

OPEN

Children and Families Committee

16 September 2024

**Childcare Expansion Capital Grant and
Wraparound Childcare Revenue Grant
Policies**

Report of: Director of Children’s Services

Report Reference No: CF/23/24-25

Ward(s) Affected: All Wards

Purpose of Report

- 1 To request approval of:
 - (a) Childcare Expansion Capital Grant Policy, June 2024.
 - (b) Wraparound Childcare Revenue Grant Policy, June 2024.
- 2 To request approval to provide delegated authority to the Executive Director of Children’s Services to use funds from funding allocations received from the Department for Education (DfE) as referred to below (“the Funding Allocations”) in accordance with the relevant guidance and proposed funding policies.
- 3 This is supporting the council’s Corporate Plan objectives as follows:

An open and enabling organisation	Ensure that there is transparency in all aspects of council decision making.
A council which empowers and cares about people	Support all children to have the best start in life. Ensure all children have a high quality, enjoyable education that enables them to

	achieve their full potential.
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Executive Summary

- 4 This report sets out the details of two specific funding allocations from the Department for Education (DfE) and the proposed policies for allocating the funding to childcare providers in Cheshire East.
- 5 The report requests approval to delegate authority to the Executive Director of Children’s Services to use the funds in accordance with the relevant guidance and proposed funding policies.

RECOMMENDATIONS

The Children and Families committee is recommended to:

1. Approve the Childcare Expansion Capital Grant Policy set out in Appendix 1.
2. Approve the Wraparound Childcare Revenue Grant Policy set out in Appendix 2.
3. Provides delegated authority to the Executive Director of Children’s Services to use the grants in accordance with relevant guidance.
4. That the committee delegates authority to the Head of Service for Early Years, Family Help and Prevention to enter into contracts with grant recipients in accordance with the proposed funding policies.

Background

- 6 The council received two funding allocations to support the creation of childcare:
 - (a) The childcare expansion capital grant funding is provided to local authorities to support the provision of new places to support the expansion of:
 - (i) 30-hours entitlement places for children aged 9-months to 3-year-olds
 - (ii) wraparound provision for primary school aged children.
 - (b) The national wraparound childcare programme provides grant funding (revenue) to local authorities in England to help make

sure that there is sufficient breakfast and after-school clubs in their area for primary school aged children.

7 Cheshire East funding allocations:

(a) Childcare Expansion (capital) £748,977

(b) Wraparound childcare (revenue) £875,914

8 A proportion of the wraparound funding may be used for local authority capacity. The median average expected by the DfE is 11%. Cheshire East expected capacity costs are 11% and will be met by the grant as follows:

	Total
Total funding allocation	£875,914.57
Total expected capacity costs	£97,083.00
Programme Spend	£778,831.57

Childcare expansion capital grant

9 The grant is intended to support capital projects that will increase the physical capacity of early years and wraparound provision in local areas where demand is likely to exceed existing supply.

10 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.

11 Calculation of the funding allocation was split 80% towards early years entitlement projects and 20% towards wraparound provision.

12 This grant funding is not intended for routine maintenance or refurbishment of premises, capital works to maintain and improve the condition of the school estate, childcare providers not providing Early Years entitlements or wraparound care. The funding is provided for capital purposes only and cannot be used for revenue expenditure of any kind.

13 The supply and demand for the early education entitlements has been mapped and the capital funding policy in appendix 1 developed to support the creation of new places in areas of undersupply.

14 Applications for funding will be invited in autumn term subject to committee approval of the policy.

National wraparound childcare programme

- 15 The national wraparound childcare programme is part of the childcare reforms announced at the 2023 Spring Budget. The government's 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, so that parents can access employment and improve labour market participation.
- 16 To support this ambition, the government will provide start-up funding 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.
- 17 Local authorities are responsible for delivering on the primary objective of the wraparound programme in their local area. That is, to increase parent/carer access to the labour market by increasing the number of wraparound childcare places for primary-aged children available and taken up between 8am and 6pm (or equivalent, depending on local labour market patterns).
- 18 The programme funding aims to remove barriers to setting up new provision or expanding current provision, including removing the financial risk of setting up new provision when demand is not guaranteed. It is based on a 'pump prime' model, whereby government funds are provided to spur growth.
- 19 Schools are central to the delivery of the programme as they operate at the heart of the community, understand the needs of local families, and are usually the first port of call for parents for wraparound childcare. 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.
- 20 The supply and demand of wraparound childcare has been mapped and the revenue funding policy in appendix 2 developed to support the creation of new places in areas of undersupply.
- 21 Applications for funding will be invited in autumn term subject to committee approval of the policy.
- 22 The application processes will be repeated until the places are created and funding fully committed.

Consultation and Engagement

- 23 Detailed analyses of childcare places has been conducted by both the council and the DfE since autumn 2023 to determine the areas of need.

Grant applications from areas with an identified shortfall in provision will be prioritised.

- 24 The priorities for grant funding proposed by the council were subject to the DfE approval. A delivery plan was submitted to the DfE on 14 June 2024 and approval is anticipated during August 2024.
- 25 Trade Union / Staff consultation is not applicable.

Reasons for Recommendations

- 26 The council has a statutory duty to ensure there are sufficient early years entitlement places and wraparound places, and to utilise the Childcare Expansion and Wraparound Childcare funding allocations to grant fund childcare providers to create and deliver provision.

Other Options Considered

- 27 The council has followed the prescribed processes to arrive at the recommendations being presented to Children and Families Committee. A range of factors were considered when prioritising the funding. In any event, areas of under supply must be targeted for financial support.
- 28 Options appraisal:

Option	Impact	Risk
Do nothing	Insufficient 30-hours entitlement places for children aged 9-months to 3-year-olds, and insufficient wraparound provision for primary school aged children	Fail to meet statutory duties, Childcare Act 2006: Section 6 – Duty to secure sufficient childcare for working parents Section 7 – Duty to secure early years provision free of charge Fail to improve the well-being of children and families.
Adopt the policies set out in appendix 1 and 2	Increase the availability of 30-hours entitlement places for children aged 9-months to 3-year-olds,	Sustainability of provision once the grant support ends. Risk mitigated by business plans and

	and wraparound provision for primary school aged children. Improve the well-being of children and families.	forecasts required as part of application process.
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Implications and Comments

Monitoring Officer/Legal

- 29 The Funding Allocations assist with the Authority’s delivery of its duty to secure sufficient childcare under Sections 6 and 7 of the Childcare Act 2006.
- 30 The Grant Policies as referred to in Appendix 1 and 2 have been drafted in accordance with the principles set out in the Corporate Grant Policy with guidance from legal.
- 31 In order to comply with the Subsidy Control Act Rules, each applicant will be required to complete a Subsidy Contract Test Form which provides questions to the applicant to confirm whether any of their proposed activities to be funded by way of a grant represents a subsidy. However, it is not anticipated that any applicant’s proposed activities would give rise to the award of a subsidy due to the nature of the Policies under Appendix 1 and 2.
- 32 The successful applicant will also be required to comply with audit requirements and keep evidence of eligible expenditure and works or activities which are grant funded.
- 33 Successful applicants will be awarded a Grant under the terms of a Contract between the Council and the Recipient.

Section 151 Officer/Finance

- 34 The Cheshire East allocations of the Childcare Expansion Capital grant and the Wraparound Childcare Revenue grant are new sources of funding 2024/25. The grants specifically relate to the provision of childcare following the introduction of new requirements for wraparound care and care of 9 month to 3 year olds. Both grants will need to be spent within the terms and conditions of the grant.

- 35 Organisations receiving grants from the Council to expand capacity will also have to follow these terms and conditions. Failure to do so could result in the organisation being asked to repay the grant monies to the Council.
- 36 Organisations receiving capital grants are expected to have the early year places created for a minimum of five years. Cheshire East Council will recover funding on a reduced percentage basis dependent on the number of years the places were available.

Policy

- 37 The council is supporting the priorities in the Corporate Plan:

An open and enabling organisation	Ensure that there is transparency in all aspects of council decision making.
A council which empowers and cares about people	Support all children to have the best start in life. Ensure all children have a high quality, enjoyable education that enables them to achieve their full potential.

Equality, Diversity and Inclusion

- 38 The nine protected characteristics are not impacted negatively by the policies. The policies positively support children aged 9 months to the end of primary school, children with SEND, and parents return to work at the end of maternity.
- 39 An Equality Impact Assessment has been completed and published:

https://www.cheshireeast.gov.uk/council_and_democracy/council_information/equality-and-diversity/equality_analysis.aspx

Human Resources

- 40 The policies will be implemented within the current resources.

Risk Management

- 41 Grant funding allocations to childcare providers will be subject to a contract prepared by Legal Services. The contract will require the recipient to complete regular monitoring reports.
- 42 Regular monitoring reports will be required by the DfE throughout the projects.

Rural Communities

- 43 The policies will apply equally to all areas of the borough.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

- 44 The policies have implications for all children aged 9 months to the end of primary school. Additional priority may be applied to projects supporting children with SEND.

Public Health

- 45 There are no direct implications for public health.

Climate Change

- 46 There are no direct implications.

Access to Information	
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Appendices:	Appendix 1- Childcare Expansion Capital Grant Policy, June 2024. Appendix 2 - Wraparound Childcare Revenue Grant Policy, June 2024.
Background Papers:	Childcare expansion capital grant funding - GOV.UK https://www.gov.uk/government/publications/childcare-expansion-capital-grant-funding Wraparound childcare: guidance for local authorities - GOV.UK

	https://www.gov.uk/government/publications/wraparound-childcare-guidance-for-local-authorities
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