

## Early Education and Childcare

### Purpose of Report

For direction.

### Summary

In the Spring Budget 2023, the government announced a series of reforms to the early years education and childcare system. This included an offer of 15 hours of funded childcare for working parents of 2-year-olds in April 2024 increasing to 30 hours of funded childcare for working parents of children aged 9 months to primary school from September 2025.

Following a discussion at the March Children and Young People Board, officers have been refreshing the LGA's policy approach for early years education and childcare to consider what is needed to develop a system that works for all children and families.

LGA Plan Theme: **Supporting local people and places**

### Recommendation(s)

**That the Board discuss the draft early years policy paper and review proposed policy lines, some of which are outlined in paragraph 10 for particular consideration. Full recommendations are detailed in the draft early years policy paper report.**

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## Early Education and Childcare

### Background

1. The [Spring Budget 2023](#) announced a significant expansion of early education and childcare to come into effect by September 2025. This sets out one of the biggest changes to early years policy since the introduction of 30 hours funded childcare in 2017.

Current offer	<ul style="list-style-type: none"> <li>• 15hrs funded childcare for disadvantaged 2-year-olds</li> <li>• 15hrs funded childcare for all 3-4 year olds</li> <li>• Additional 15hrs funded childcare for 3-4 year olds of working parents</li> </ul>
September 2023	<ul style="list-style-type: none"> <li>• Increase in 23/24 funding rates.</li> <li>• Change in staff-to-child ratios for 2-year-olds, moving from 1:4 to 1:5</li> <li>• Launch of start-up grants for new childminders</li> </ul>
April 2024	<ul style="list-style-type: none"> <li>• 15hrs funded childcare for working parents of 2-year-olds</li> </ul>
September 2024	<ul style="list-style-type: none"> <li>• New or expanded wraparound provision commences nationally</li> <li>• 15hrs funded childcare for working parents of 9 months to primary school age</li> </ul>
September 2025	<ul style="list-style-type: none"> <li>• 30hrs funded childcare for working parents of 9 months to primary school age</li> </ul>
September 2026	<ul style="list-style-type: none"> <li>• All schools able to offer 8am-6pm wraparound</li> </ul>
<ul style="list-style-type: none"> <li>• Note all offers apply for 38 weeks per year; some providers extend the offers to provide fewer hours per week for more weeks</li> </ul>	

2. It is likely that eligibility for the expanded funded hours will remain the same as it is now for three to four-year-olds of working parents. Currently, children of parents (including foster parents) who are working and each earning at least £120 a week, but no more than £100,000 a year, are eligible for an additional 15 hours free childcare on top of the universal offer.
3. The Spring Budget also announced that there would be an increase to the universal credit cap on childcare payments and a move to upfront payments for childcare, reducing the need for parents to claim back. This is something the LGA has long called for.
4. On 31 May 2023, a [consultation on the early years foundation stage framework \(EYFS\)](#) was released. The EYFS is the framework that is used to ensure children learn, develop and are kept safe and well. This consultation is intended to reduce barriers for the

workforce and increase flexibilities in providing care for children. It also includes a proposal to reduce the demands of the EYFS on childminders.

5. The government is also planning to develop a national recruitment campaign in early 2024 to attract more people into the workforce.
6. With the significant expansion of early years entitlements, it is even more important that we get the early years system right. This includes the current processes, but also eligibility for the funded offer and the management of the market.
7. Previous discussions at the Board, LGA commissioned research and conversations with councils and stakeholders have shown the challenges within the early years system, such as a convoluted policy direction for early education and childcare, challenges in support for the most vulnerable children and insufficient funding.

## Proposal

8. Recognising the challenges in the existing system, the LGA has considered what actions need to be taken to improve the existing offer, enhance the offer to families, ensure better outcomes for children and ensure councils have the tools and resources that they need to deliver on their sufficiency duties and support the local market, and parents and carers.
9. The attached report sets out where the current challenges are in the system and what the opportunities are to change this. Where new asks are suggested, these have been highlighted.
10. In particular, feedback on the below policy suggestions is welcomed:
  - 10.1. There needs to be a discussion on the best allocation of public funding to ensure there is mix between early education and childcare and that these two different priorities may require different policy responses to make the best use of funding
  - 10.2. Review who is entitled to free hours, curbing the more generous offer and ensure that families that are in the bottom third of income distribution do not miss out on this essential support.
  - 10.3. There should be greater flexibility in what local authorities can retain from the early years national funding formula to be able to deliver essential services.
  - 10.4. The statutory guidance on local authority sufficiency duty should be reviewed, ensuring that councils have sufficient levers and funding to deliver on their duties. The roles and responsibilities of local authorities need to be clear; balancing good outcomes for all children, quality of provision and sufficiency for working parents

- 10.5. Government should work with councils and wider stakeholders to develop a clear strategy for what the childcare and early education provider market should look like in the long term with clarity surrounding the role of the private and voluntary sector, maintained nursery provision and school-based provision alongside wider community groups.
- 10.6. Within each local area (at a level that is reflective of the local population size) there should be an 'expert' provider, this can be either maintained, PVI or school-based provision. This provider would be given additional funding, through the local authority, to support staff development across local provision, provide concerted support to some children and families, alongside the local authority, and has intense wraparound support from other services such as speech and language therapists, SENCOs and family support workers. Dependent on the size of the local area, a hub and spoke model could be explored to ensure equitable access.

## Implications for Wales

11. None – the provision of early education and childcare is devolved

## Financial Implications

12. It is likely that proposals to the early years system would require changes to the current way of investing in early years support from national government. This could include repurposing the existing funding or including further funding.
13. There are no financial implications for the LGA.

## Equalities implications

14. There is disproportionality in access to early years education and childcare. The quality of provision is worse in deprived areas, with more settings in deprived areas being rated less than good, than those in the least deprived areas. Two-year-olds from more disadvantaged families get access to 15 hours of free entitlements, however there is some evidence of providers restricting these entitlements as they cannot afford to offer them.
15. There is also disproportionality in the attainment of children within the early years education system. In 2022, 67 per cent of white students achieve a good level of development compared to 61 per cent of Black African children and 60 per cent of Pakistani children. There is disproportionality in gender with girls performing better than boys with 71.9 per cent of girls achieving a good level of development compared to 58.7 per cent of boys.

16. We know that there have been acute challenges for providers in supporting children with SEND. In 2022, 22.9 per cent of children with SEN support had a good level of development which is over six times higher than children with an Education, Health and Care plan at 3.6 per cent. 65.2 per cent of all children achieve a good level of development.
17. Children from poorer areas are less likely to be 'school ready' than those from more affluent backgrounds. In 2022, 49.1 per cent of children eligible for free school meals achieve a good level of development, compared to 68.8 per cent of their peers.

### Next steps

18. Officers will refine policy lines on early years education and childcare and engage with lead members to sign off a final early years policy paper for publication in Summer.