

Report to Children's Services and Education Scrutiny Board

24 March 2025

Subject:	Early Years - Implementing the DfE National Wraparound Programme and the Extended Entitlement Offer
Director:	Director of Children and Education Services Sally Giles
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1 Recommendations

- 1.1 That the Board considers and comments upon the Early Years – Implementation of the DfE National Wraparound Programme and the Extended Entitlement Offer.
- 1.2 That the board gain a knowledge and understanding of the Wraparound Programme and the Extended Entitlement Offer and how this will impact the Council and Early Year Providers.

2 Reasons for Recommendations

That the Board can be assured that the local authority is meeting its statutory duty to secure sufficient childcare for working parents (Childcare Act 2006. Section 6)

3 How does this deliver objectives of the Council Plan?

Growing Up in Sandwell	Children and young people are given the best start in life and are well prepared for school.
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Thriving Economy in Sandwell	That parents have the childcare they need to enable them to work.
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4 Context and Key Issues.

4.1 What is the Wraparound Programme, and the Extended Entitlement Offer?

The national wraparound childcare (WA) programme is part of the childcare reforms announced at the 2023 Spring Budget. The previous government's ambition was 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.

4.2 **Funding** - Sandwell has received £947,859.67 funding from the DFE so far to encourage the expansion and creation of new wraparound places. To date £771,545.37 has been allocated creating 303 new places and 553 extended hours places that meet the full 8am – 6pm brief. This is a total of 856 new places in schools and within the PVI sector.

We await the budget allocation for 2025 – 2026.

4.3 **The extended entitlement childcare offer (EE)**, also known as the "30 hours free childcare," provides eligible working parents in England with up to 30 hours of free childcare per week for children aged 9 months to school age. 30 hours funding for 3- and 4-year-olds has been in place since 2017. The extended offer has applied to eligible 2 year olds was introduced in April 2024 and from September 2024 for eligible children 9 months +. Initially they were entitled to 15 hours funding, however, the funding will increase to 30 hours in September 2025 to be in line with 3 and 4 year olds.

4.4 The eligibility criteria for the Extended Entitlements are as follows:

- Both parents are working, or the sole parent is working in a lone parent family.
- Each parent earns at least £183 per week (equal to 16 hours at the National Minimum or Living Wage)
- Neither parent has an income of more than £100,000 per year

4.5 Access to the funding is with a 16-digit code provided to the parent via their online portal account with the HMRC. This code has to be reaffirmed by the parent to ensure the code remains valid by 31st March, 31st August or 31st December. The local authority does not have any involvement in awarding funding or have any local discretions to apply.

- 4.6 Where a parent falls out of employment, but the child has already been accessing a childcare place, there is a grace period defined by the DFE guidance to enable parent time to seek new employment.
- 4.7 **Funding** – to support the creation of new places Sandwell received £428,938.00 capital funding. This was split 80/20 between EE and WA giving WA £85,787.60 and EE £343,150.40. EE spending to date £238,100 creating 135 FTE places in PVI settings. The panel have a further 4 applications to consider at the next panel on 11.03.25.
- 4.8 **The impact of the Wraparound Programme and the Extended Entitlement Offer on the Council and Early Year providers.** The Wraparound Programme and Extended Entitlement Offer will lead to increased demand for childcare, requiring the council to manage supply and demand, while early years providers will need to adapt to new funding models and potentially face workforce challenges while being asked to consider expanding their provision.
- 4.9 The expansion of wraparound childcare and the extended entitlement offer is likely to lead to a surge in demand for childcare places, particularly for term-time care from 8am to 6pm. The council already has a statutory duty to ensure sufficiency of childcare places (Childcare Act 2006. Section 6) and will need to ensure that there are sufficient childcare places available to meet the increased demand. This has required us to support the expansion of existing providers or encourage the creation of new places and providers.
- 4.10 The biggest barrier to expansion of both the wraparound and the extended entitlements is the employment of suitably qualified and experienced staff. The Early Years sector is no different to many other sectors experiencing a severe recruitment and retention issue. This is a national issue not just a local problem. When considering the extended entitlements, we are thinking of childcare for young children who are all subject to statutory adult to child ratios as specified by Ofsted. These are:
- For children 6 weeks to 2 years of age – a ratio of 1 adult: 3 children
 - For children 2 years to 3 years of age – a ratio of 1 adult: 4 children. In circumstances where the provider is certain of the safety and development of the children this can be relaxed to 1 adult: to 5 children.
 - For children 3 years to 4 years of age – a ratio of 1 adult: 8 children in a private and voluntary daycare setting or 1 adult: 13

children in a school nursery where a qualified teacher is working in the class.

- 4.11 Using the January 2024 Early Years Census and the estimated number of new places required to meet demand from September 2025 it was estimated that we required 190 new practitioners to allow all existing provision to operate at capacity and create the estimated new places.
- 4.12. Sandwell was one of 20 LAs to receive funding for a pilot recruitment scheme where new practitioners and those returning to the sector after at least a six-month gap in employment received a 'golden hello' of £1,000 after 12 weeks of employment. Employers also received oncosts to ensure the full £1,000 was received by the employee. To date 30 practitioners have benefitted from the incentive, however, this is still falling short of the estimated 190 practitioners required.

The Early Years team have also been working with Birmingham City University to offer training for prospective managers to build succession planning in the sector and with apprenticeship providers and Sandwell College to try to boost the numbers of entrants into the sector. This is still in the early stages.

4.13 **How likely are the offers to be taken up in Sandwell?**

Wraparound Programme – Has been very well received by the PVI Out of School providers who have increased the number of schools they are providing care for. Sandwell already had good wraparound coverage in schools. There are 68 schools out of 91 schools delivering wrap around provision, but not all meet the 8am – 6pm criteria.

- 4.14 Schools have been asked to conduct surveys with parents to ascertain the need for provision. The majority of schools have not extended their hours of wraparound because there is a very low demand for the longer hours.
- 4.15 The funding for the wraparound programme was explicitly not for subsidising or providing free places for children. From the point of expansion or creation of the new place parents had to be charged for the place. Schools reported that parents took up places based on the cost of the provision, which was why they opted for shorter hours. Any wraparound provision would have to run on a financially sustainable model that has to be self-funding.
- 4.16 The take up of the extended entitlements for young children has been good.

The numbers of funded 2-year-olds of working parents taking 15 hours funding has been:

- Summer 2024 = 927
- Autumn 2024 = 1034
- Spring 2025 = 1111

The numbers of funded children aged 9 months + of working parents taking 15 hours funding has been:

- Autumn 2024 = 923 children
- Spring 2025 = 910 children

4.17 The challenge for providers will be when 15 hours converts to 30 hours funding in September 2025. Estimates based on our own supply and demand audits and the DFE estimates have indicated that we will require 447 new places by September 2025 to meet the needs of working parents. To date 281 of the estimated 447 places required by Sept '25 have been created in existing provision with 3 new settings opening in January 2025 with a potential 126 new places and 2 new settings awaiting registration before April 2025 with another potential 78 places. The total number of places would equal 485 new places available by September 2025. *This fact and the surplus places available in the sector would indicate that we will be able to meet our statutory duty to meet the needs of working parents.* This is also dependant on the providers being able to recruit and retain the appropriate staffing levels.

4.18 **How many providers have taken up the entitlement offer?**

In Sandwell we have

- 93 private, voluntary and independent (PVI) providers, of which 85 have engaged with EE and are delivering it in some way. The 8 who are not are pre-schools, mostly on school sites, who provide for 3- and 4-year-olds on a sessional basis.
- 88 childminders who are all registered to deliver funding.

4.19 **What has been the impact of the changes on the children and young people we care for?**

All 3 and 4-year-olds whether in care or not, are entitled to the universal 15 hours funding. A child in foster care will be entitled to the new entitlements if the child has attained the relevant age, is under compulsory school age and the criteria set out below are met:

- That the foster parent(s) engaging in paid work outside their role as a foster parent is consistent with the child's care plan, and
- in single foster parent families, the foster parent engages in paid employment outside of their role as a foster carer or

- In two foster parent families, both partners engage in paid employment outside of their role as a foster carer or one partner engages in paid work and the other receives certain qualifying benefits.
- There is no minimum income requirement for the foster parent(s).

- 4.20 In a recent audit for the Corporate Parenting Board it was noted that of the 2-, 3- and 4-year-old Looked After Children recorded in Synergy there were 63 and of these 32 were recorded as attending provision in either school or with a PVI setting. This means that a substantial number of the children in our care may not be taking up their entitlement.
- 4.21 This has generated multi agency working between the Children's Trust, LACE team and the Early Years Team to more accurately record children who we care for and ensure that they are all taking their funding entitlement.
- 4.22 The Early Years Team will take referrals from social workers for 2-year-olds to receive 15 hours funding under the disadvantaged 2 year old funding entitlement.
- 4.23 One possible impact on children we care for could be that the number of universal 15 hour universally funded places reduce in the PVI sector as they take more 30 hour funded children into childcare. However, there are surplus places in the maintained nursery classes in schools that would accommodate them.
- 4.24 **What has been the impact on those with SEND? – How are the Council ensuring vulnerable children are accessing the offer?**
The impact on the expanded places has been an increase in the number of applications for the Early Years Intervention Grant that providers apply for to support the needs of SEND children. The Inclusion Support Early Years Team (ISEY) provide termly Area SENCo visits to every setting to review the needs of children and to identify any children who may have developmental needs as early as possible.
- 4.25 The ISEY team are based in the Child Development Centre and work with Therapy teams and Paediatricians to support children with identified SEND needs from the point of diagnoses, which could be from birth. Any child known to the ISEY team will access funding from aged 2 as a very minimum. The local authority applies its discretion to allow this to happen. The ISEY team will support working parents to access funding from 9 months + if eligible.

- 4.26 SEND funding, Early Years Intervention Grant, is managed by the Inclusion Support Early Years Team. The funding is available for all PVI settings and maintained nursery classes. The EYIG panel meet at least half termly and the panel members are the ISEY managers, Area SENCOs, Educational Psychologists, Manager and Deputy of Sensory Support Team, Team Leader for Children’s Therapies (Speech and Language), Occupational Therapists and the Early Years Manager. The panel considers new applications, extensions to awarded funding and requests to increase the funding awarded. There is also an appeals process in place if providers do not agree with any panel decisions.
- 4.27 Through the multi-agency funding panel the members ensure that children with SEND are accessing their entitlements and that any funding is targeted at their learning and development needs through intervention and bespoke support. Any child who is subjected to a reduced timetable for any reason must have a plan in place to ensure they are working towards their full entitlement as quickly as possible. This is monitored by their named Area SENCo.

5 Implications

Resources:	Both the Wraparound and Extended Entitlements offer has had a big impact on the workload of the Early Years Team. There is significant work involved in action planning, communication, monitoring, dispensing the DFE funding and meeting the demands of the DFE.
Legal and Governance:	Governance is through the Early Years Strategic Partnership Board which reports to the Children and Families Strategic Partnership (CaFSP)
Risk:	The biggest risk to both initiatives is being able to staff the provision for them to be able to deliver the places.
Equality:	All children are entitled to take up their universally funded place. The new initiatives are to provide childcare for parents to enable them to work.
Social Value:	More people are available for work and fewer families are reliant on claiming state benefits
Corporate Parenting:	More joined up working needs to happen to ensure that our children are accessing their entitlement.

6 Appendices

None.

7. **Background Papers**

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

<https://www.gov.uk/government/publications/wraparound-childcare-guidance-for-schools>

<https://www.gov.uk/government/publications/early-education-and-childcare--2/early-education-and-childcare-applies-from-1-april-2024>