

<h1>BRIEFING</h1>	<b>TO:</b>	Schools Forum
	<b>DATE:</b>	28 <sup>th</sup> April 2023
	<b>LEAD OFFICER:</b>	Neil Hardwick
	<b>TITLE:</b>	Proposed Changes following Budget Announcements

## 1. Background

1.1	<p>A number of changes were proposed in the recent Budget including:</p> <ul style="list-style-type: none"> <li>• An extension of the free 30 hour childcare offer</li> <li>• An increase in the early education hourly rate</li> <li>• A change to the staff:child ratio for 2 year olds</li> <li>• Funding to develop ‘wraparound’ care</li> <li>• Incentive payments to new Childminders</li> </ul>								
1.2	<p><b>Extension of the free 30 hour childcare offer:</b> Currently parents who work more than 16 hours a week and earn less than £100,000 are entitled to 30 hours of free childcare a week for children aged three to four. In Rotherham this equates to 2899 children in the Summer term and currently 70% of eligible families are taking up this entitlement. The entitlement is being expanded as detailed below.</p>								
1.3	<p>The changes are outlined below (see details in Appendix 1):</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Date</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td><b>April 2024</b></td> <td>All working parents of two-year-olds will be able to access 15 hours of free childcare. Approximately 1,000 two year olds meet the current non-working / low income eligibility criteria.</td> </tr> <tr> <td><b>September 2024</b></td> <td>all working parents of children aged 9 months up to 3-years-old can access 15 hours per week</td> </tr> <tr> <td><b>September 2025</b></td> <td>all working parents of children aged 9 months up to 3-years-old can access 30 hours free childcare per week</td> </tr> </tbody> </table>	Date	Change	<b>April 2024</b>	All working parents of two-year-olds will be able to access 15 hours of free childcare. Approximately 1,000 two year olds meet the current non-working / low income eligibility criteria.	<b>September 2024</b>	all working parents of children aged 9 months up to 3-years-old can access 15 hours per week	<b>September 2025</b>	all working parents of children aged 9 months up to 3-years-old can access 30 hours free childcare per week
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1.4	<p>This staggered approach is intended to give childcare providers time to prepare for the changes, ensuring there are enough providers ready to meet demand.</p>								
1.5	<p><b>Increases to the Early Education Funding Rate:</b> The hourly rate paid to early education / childcare providers will be increased in <b>September 2023</b>. Details of the increase will be released in the Summer term.</p>								
1.6	<p><b>Change to the staff:child ratio for 2 year olds:</b> From <b>September 2023</b>, one member of staff will be allowed to look after five children, up from four children which is the current rule. These changes to ratios are optional.</p>								
1.6	<p><b>Funding to develop ‘wraparound’ care (see Appendix 3 for details):</b> Local authorities and schools will be given funding for a two year period increase the supply of wraparound care, so that parents of school age children can drop their children off</p>								

1.7	<p>between 8am and 6pm – tackling the barriers to working caused by limited availability of wraparound care. There is currently a range of wraparound care provided by schools, out of school providers and childminders, however there are gaps in some areas.</p> <p><b>Incentive payments for Childminders(See Appendix 2 for details):</b> Incentive payments of £600 will be piloted from Autumn of this year for those who sign up to the profession (rising to £1,200 for those who join through an agency) to increase the number available and increase choice and affordability for parents.</p>																												
<b>Implications</b>																													
2.1	The sector will need to expand to meet potential demand. The Early Years and Childcare Service is currently carrying out an initial analysis of potential demand as well as a full childcare sufficiency analysis over the summer term.																												
2.2	<p>The table below details the number of providers currently delivering the early education entitlements:</p> <table border="1" data-bbox="217 779 1476 1122"> <thead> <tr> <th>Provider Type</th> <th>3yr Early Education</th> <th>30 Hours</th> <th>2yr Early Education</th> </tr> </thead> <tbody> <tr> <td>Academies</td> <td>61</td> <td>50</td> <td>11</td> </tr> <tr> <td>Maintained Schools</td> <td>9</td> <td>8</td> <td>0</td> </tr> <tr> <td>Maintained Nursery Schools</td> <td>3</td> <td>3</td> <td>3</td> </tr> <tr> <td>Day Nurseries / Pre-schools</td> <td>55</td> <td>54</td> <td>55</td> </tr> <tr> <td>Childminders</td> <td>118</td> <td>118</td> <td>116</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>246</b></td> <td><b>233</b></td> <td><b>185</b></td> </tr> </tbody> </table>	Provider Type	3yr Early Education	30 Hours	2yr Early Education	Academies	61	50	11	Maintained Schools	9	8	0	Maintained Nursery Schools	3	3	3	Day Nurseries / Pre-schools	55	54	55	Childminders	118	118	116	<b>TOTAL</b>	<b>246</b>	<b>233</b>	<b>185</b>
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2.3	A number of working parents currently pay for childcare for children from 9 months – 2 years. To enable providers to operate sustainably, the rate they charge is higher than the early education funding rate. Sustainability will be impacted if the proposed increase for September 2023 is not in line with or higher than the current chargeable rates.																												
<b>4. Recommendations</b>																													
4.1	It is recommended that an update report is presented when the funding rates have been announced and the interim sufficiency analysis has been completed.																												

Policy paper

# Early education entitlements and funding update: March 2023

Updated 12 April 2023

## Applies to England

In the government's spring budget, the Chancellor announced transformative reforms to childcare for parents, children, the economy and women. By 2027 to 2028, this government will expect to be spending in excess of £8bn every year on free hours and early education, helping working families with their childcare costs. This represents the single biggest investment in childcare in England ever.

This new offer will empower parents, allowing them to progress their careers and support their families. The new entitlements will be introduced in phases:

- from April 2024, all working parents of 2-year-olds can access 15 hours per week
- from September 2024, all working parents of children aged 9 months up to 3-years-old can access 15 hours per week
- from September 2025, all working parents of children aged 9 months up to 3-years-old can access 30 hours free childcare per week

Our reforms mean the government expects to spend an additional £4.1 billion by 2027 to 2028 to fund 30 hours of free childcare per week (38 weeks per year) for children over the age of nine months. At the introduction of the new entitlements from 2024 to 2025, the average funding rate for local authorities for under 2-year-olds will be around £11 per hour.

## Funding uplifts for existing entitlements

The budget also announced additional funding of £204 million from this September rising to £288 million next year (financial year 2024 to 2025) to increase the funding paid to nurseries for the existing free hours offers. This investment will allow the national average rate for local authorities for 2-year olds to increase by 30% from the current national average rate of £6 per hour to around £8 per hour from September 2023. The national average 3 to 4 year old rate for local authorities will rise in line with inflation from the current national average rate of £5.29 per hour to over £5.50 per hour from September 2023.

We will provide further details on the distribution of additional funding to local authorities as well as local authority level funding rates for 2023 to 2024 in due course and for 2024 to 2025 in the autumn in line with the usual funding cycle.

Appendix 2

# **Childminder grants scheme update: April 2023**

Updated 12 April 2023

## **Applies to England**

Following the announcement of the new start-up grant for childminders at the Spring Budget on 15 March 2023, we can confirm that the £600 grant for those who register with Ofsted, and £1200 for those who register with a childminder agency, will be payable to any individual who has completed their childminder registration on or after 15 March 2023. New childminders will be able to apply for the grant from autumn 2023.

Our priority is to support childminders by helping with the costs incurred when registering, and giving them the flexibility to choose their own pathway into the sector. We know that it is more expensive to register with a childminder agency, and our grants reflect this, as we want prospective childminders to have the choice of the route that best suits their needs.

# Budget 2023: Everything you need to know about childcare support

Posted by:[mediaofficer](#), Posted on:16 March 2023 - Categories:[Childcare](#), [early years](#)



Hundreds of thousands more working parents will be supported through an extension of the free childcare on offer, more than doubling the current support in place. This will help mums in particular to stay in work and keep the economy growing.

We know that childcare is one of the biggest costs facing working households, which is why we want to make it cheaper and more accessible, to reduce the barriers preventing some parents from going back to work.

Here we explain everything you need to know about childcare from the Spring Budget.

**Who is eligible for 30 hours free childcare?**

We're extending [free childcare](#) to support more parents returning to work after their parental leave ends.

Currently, parents who work more than 16 hours a week and earn less than £100,000 are entitled to [30 hours free childcare](#) a week for children aged three to four.

We're now expanding the scheme so that working parents of all children over the age of nine months are also entitled to free 30 hours of childcare. This is a transformational change that will make a difference to families across the country.

Some providers may ask for charges in addition to the free childcare. Visit [childcarechoices.gov.uk](https://childcarechoices.gov.uk) for further information.

### **When will it start?**

From **April 2024**, working parents of two-year-olds will be able to access 15 hours of free childcare.

From **September 2024**, 15 hours of free childcare will be extended to all children from the age of nine months.

From **September 2025**, working parents of children under the age of five will be entitled to 30 hours free childcare per week.

This staggered approach will give childcare providers time to prepare for the changes, ensuring there are enough providers ready to meet demand.

### **How are you supporting nurseries, childminders and childcare providers?**

We're increasing the hourly rate paid to childcare providers by the government, to help them to deliver their existing 30 hours entitlement.

### **How many children can a childcare provider look after?**

We are also increasing the number of children a member of staff can look after at the same time. This is known as the staff-to-child ratio. It means that from September 2023, one member of staff will be allowed to look after five children, up from four children which is the current rule. This is already the case in Scotland and follows a thorough consultation on the safety of this change.

These changes to ratios are optional, giving providers more flexibility in how they run their businesses, and will also bring ratio requirements in line with those of other comparable countries.

### **What support is there for childcare before and after school?**

Local authorities and schools will be given more funding for what's known as "wraparound care", so that parents of school-age children can access childcare in their local area from 8am – 6pm.

This could include provision of activities that fall outside of school hours, via things like [breakfast clubs](#) and after-school clubs. We expect that by September 2026, most primary schools will be able to provide their own before and after school care.

### **What childcare support is available for people on Universal Credit?**

Parents on [Universal Credit](#) are set to get further support too. Currently, up to 85% of childcare costs can be claimed back. However, by Summer 2023 parents will be able to access the funds upfront to make it easier for them to get a job or increase their hours. This removes any gap in funds and eases parents into the childcare costs payment cycle.

The maximum amount of support will also be increased by almost 50%, to £951 for those with one child and to £1,630 for those with two.