

Schools Forum - Autumn 2023

Early Years & Childcare Update – Early Education Entitlements and New Entitlements

This report is for all schools forum members and it is for information and comment

Overview

The 30 hours extended entitlement offer was introduced for eligible 3 and 4 year old children in 2017 and is now well embedded. This added to the existing Universal 15 hour offer for all 3 and 4 year old children and both entitlements can be accessed from the term following the child's 3rd birthday. Hours are available for 38 weeks per year or stretched for fewer hours of more weeks (570 / 1140 hours).

Sufficiency of these entitlements are statutory duty functions for LAs alongside the sufficiency of places for eligible funded 2 year olds and childcare for working parents, and are defined in the Childcare Acts 2006 & 2016.

To access the 30 hours extended entitlement the parents / carers must meet a specific eligibility criteria, apply for a 30 code via HMRC and where approved, use this code at a registered early years provider to access the additional 15 hours alongside their 15 hours of universal entitlement.

The entitlement is in place to support working families and to make re-joining the workforce more financially viable for none or part time working parents / carers.

In the March 2023 Central Government Spring Budget announcements, new entitlements are now to be available to parents / carers that meet the same working criteria as for the current 30 hour offer for 3 and 4 year olds. The funded place entitlements will now become available as follows: -

- April 2024 – 15 hours x 38 weeks for eligible working parents of 2 year olds
- September 2024 – 15 hours x 38 weeks for eligible working parents of children 9 months +
- September 2025 – 30 hours x 38 weeks for eligible working parents of children from 9 months + to primary school age

There will also be an increase to the requirements of place needs for school aged children with the requirements that from: -

- September 2026 – all schools to be able to offer 8am to 6pm wraparound – own delivery or via partners.

Engagement of Existing Entitlements

Warwickshire continues to see good engagement with the current 30 hours entitlements with a higher than expected increase for the current year of 5.8%. This is believed to be from an increase in occupation of new housing developments alongside the ongoing pressures from COVID, and the Cost of Living crisis.

	Total Hours*	Children*
Summer Term 2019	743,823	4477
Summer Term 2023	898,460	5301

*Based on actual take up, WCC internal data

Take up of funded places by 3 and 4 year olds from the term after their 3rd birthday overall sees ongoing positive take up: -

- Spring 2023 – 101% ([Local authority interactive tool \(LAIT\) - GOV.UK \(www.gov.uk\)](#))

Take up of the funded 2 year old places for disadvantaged children, meeting eligibility criteria, continues to improve year on year with 6.7% growth: -

- Spring 2023 – 72.6%
- Spring 2022 – 65.9%

([Local authority interactive tool \(LAIT\) - GOV.UK \(www.gov.uk\)](#))

We predict that the new entitlements, due to start rollout in Spring 2024, will see initial conversion of fee paying children to funded places. It is estimated that longer term, as engagement grows and the entitlements embed we may see a similar engagement to that of the current 30 hours for working parents which is approximately 33% of the relevant child population (with variance as age increases - lower take up for younger age children (9 months+)).

We continue to work with the DfE regarding expected engagement and demand / place sufficiency needs.

Place Delivery

The Warwickshire Early Education Funding directory of providers continues to operate with an annual number of 500 + funded providers delivering the 2, 3 and 4 year old entitlements with around 85% of these settings offering the current 30 hours extended entitlement.

30 hour places are offered by all types of Ofsted registered provision – nurseries, childminders, preschools and out of school clubs and providers exempt from registration in the form of maintained nursery classes, maintained nursery schools and schools (including academies) delivering school run early years provision. The varied offer ensures choice for parents / carers.

Warwickshire has developed an implementation plan to support the roll out of the new entitlements which will be updated and further developed once the direct details of the new entitlements are released by the DfE. This is expected during Autumn Term 2023.

It is reasonable to expect that longer term the new entitlements will see an increased demand for places which will be considered as part of place planning by relevant teams including school place planning.

WCC teams await more details from the DfE regarding the expectations of the new entitlements to then engage with our delivery partners regarding planning and implementation.

Challenges

Warwickshire continues to consider a wide range of factors when monitoring place sufficiency requiring a flexible process and interpretation to monitor need and guide planning. These remain consistent to recent previous years.

Key considerations:

- Five districts and boroughs - substantial differentiation in demographics
- Varied economic impact and work drivers based on district / borough
- Key employment sites in e.g. hospitals and food business distribution
- Financial impact for providers based on location e.g. early education funding rates are standard for all however running costs differ substantially between districts
- Take up of each entitlement varies based on demographics
- Increasing demand for places

Risks

Place sufficiency continues to see pressures from the ongoing wider factors that have remained ever increasing both during and following the Covid-19 pandemic.

The most recent Childcare Sufficiency Assessment is due to be published by end Autumn Term 2023 with a change to data collections to the Spring Term giving a mid-academic year reflection of occupation and vacancies.

Early analysis indicates that Warwickshire continues to remain overall sufficient for places, however spare capacity is now reducing in some specific areas and is being monitored to inform actions needed.

As with 2022, there continues a trend of a very small numbers of nursery closures, however all have been replaced with new provision. We continue to see some small standalone businesses sell to medium sized chain provision with places remaining constant at sites which provides stability and resilience for these settings.

Ongoing monitoring continues:

- Recruitment – continued growing national pressure, increasing numbers of providers are reporting this as a significant issue and for some a barrier to offering their full places
- Implementation of the new funded entitlements – place sufficiency and provider engagement
- Implementation of the new funded entitlements and impact on the existing offers – ensure we maintain ongoing increased engagement with disadvantaged funded 2 year old places and Universal 3 and 4 year old offer
- Increasing demand for Universal and Extended Entitlement 3 and 4 year old hours – more families returning to the workforce due to financial pressures and increased population due to housing build out
- Ongoing impact of the energy crisis on delivery costs and then increase to session charges for parents / carers
- Early Education Funded Entitlement rates
- Decline in childminder numbers

Place Creation & Opportunities

As a county we continue to work collaboratively with School Place Planning to ensure new school provision is being developed with early years premises on site with new provision opening this year in Rugby, followed by additional early years settings in the Leamington Spa area in 2024 with other sites due 2025 / 26.

This sits alongside proactive use of developer funding to support local projects as they arise with opportunity to maximise collaboration with delivery partners creating new places within existing provision along with new service opportunities.

The team continues to receive small numbers of enquiries from new providers wishing to open provision across Warwickshire and regular registrations of new childminders, support is proactively provided for these interested parties.

The newly released Childminder Start Up Grant being managed by central government provides a positive opportunity to re-engage new childminders into Warwickshire. A marketing / promotional campaign has recently been released including targeted social media campaigns to key areas of the county. [New animation shows residents the benefits of becoming a childminder – Warwickshire County Council](#)

September 2023 saw a mid financial year increase to funding rates for 2, 3 and 4 year old entitlements as part of the central government Spring 2023 budget announcements, this sits alongside the indication of further uplifts for the 2024 / 25 financial year.

The financial investment has seen the ability to increase hourly funding rates in Warwickshire via the allocated Early Years Supplementary Grant (for remainder of 23 / 24 financial year) as follows: -

- Funded 2 year olds - £7.81 (increase of £1.91)
- Funded 3 & 4 year olds - £4.98 ((increase of £0.47) inc allocated TPPG £0.03) = £5.01)
- Maintained Nursery School Supplementary Funding (Universal 3 / 4 yr hours - £4.01 (increase of £0.21)
- Early Years Pupil Premium - £0.66 (increase of £0.04)
- Disability Access Fund - £858.92 (increase of £30.92)

Evaluation

At the current time available information indicates a relatively stable market with sufficient availability of all funded entitlement places, which in the main meets demand. Increased pressures are being noted for SEND places and in key areas of housing growth across the county.

Early Years and childcare place sufficiency for all entitlements will continue to be monitored closely, with process and actions adapted on a term by term basis as required where information identifies a specific areas of concern.

As key information is shared by the DfE regarding the new entitlements a proactive campaign will be implemented to work with our existing delivery partners and parents / carers as key stakeholders along with new provision that develops.

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