

Expansion of early years and wrap-around childcare - Request to allocate capital and revenue funding

Date: 26 November 2024

Report of: The Sufficiency Manager of the Sufficiency and Business Relations Team

Report to: The Director of Children and Families

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Childcare Expansion Capital Grant funding has been allocated to all local authorities to support the development of the following types of places:

- Funded childcare places for children aged 9-months to 4-year-olds and/or;
- Wrap-around provision for primary school aged children.

Leeds has received £1,468,854.51 through this grant.

In addition, a National Wrap-around Childcare Programme Funding Grant has been allocated as above to support the development of wrap-around provision for primary school aged children. Leeds is estimated to receive £3,355,610.49 through this grant, by instalments.

This report is a direct consequence of decision number D57795 and seeks approval to allocate grant funding to individual childcare providers across both programmes.

Recommendations

It is recommended that the Director of Children and Families:

- a) Notes the previous decision D57795;
- b) Grants approval to allocate £834,219.53 of capital grant funding and £788,389.93 of revenue grant funding to individual childcare providers in the first funding round, the details of which are included in the report below;
- c) Notes that there will be future funding rounds; and
- d) Notes that the responsible officer for implementation is the Deputy Director (Learning).

What is this report about?

- 1 Guidance was published by the DfE in November 2023 setting out the terms for capital funding and programme (revenue) funding to be provided for local authorities to support the take-up and availability of childcare across England for working families. Both schemes are intended to create or extend wrap-around care for school aged children from 8am to 6pm. The capital funding scheme is also aimed at increasing the supply of funded early education for eligible children aged 9 months upwards.
- 2 From April 2024 eligible working parents of 2-year-olds became entitled to access 15 hours per week of funded early education for their child. From September 2024, eligible working parents of children aged 9 months to 3 years old can access 15 hours of childcare support (funded places). From September 2025, eligible working parents of children aged between 9 months and 5 years old will be entitled to 30 hours of (funded) childcare support. From September 2024, it is also expected that there will be an increase in the number of wrap-around childcare places available for school aged children across England.
- 3 To support these programmes, capital and revenue grant funding has been provided to Local Authorities to award to schemes that create/expand funded childcare and wrap-around places. More information about the Childcare Expansion Capital Grant can be found [here](#). More information about the National Wrap-around Childcare Programme can be found [here](#). A memorandum of understanding (MoU) for both the capital and revenue grants has been signed by the Director of Finance and returned to the DfE. “The MoU is a non-legally binding document that sets out the agreement between the local authority and the Secretary of State relating to the payment to the local authority of the grant funding for the delivery of the programme. Whilst this is non-legally binding, local authorities are expected to use the programme funding in line with the expectations in the MoU. The MoU sets out the purpose of the grant and expectations of management and use of the grant, including, funding arrangements, reporting and evaluation requirements and eligible expenditure”.
- 4 Local authorities will be required to verify that the capital funding has been spent on capital projects through the section 151 officer’s return and must submit a Statement of Grant Usage to the DfE for the wrap-around grant at the end of each financial year, by the required deadlines.
- 5 The approach taken in Leeds to distributing capital and revenue grant funding has been to invite childcare providers to bid for a share of it and to assess applications to determine which are suitable to progress. An initial application round closed on 31 July 2024, and it is intended that more will follow. Although the first round invited applications for capital and/or revenue funding, future rounds may be targeted on just capital or just revenue only. Capital funding has been capped at a maximum of £60,000.00 per provider in the first round to allow more providers to benefit from funding in future rounds.
- 6 In the first application round an online form was available for applicants to describe their proposals including key details like cost estimates, timescale for delivery, the nature of the scheme and what it would deliver in terms of places and benefits. Once the round had closed a panel of officers reviewed all applications received and determined whether each one had met a threshold before deciding whether funding could be allocated. Factors such as value for money, demand, sustainability, quality, and risk were considered. Successful applicants will be required to sign a legal agreement which sets out the terms under which the grant funding will be allocated. There will also be an expectation that the impact of successful schemes will be monitored through recording of the number of places delivered. It is intended that future bidding rounds would follow the same overall arrangements as the initial one.

7 The decision requested in this report is to allocated funding to individual providers in round one as follows:

Provider	Ward	Funding type	Scheme	Funding approved
Adel Pre-School CIO	Adel and Wharfedale	Capital	Extended Entitlement	£50,000
Brodetsky Primary School	Alwoodley	Capital	Wrap-around and Extended Entitlement	£20,000
Brodetsky Primary School	Alwoodley	Revenue	Wrap-around	£8,000
Alwoodley Primary School	Alwoodley	Revenue	Wrap-around	£21,000
Little Petals Childcare	Ardsley and Robin Hood	Capital	Wrap-around and Extended Entitlement	£3,000
Little Petals Childcare	Ardsley and Robin Hood	Revenue	Wrap-around	£900
Domi Domingo Day Nursery	Ardsley and Robin Hood	Capital	Wrap-around and Extended Entitlement	£60,000
Renaissance Nurseries Armley	Armley	Capital	Wrap-around and Extended Entitlement	£25,000
St Bartholomew's C of E Primary School	Armley	Revenue	Wrap-around	£12,000
Castleton Primary School	Armley	Revenue	Wrap-around	£20,500
Stanningley Primary School	Bramley and Stanningley	Capital	Wrap-around	£60,000
Stanningley Primary School	Bramley and Stanningley	Revenue	Wrap-around	£113,000
Bright Futures Nursery Harehills	Burmantofts and Richmond Hill	Capital	Wrap-around and Extended Entitlement	£5,000
Bright Futures Nursery Harehills	Burmantofts and Richmond Hill	Revenue	Wrap-around	£11,000
Debra Robson	Calverley and Farsley	Capital	Wrap-around and Extended Entitlement	£8,400
Debra Robson	Calverley and Farsley	Revenue	Wrap-around	£200
Best Family Childcare Ltd	Chapel Allerton	Capital	Extended Entitlement	£35,000
Scribbles Nursery	Crossgates and Whinmoor	Capital	Wrap-around and Extended Entitlement	£15,200
Lawns Park Primary School	Farnley and Wortley	Revenue	Wrap-around	£36,000
Ninelands Primary School	Garforth and Swillington	Revenue	Wrap-around	£47,083
Bright Skies Nursery	Guiseley and Rawdon	Capital	Wrap-around and Extended Entitlement	£50,000
Tranmere Out of School Club	Guiseley and Rawdon	Revenue	Wrap-around	£15,001

Barwick in Elmet C of E Primary School and Nursery	Harewood	Revenue	Wrap-around	£33,000
Spring Bank Primary School	Headingley and Hyde Park	Capital	Wrap-around and Extended Entitlement	£10,000
Spring Bank Primary School	Headingley and Hyde Park	Revenue	Wrap-around	£25,000
Prospect House Nursery	Horsforth	Capital	Wrap-around and Extended Entitlement	£60,000
Prospect House Nursery	Horsforth	Revenue	Wrap-around	£59,190.20
Emma's Angels Day Nursery Ltd	Horsforth	Capital	Wrap-around and Extended Entitlement	£60,000
Laugh and Learn Day Nursery	Hunslet and Riverside	Capital	Wrap-around	£6,000
Laugh and Learn Day Nursery	Hunslet and Riverside	Revenue	Wrap-around	£4,750
New Bewerley Community School	Hunslet and Riverside	Revenue	Wrap-around	£36,000
Little Clovers Nursery	Hunslet and Riverside	Revenue	Wrap-around	£27,070
Cross Gates Primary School	Killingbeck and Seacroft	Revenue	Wrap-around	£28,318
Ledston LEH C of E Primary School	Kippax and Methley	Revenue	Wrap-around	£56,541
Yulia Tumanova	Kirkstall	Revenue	Wrap-around	£2,000
Clarendon Nursery	Little London and Woodhouse	Capital	Extended Entitlement	£50,000
Sweetpea's Childminding	Middleton Park	Capital	Wrap-around and Extended Entitlement	£12,469.50
Sweetpea's Childminding	Middleton Park	Revenue	Wrap-around	£1,492
Natalie Sneath	Middleton Park	Capital	Wrap-around and Extended Entitlement	£12,000
Sharp Lane Primary School	Middleton Park	Revenue	Wrap-around	£32,000
Carr Manor Community School	Moortown	Capital	Wrap-around and Extended Entitlement	£40,000
Carr Manor Community School	Moortown	Revenue	Wrap-around	£57,594.75
Meanwood C of E Primary School	Moortown	Revenue	Wrap-around	£17,000
Gillian Sullivan	Morley North	Capital	Wrap-around	£3,750
Westerton Primary Academy	Morley South	Capital	Wrap-around	£60,000
Westerton Primary Academy	Morley South	Revenue	Wrap-around	£34,800
The Old Bank Day Nursery	Otley and Yeadon	Capital	Wrap-around and Extended Entitlement	£25,000

The Old Bank Day Nursery	Otley and Yeadon	Revenue	Wrap-around	£16,000
Bright Ideas Otley	Otley and Yeadon	Capital	Wrap-around and Extended Entitlement	£8,000
Bright Ideas Otley	Otley and Yeadon	Revenue	Wrap-around	£11,000
Southroyd Primary School	Pudsey	Capital	Wrap-around and Extended Entitlement	£50,000
New Beginnings At Park Spring	Pudsey	Capital	Wrap-around and Extended Entitlement	£25,000
New Beginnings At Park Spring	Pudsey	Revenue	Wrap-around	£24,000
Ladybird Childminding Service	Pudsey	Revenue	Wrap-around	£1,000
Pudsey Primrose Hill Primary School	Pudsey	Revenue	Wrap-around	£28,100
Pudsey Waterloo Primary School	Pudsey	Revenue	Wrap-around	£8,000
Tina's Tots	Rothwell	Capital	Wrap-around and Extended Entitlement	£15,000
Children's Corner Moorlands LLP	Weetwood	Capital	Extended Entitlement	£60,000
Little Lanies Childcare	Wetherby	Capital	Wrap-around and Extended Entitlement	£5,400.03
Little Lanies Childcare	Wetherby	Revenue	Wrap-around	£849.98

What impact will this proposal have?

- 8 The Childcare Expansion Capital Grant scheme (2023) is intended to support the development of additional childcare places and wrap-around provision (before and after school care for children aged 4 to 11) to enable parents/carers to access work and training opportunities. The National Wrap-around Childcare Programme Funding Grant is also intended to support the development of wrap-around provision. It is intended that all parents/carers of primary school children who need it will be able to access childcare in their local area from 8am – 6pm.
- 9 The grant application process for requesting financial support from either or both schemes is open to all registered providers including group-based settings, childminders, and schools across the city. The creation and expansion of childcare places including wrap-round for primary school-aged children will have a positive impact across all areas of the city by providing additional capacity and availability of childcare for working families, supporting the priority of ensuring children have the best start in life.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 10 The recommendation is to approve the allocation of grant funding to individual childcare providers for the Childcare Expansion Capital Grant (2023) and National Wrap-around Childcare Programme Grant for projects across the city that would provide additional childcare and wrap-around places. The relationship between the authority and its schools and other early years providers must influence city-wide agendas such as contributing towards the achievement of the Best City Ambition that people are 'supported to thrive from early years to later life' with a focus on ensuring children in all areas of the city have the best start in life and enjoy a happy and friendly childhood. Our focus is also on the obsession to 'improve achievement, attainment and

attendance at school' with a focus on 'enabling all children and young people - particularly those learners who are vulnerable to poor outcomes to realise their potential.' Having access to good quality early years and wrap-around provision is an important contributing factor towards this ambition.

- 11 Schemes funded by these grants would also support the Best City Ambition that 'Leeds will be a place where we create growth in our economy that works for everyone'. The provision of additional childcare and wrap-around provision would be a key enabling factor towards the obsession of 'ensuring people of all ages and backgrounds can enjoy access to education, skills development, and employment opportunities to meet their needs and the needs of a growing economy'.

What consultation and engagement has taken place?

Wards affected: All

Have ward members been consulted? Yes No

- 12 Although there is no specific requirement to consult on the appropriation of the Childcare Expansion Capital Grant (2023) and National Wrap-around Childcare Programme Funding Grant, local authorities are expected to allocate the funds along the principals of addressing unmet need or additional demand for childcare and wrap-around places. To this end an application round was open between 8 and 31 July 2024 so that prospective providers could apply to Leeds City Council for funding. The application round was publicised widely including via emails to schools and other providers and via social media channels and Leeds for Learning. A total of 63 providers submitted bids.
- 13 It is intended that there will be future application rounds to enable remaining grant funding to be spent within the timeframe of the programmes, so before April 2026.
- 14 Ward members were emailed the details of the funding application window on 8 July 2024 and the Executive Member Children & Families was briefed in July 2024.

What are the resource implications?

- 15 LCC has incurred costs in administering the grant funding awards, and a considerable amount of officer time has been spent across several teams in managing it. This includes Sufficiency and Business Relations, Procurement and Commercial Services Legal and Finance. Up to 11% of the resource grant funding can be used by Local Authorities to help support and deliver the wrap-around programme which LCC intends to do.

What are the key risks and how are they being managed?

- 16 There are risks associated with the impact and sustainability of proposals, in particular that places created or expanded through the grant funding will not fill or be sustainable long term. When bids were being assessed, careful consideration was given to factors such as supply and demand and how well-established providers are.
- 17 The Department for Education requires Local Authorities to monitor and report on the number of wrap-around places created through the two grant funding streams. In addition to this, claims data will provide information about the number of claims being made at settings run by successful applicants, so it will be possible to compare this with data from before the grants were awarded.

18 Providers could bid for capital and/or resource funding. To ensure compliance and control, each award will be subject to a set of terms and conditions which will set out key details about what is being delivered and what is required by providers. LCC will retain a right to recover funds that have not been spent appropriately and may look to re-assign any recovered funds to an alternative scheme.

What are the legal implications?

19 This is a publishable administrative decision and is a direct consequence of decision number D57795. As such it is not eligible for call-in.

20 As part of the decision making, current lease arrangements will be considered along with other land and property implications.

Options, timescales and measuring success

What other options were considered?

21 Alternative arrangements for distribution of grant funding were considered and research was done to understand how other local authorities were approaching this. Some smaller authorities have approved bids where bids were below or at the funding levels. However, to allow providers to be creative and ambitious in their plans, it was decided that restrictions would not be applied when proposals were submitted and that all bids would be considered on their own merits. Factors such as value for money, local supply and demand of/for places, quality, sustainability, and risk formed important parts of the assessment process.

How will success be measured?

22 The number of claims for Funded Early Education Entitlement (funded childcare places) will be monitored. Successful providers will also be required to report to the local authority on the number of wrap-around places created/extended after receiving grant funding.

What is the timetable and who will be responsible for implementation?

23 The capital and revenue funding programmes finish in April 2026, and all grant funding must be allocated by then. Individual schemes will have differing delivery dates, with some due to be implemented soon after decisions are shared with successful applicants following the first bidding round. Local authorities will be required to verify that the capital funding has been spent on capital projects through the section 151 officer's return and must submit a Statement of Grant Usage to the DfE for the wrap-around grant at the end of each financial year, by the required deadlines.

24 The officer responsible for implementation is the Deputy Director Learning.

Appendices

25 Equality, Diversity, Cohesion and Integration Screening form.

Background papers

26 None.