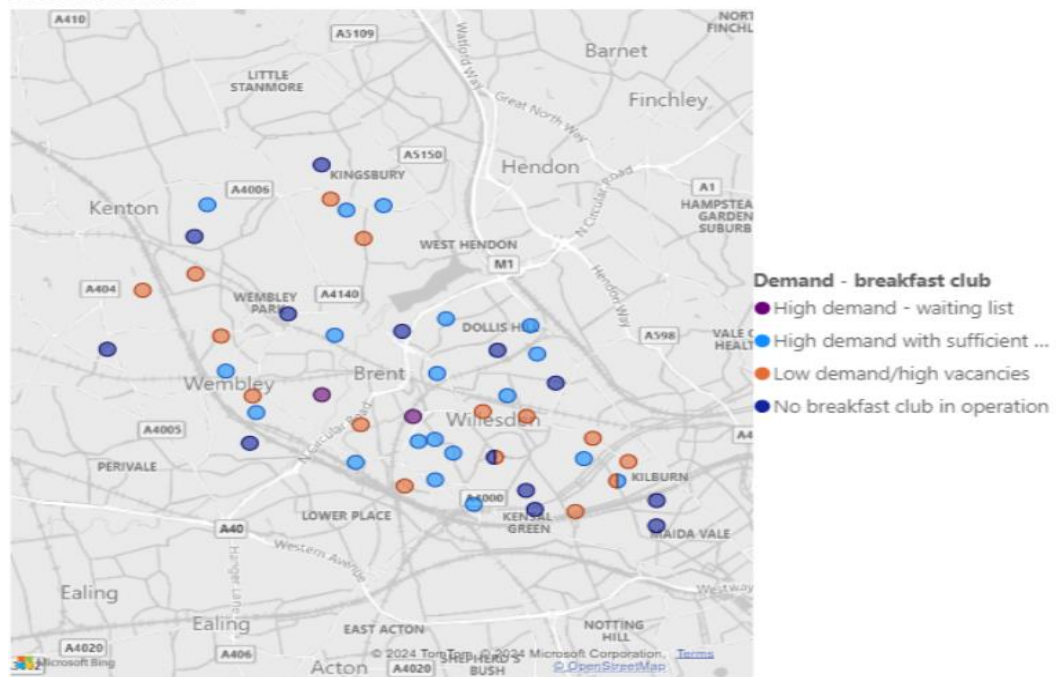
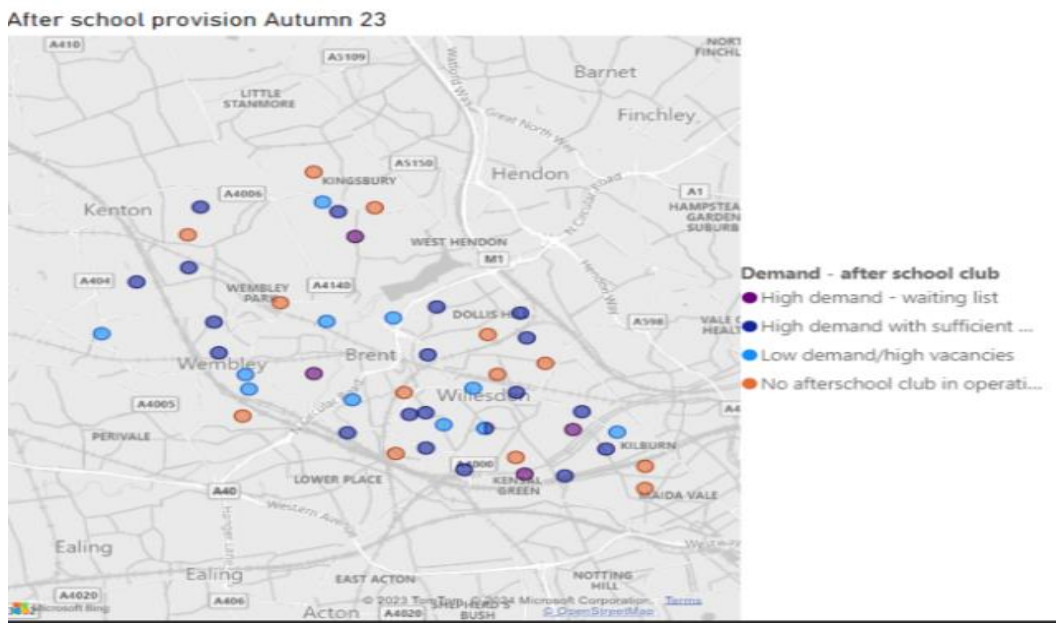


Figure 8 After school provider responses:



3.5.5 Communications and consultation with schools and private providers on the wraparound offer took place in Spring and Summer 2024, through surveys seeking feedback on delivery and intentions and online meetings with schools. Information on the expanded entitlements was also provided to raise

awareness of opportunities these may offer, in particular for schools who may be struggling with falling rolls and considering closure or reduction of their nursery provision.

- 3.5.6 A delivery plan for the wraparound expansion was submitted to DfE in June 2024 with further updates required by end of September 2024. The delivery plan proposes funding be allocated to schools as follows:

Place creation – for schools who currently offer neither breakfast nor after school provision and will create this provision (20 places per site).

Place expansion

A) Places – for schools who offer breakfast and after school provision which will be expanded to accommodate more children (waiting list currently in place) (13 places per site) including children with SEND.

B) Hours - for schools who offer breakfast and after school provision which will be expanded to meet the 8am-6pm requirement (13 places per site).

C) Provision – for schools who offer either breakfast or after school provision and will be hosting / delivering a new breakfast or after school provision to ensure provision is in place 8am-6pm (13 places per site).

Demand creation – for schools who have a full wraparound offer in place 8am-6pm with no waiting list and available spaces, who want to drive demand/encourage greater take up through innovative approaches including of children with SEND (13 places per site).

- 3.5.7 Schools will be making application for the above funding during September 2024 with funding front loaded so that schools who are able to mobilise new places in the autumn term receive the maximum allocation.

3.6 Impact of expansion on Brent's Early Years teams

- 3.6.1 The eligibility checking process for the new entitlements is managed via HMRC systems and parents apply directly through these for their eligibility codes. Alongside this however, the Brent teams are fielding an increased volume of parental enquiries relating to the new childcare entitlements and will in turn be processing a greater volume of payments. It is likely that requests for brokerage may increase as areas emerge where demand outstrips supply and this may disproportionately affect families who have children with SEND.

- 3.6.2 The expanded cohort of 0–2-year-olds accessing provision is likely to result in a proportionate increase in the children within the SEND cohort. Whilst children may not receive a diagnosis until 2+, additional needs may become apparent

before this and there is likely to be increased demand for support from the Early Years Inclusion Support team which will be monitored.

- 3.6.3 The resource to support settings to deliver quality provision may become more challenging in the face of higher demand for qualified staff, coupled with higher adult /child ratios. The impact of these changes will also be closely monitored.

3.7 Risks and mitigations

- 3.7.1 Key risks have been outlined below in Figure 9 and while for many of these, solutions lie in longer term government strategies, actions that can be taken at local level to mitigate these have been set out.

Figure 9 – Risks and mitigations

Risks	RAG	Mitigation	Timeframe
Lack of appropriately qualified early years staff due to recruitment and retention issues		Promotion of provider staff vacancies on Brent Council webpages, linking with local colleges and Jobcentre Plus to promote careers in childcare. Working with the Council's employment teams to develop strategies to address recruitment challenges locally. Supporting providers to make use of nationwide recruitment support.	Duration of the expansion programme
Shortfall in childcare places for the new entitlements		Monitor demand working with council planning teams and potential providers to enable use of available space where rising demand requires it (e.g. when entitlements expand to 30 hours).	September 2024 to September 2025
Low take-up of the new entitlements		Ensure comprehensive promotional campaign in place, using existing digital and face to face methods and partnership network to promote entitlements and the benefits to families.	Duration of the expansion programme
Negative impact of the expanded entitlements on the supply of places		Support providers in areas of high need to continue to share	Ongoing monitoring

for disadvantaged 2-year-olds		information about the demand levels for vulnerable families (i.e. in some areas there will be fewer families eligible for the new entitlements). Differentiated funding rate is being offered to providers for offering the disadvantaged two-year entitlement.	
Negative impact on availability of places for children with SEND, whereby some nurseries already have a much larger number of children of children with SEND than other nurseries within the area		Continue to follow up with providers where their current cohort does not reflect the local picture in terms of spread of SEND places, ensuring compliance with Equalities Act and thus reducing pressure on providers who currently accommodate larger numbers of children with additional needs.	Duration of the expansion programme
Wrap around childcare becomes unsustainable when funding ceases		Work with existing providers where demand outstrips supply to expand this provision. Consider locations where financially sustainable new provision can be tested.	Duration of the expansion programme
Impact on EY teams of increased cohort of children, from support and administration perspective		Ensure current vacancies are filled. Use delivery and programme funding to bring in additional capacity.	Ongoing

Figure 10 - Next steps (which will be tracked and monitored through quarterly update reports to CYP leadership team):

Actions	Timeframe
Conduct provider survey to confirm delivery intentions for new entitlement for 30 hours from September 2025	Autumn 2024
Detailed sufficiency mapping for expanded entitlements and wraparound identifying areas with surplus/deficit places based on confirmed delivery plans	Ongoing

Action plan for targeted support to early providers with implementation / unblocking barriers for those not intending to delivery	Autumn 2024
Working with schools and PVI providers to explore options for wraparound care, including identifying school sites at which demand outstrips supply and with private providers who currently operate from one (or more) schools to pilot expanding their offer to include other school sites within a local area ensuring wider reach	Autumn 2024
Explore how funding might be used to recruit/ train workforce expansion	Autumn 2024
Review and adaptation of internal systems and processes to incorporate administration of the new entitlements	Spring / Summer 2025
Information campaign to parents on all new services and entitlements available	Ongoing

4.0 Stakeholder and ward member consultation and engagement

- 4.1 Consultation took place with early years sector representatives during the funding rate setting process. While providers have expressed disappointment in the 3- and 4-year rate (which was not within scope of the consultation), providers have been pleased with the increased two-year rates and it is hoped that this will encourage more providers to consider delivery of the new entitlements.
- 4.2 Wider engagement continues to take place with providers as the entitlements have been rolled out through the following:
- Newsletters
 - surveys seeking feedback on intentions to deliver, barriers and support needed
 - termly and exceptional online and face to face information sharing meetings

5.1 Financial Considerations

- 5.1.1 The capital grant allocation for Brent is £408,873 across childcare expansion and the wraparound offer, with an expected split of 80% for childcare expansion and 20% for wraparound. This payment was received on 1 February 2024.
- 5.1.2 This funding will be disbursed in a fair and transparent manner through a capital grant scheme as set out in section 3.4 above.

5.2 Wraparound funding

- 5.2.1 In addition, the borough has been allocated a further £862,698 as programme grant to deliver the wraparound programme in Brent, however, receipt of the full funding allocation is subject to the completion of the delivery plan as confirmed with the Department for Education.

5.2.2 The grant includes funding for local authority capacity as well as programme funding to deliver new and expanded wraparound childcare. Any capital works are expected to be funded through the above capital allocation. Oversight of this spend and the capital grant spend sits with the Early Help and Prevention Board and the Schools Capital Programme Board.

5.3 Early Years Block funding allocations

5.3.1 Following the consultation by the DfE in autumn 2023, a new national funding formula has been introduced for both the existing 2-year-old entitlement for disadvantaged children and the new working parent entitlements for 2-year-olds. The expansion of the early years entitlements has seen the Early Years Block 2024/25 indicative allocation increase from £24.5m in 2023/24 to £35.2m i.e., a £10.7m increase. The allocation is indicative as the DfE will only fund based on places taken up.

5.3.2 There are now separate hourly funding rates for the disadvantaged 2-year-olds entitlement, for the working family two-year entitlements; the 9-month-old up to 2-year-olds working family entitlement; and 3 and 4-year-olds for the universal and additional hours entitlements. The Early year Pupil Premium (EYPP) and the Disability Access Fund (DAF) will now extend to eligible children aged 2 and under in receipt of a free entitlement place from 2024/25.

5.3.3 Following application of the local funding formula, rates for Brent providers are set out below:

Free entitlement	Hourly base rate
Universal entitlement for 3- & 4-year-olds	£5.39
Disadvantaged two-year-old entitlement (NEG2)	£9.54
Working family two-year-old entitlement (NEW – from April 2024)	£9.41
Working family children aged 9 months up to 2 years entitlement (NEW – from September 2024)	£12.87

5.3.4 The new funding formula also confirmed that 95% pass through would apply to all existing and new entitlements and this would move from 95% to 97% as soon as the DfE deems that the roll out of the new entitlements are sufficiently progressed to allow this. This could have significant impact on the centrally retained amount that is currently used to part fund the three Early Years teams and the support offered to providers in the borough.

6.0 Legal Considerations

6.1 Covered within the main body of the report.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 Covered within the main body of the report.

8.0 Climate Change and Environmental Considerations

8.1 The increase in economic activity envisaged by the expansion of the childcare programme may have environmental impacts such as an increase in local traffic and increased uptake of public transport.

9.0 Human Resources/Property Considerations (if appropriate)

9.1 N/A

10.0 Communication Considerations

10.1 N/A.

Report sign off:

Nigel Chapman

Corporate Director of Children and Young People