

Spring Budget 2023 Childcare Expansion

[Spring Budget 2023 Childcare Expansion Policy costing information note \(publishing.service.gov.uk\)](#)

Early Years Supplementary Grant 2023/24

[Early years supplementary grant 2023 to 2024: methodology - GOV.UK \(www.gov.uk\)](#)

Early Years Funding – Extension of the Entitlements – Government Consultation

[Early years funding – extension of the entitlements \(education.gov.uk\)](#)

Purpose of the Report

1. This report considers a series of DfE Early Years publications issued in July 2023.

Main Considerations

Spring Budget 2023 Childcare Expansion

2. In the spring budget of 2023, the Chancellor announced that funded childcare hours would be extended to children of eligible working parents in England from nine months old to support increased parental engagement in the labour market.
3. The measures announced will expand the existing system by offering up to 30 funded hours of childcare per week over 38 weeks of the year to children aged nine months and over whose parents meet the same income eligibility criteria as applied to the existing 30 hours entitlement for three and four-year-olds. The policy will have a phased rollout, with 15 hours per week for 38 weeks a year offered to eligible two-year-olds from April 2024 and to eligible children under two from September 2024. The new entitlement will be offered in full of September 2025.
4. Operationally changes are aimed to increase flexibility for providers and the availability of childcare provision for parents, the government will proceed with changing staff-to-child ratios from 1:4 to 1:5 for 2 year-olds in England, to align with Scotland and other countries. Also that, childminders can care for more than the specified maximum of three young children if they are caring for siblings of children they already care for, or if the childminder is caring for their own child.'
5. Nationally, the investment is £1.740m for the 2024/25 financial year rising to £4.100m in the 2027/28 financial year.
6. The Spring budget and Wiltshire indicative hourly rates for 2024/25 are detailed in the table overleaf.

	Spring Budget Hourly Rate	Wiltshire Illustrative Hourly Rate
9-months up to two years	£11.06	£9.96
Two-year-olds	£8.17	£7.35

7. Whilst these moves are welcomed by parents and the increased rates welcomed by providers, not all providers will be able to extend their offer due to physical space requirements in settings and their ability to recruit and retain staff.
8. Early years officers will continue to monitor sufficiency of childcare places in Wiltshire.

Wraparound Childcare

9. The DfE report that 74% of primary schools currently offer childcare at both ends of the school day. They aim to help ensure that working parents are not forced to reduce their hours due to caring responsibilities, the government is launching a new wraparound childcare pathfinder scheme and setting out the ambition that all parents of primary-aged children in England can access care in school from 8am-6pm. The government will provide £289 million in start-up funding to enable schools and local authorities to test options to increase the availability of wraparound childcare in the longer term, with national roll out over academic years 2024-25 and 2025-26.

Early Years Supplementary Grant 2023/24

10. The expansion plans were to be rolled out from September 2023 and as such, a separate mechanism of funding was put in place to facilitate a timely rollout.
11. Nationally, the DfE has provided £204 million of supplementary grant funding to local authorities in the 2023 to 2024 financial year. Wiltshire's allocation is £1.642m. This will provide supplementary funding for all existing early years funding streams:
 - 15 hours entitlement for disadvantaged 2-year-olds
 - 15 hours universal entitlement for 3 and 4-year-olds
 - 15 hours additional entitlement for 3 and 4-year-old children of working parents
 - maintained nursery schools supplementary funding
 - early years pupil premium
 - disability access fund
12. The supplementary funding provided to local authorities is separate to the funding provided through the early years block of the DSG for the existing entitlements in the 2023 to 2024 financial year. Rates are detailed overleaf.

	Wiltshire Provider Rates 2023/24			2024/25
	Current Rates	Supplementary Grant	Effective combined Rate	Wiltshire Illustrative Funded Hourly Rate
9-months up to two years				£9.96
Two-year-olds	£5.75	£1.86	£7.61	£7.35
Three and Four-year-olds	£4.68	£0.33	£5.01	
Early Years Pupil Premium	£0.62	£0.04	£0.66	
Disability Access Fund	£828.00	£53.00	£881.00	

13. For the majority of local authorities, the 2024/25 illustrative hourly rate is higher than the effective combined rate. Wiltshire is one of the 42 local authorities for whom there is a reduction. Wiltshire's reduction is £0.26 per hour which is a 3.4% reduction before taking into account 2024/25 inflationary pressures.

Early Years Funding – Extension of the Entitlements – Government Consultation

14. The DfE launched a consultation on 21 July with a response date of 8 September 2023 requesting views from local authorities, early years providers and sector representative bodies on a number of proposals regarding the approach to funding for the early years entitlements for 2-year-olds and under from 2024-25.
15. Section 1 focused on the national funding formula that the DfE will be using to distribute entitlements funding to local authorities for 2-year-olds and under from 2024-25. It also included proposals to extend eligibility for early years pupil premium (EYPP) and the disability access fund (DAF).
16. Section 2 set out the overall illustrative impact that these proposals will have on funding rates for local authorities in 2024-25. Alongside this consultation document the DfE also published illustrative modelling which sets this out in more detail, accompanied by a technical note.
17. Section 3 then set out the proposals regarding the framework of rules for the distribution of all entitlements funding by local authorities.
18. In light of the turnaround time, Wiltshire responded to the consultation and shared the response with the early years sector and reference group, encouraging them to respond by the deadline of 8 September 2023.
19. A copy of Wiltshire's responses is attached as Appendix A.

Proposals

20. Schools Forum is asked to note the three July 2023 publications from the DfE and consider the implications for Wiltshire.

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