

TITLE OF REPORT: Early Years - Childcare Expansion and Wraparound
REPORT OF: Helen Fergusson, Director of Children's Services and Lifelong Learning

SUMMARY

1. To report to the Committee of Overview & Scrutiny Committee

Purpose of the Report

2. To update senior directors and Councillors of the progress with the Childcare expansion.
3. To update senior directors and Councillors of the progress with the Wraparound pathfinder programme.
4. To inform senior directors and Councillors of the free breakfast club programme.
5. To inform senior directors and Councillors of the School-based Nursery capital Grant.
6. To inform senior directors and Councillors of the Ofsted changes in Childcare.

Background

7. The previous Chancellor announced in the Spring Budget 2023 there would be an expansion in childcare for working parents. This Government are continuing with this.
 - April 2024 - eligible parents of 2-year-olds for 15 hours **COMPLETE**
 - Sept 2024 - eligible parents of under 2-year-olds (term after 9 months for 15 hours) **COMPLETE**
 - Sept 2025 - eligible parents of above for 30 hours.
8. The previous Government also announced wraparound offer availability for all primary school children from 8 am to 6 pm term time. This Government are continuing with this.
9. We have received our allocation of the wraparound childcare fund £1,379,547.86 (over 3 years). Secured for 24/25.
10. We have received our allocation of the delivery support funding for early years £55,000.

11. We have received capital funding (wraparound and childcare expansion) of £393,407.
12. The Government announced in September 24 an Early Adopters scheme for free breakfast clubs in schools. 750 schools in the first round. Information and applications by 20th December 2024, confirmed places Spring 2025 to launch April 2025.
13. The Government announced in October 24 a one-time grant for eligible primary schools to convert surplus space into Nursery provision or expand current nursery places. Bids of up to £150,000 for capital expenditure. (Not for upgrading existing Nursery, new builds, or extensions.) To qualify you must secure LA support. Applications by 19th December 2024.
14. Ofsted announced in November 24 a new category of childminder without domestic premises. Increase the total number who work together including assistants to four. Qualifications required are child protection and first aid training.
15. We have now secured the £1000 incentive for new recruitments for a pilot of the IT scheme until April 2025, this was previously to neighbouring LAs only.

Proposal and/or Issues for consideration Update

16. During this Autumn term we have: -
 - Under 1's 170 codes issued and 158 validated 92.94%
 - 1-year olds 780 codes issued and 706 validated 90.51%
 - 2-year-olds 408 codes issued and 361 validated 88.48%
 - Giving a total over all Gateshead percentage of 90.21%, well above national average.

We are not aware through Family information Service of parents who cannot access a place; however, some have delayed starting dates to get their first choice of setting or preferred days. Parents must return to work in the first month of the term of becoming eligible.

We have funded 841 places from 9 months old from working families in the Autumn term.

In the Summer term we funded 746 places and 867 in the Autumn term for 2-year-olds from working families.

In the Summer term we funded 1538 15-hour universal places for all 3- and 4-year-old children and 1613 for the extended 30 hour offer for working families with 3- and 4-year-olds. A total of 3151 3- and 4-year-old places.

This Autumn this has been 1013 universal hours only and 1132 with the extended hours, a total of 2145 3- and 4-year-old places.

This Autumn term for 9 months to 2 years we have paid out £900,245.97 and have an additional £683,073.23 to pay out. For the 2-year-olds we have paid out £934,549.87 with an additional £932,671.77 to pay out. For

the 3- and 4-year-olds we have paid out £1,336,331.14, with an additional £2,642,765.14 to pay out. Total this term of over 7.4 million. Autumn is always the quietest term.

17. Our systems have allowed for payments to be made on time, and we have had no IT issues. All additional Funding Officer/Family Information Service posts/hours are all in place and now fully trained. The level of funding released in Autumn 24 has increased by 128% with team capacity increasing by 80% and is being monitored. This will need to be reviewed for Sept 25 and the final stage of the expansion.
18. The wrap around steering group has been formed for the allocation of grants for before and after school clubs with representation across the sector. Terms of reference for the steering group has been signed off by legal services. The new Subsidy control Act has been considered by legal services. Wrap grants were approved in round 1 of £152,285 and round 2 of £159,158. This is a total of £311,443. The budget for this year is £877,909.95. Of the approved grants, 13 were to schools and 13 were to private providers working on or off the school site. We are now working on a third batch for approval before Christmas. There are 34 schools or associated private providers that are still a work in progress. Grants were between £1995 and £18,620 dependent on need.
Some will add a breakfast or after school club to expand to 8am-6pm Some will extend hours (from 5pm to 6pm). Some will increase places (from 20 to 30 spaces).
Some will set up a new school-based provision offering 8am-6pm
19. We are planning to invite application for our Early Years Capital funding next month to support this stage of the expansion alongside the capital funding for wrap around.

Communications Implications

20. Some schools are now hesitant to open 8am to 6pm paid childcare provision when there is a new scheme for free breakfast clubs; this will affect sustainability.
21. The school-based Nursery capital grant could encourage growth in 3- and 4-year-old places which could put 2-year-old and from 9 months old places at risk in other settings if they are no longer sustainable financially.
22. It is a challenge to encourage providers to expand provision or lower age ranges when there is very little capital funding.
23. Providers are now full so many cannot convert their current cohort from 15 hours to 30 hours for September 2025.
24. Nationally there is an issue with providers not offering funded places or limiting these; this is not a current issue in Gateshead, but we are monitoring this.

25. We are closely monitoring the availability of places for vulnerable 2-year-olds. Settings may favour working parents over vulnerable 2-year-olds due to their ability to purchase additional hours. In the Summer term this was 516 children and this term it is 441 children. This is a decrease of 7% as less families are now eligible. Working parents have booked places in advance and families with vulnerable children often join later in the term. Summer term is always when we have fewer surplus places; some children did not get their preferred choice of days, full hours, or nearest setting but we were able to support them finding a suitable alternative.
26. Concerns regarding recruitment and retention of staff issues has been shared with DfE. The increase in National Minimum wage and national insurance contributions but not funding rates has increased this. This will affect the wrap around programme as well as the child-care expansion. We have settings in Gateshead not operating at full capacity as they cannot recruit staff to do this.
27. The take up of Disability Access Funding remains low (under 3% for all age groups).
28. We will monitor the uptake of childminders on non-domestic premises to ensure the quality of places provided.

Recommendations

29. Families Overview and Scrutiny Committee is recommended to:
- i) Note the content of this report.