

Report to CABINET

Capital and Revenue Grants – Childcare Expansion Programme

Portfolio Holder:

Cllr Mushtaq, Cabinet Member Children and Young People

Officer Contact: Matthew Bulmer, Director of Education, Early Years and Skills

Report Author: Jennifer Wright, Early Years Funding Team Leader

18 March 2024

Reason for Decision

This report seeks approval for the allocation and expenditure of the Oldham's 2024/26 Childcare Expansion Capital and Revenue Grant. Specifically, it presents proposals for a capital and revenue grant application process. If approved this will enable the Council to meet the aims and objectives of the Childcare Expansion Programme and fulfill its statutory duties in line with the Childcare Act 2006.

Executive Summary

In the Spring Budget 2023 the government announced the biggest investment in childcare in history, doubling the amount they expect to spend over the next few years from around £4 billion to around £8 billion each year.

The childcare expansion Programme has two projects.

Wraparound childcare – 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. To support this ambition, the government announced that it will provide up to £289 million of 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.

Expansion of the free entitlement to working parents - England has some of the highest quality childcare provision in the world, with 96% of early years settings rated by Ofsted as good or outstanding. But the government has recognised that childcare is also one of the biggest costs facing working families today. This project is to ensure that eligible working parents can access 30 hours of free childcare per week, for 38 weeks a year from the term after their child's is 9-month-old to when they start school. This will be rolled out in three phases starting April 2024 with the final phase being April 2025

Oldham has received notification from the DfE that it will receive both capital and revenue grant funding to support the expansion programme.

The Childcare Expansion Programme aligns with the current corporate priorities.

- Healthy, safe, and well supported residents
- A great start and skills for life
- Better jobs and dynamic businesses

Recommendations

Option 1: Approve the allocation and expenditure of the Oldham's 2024/26 Childcare Expansion Capital and Revenue Grant. Enabling the Early Years PVI and Schools sector to submit expressions of interest to support the delivery of the programme aims. The grants will be awarded based on a full supply and demand mapping assessment which will highlight areas within the borough where demand is likely to exceed supply.

This poses no risk to the council or council budgets as all funding is provided through a DfE S31 Grant. This will ensure that the LA remains compliant with its statutory duties outlined within the Childcare Act 2006 and the Councils corporate plan and aligning strategies.

Option 2: Do not approve the proposal to develop, moderate and administer a capital and revenue grant process.

This poses a significant risk to the council as it will impact on the council's ability to support the growth of childcare places. This will result in the demand for places exceeding supply resulting in potential unmet need. Ultimately, the Council will become non compliant with its statutory duty under the Childcare Act 2006. The Council will also not deliver on the priorities outlined in the Councils corporate plan and aligning strategies.

Capital and Revenue Grants – Childcare Expansion Programme

1 Background

- 1.1 This report seeks approval for the allocation and expenditure of the Oldham's 2024/26 Childcare Expansion Capital and Revenue Grant. Specifically, it presents proposals for the capital and revenue grant application process. If approved this will enable the Council to meet the aims and objectives of the Childcare Expansion Programme and fulfil its statutory duties in line with the Childcare Act 2006.

2 Current Position

- 2.1 The council has established a Early Years and Childcare Board to oversee the childcare expansion programme a PID and programme structure has been developed. The Council has a designated lead for this programme.

3 Options/Alternatives

- 3.1 **Option 1:** Approve the allocation and expenditure of the Oldham's 2024/26 Childcare Expansion Capital and Revenue Grant. Enabling the Early Years PVI and Schools sector to submit expressions of interest to support the delivery of the programme aims. The grants will be awarded based on a full supply and demand mapping assessment which will highlight areas within the borough where demand is likely to exceed supply.

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Option 2: Do not approve the proposal to develop, moderate and administer a capital and revenue grant process.

This poses a significant risk to the council as it will impact on the council's ability to support the growth of childcare places. This will result in the demand for places exceeding supply resulting in potential unmet need. Ultimately, the Council will become non compliant with its statutory duty under the Childcare Act 2006. The Council will also not deliver on the priorities outlined in the Councils corporate plan and aligning strategies.

4 Preferred Option

- 4.1 Option 1 for the reasons set out above.

5 Consultation

- 5.1 No Consultation is required.

6 Financial Implications

- 6.1 For 2024-26, to ensure that all parents of primary school children who need it, are able to access wraparound childcare in their local area from 8am-6pm and there are sufficient places for working parents to take up their free entitlement.

Details of financial implications are detailed in the confidential report, to be considered later in the meeting

This report is seeking to approve Option 1 the Early Years' Service to develop, moderate and administer a capital and revenue grant process. Enabling the Early Years PVI and Schools sector to submit expressions of interest to support the delivery of the Programme aims. The grants will be awarded based on a full supply and demand mapping assessment which will highlight areas within the borough where demand is likely to exceed supply. This will ensure that the LA remains compliant with its statutory duties outlined within the Childcare Act 2006 and the Councils corporate plan and aligning strategies.

(Victoria Hayes, Senior Accountant)

7 Legal Implications

- 7.1 The grant agreement between Oldham Council and the DfE will require review by Legal Services together with any sub-grant agreement prescribed by the DfE or, if there is no prescribed sub-grant agreement, Legal Services will need to assist with the production of a template sub-grant agreement (Mark Hope, Legal and Democratic Services 23/01/24)

8 Co-operative Implications

- 8.1 The proposals seek to increase capacity for childcare in the borough, aligning with the Council's co-operative aims to build thriving communities and an inclusive economy.
Amanda Richardson, Policy Manager 02/02/24

9 Human Resource Implications

- 9.1 There are no HR implications with the proposals in this report. Kathryn Pickford, HR Manager

10 Risk Assessments

- 10.1 There appear to be limited risks associated with the allocation and expenditure for the Oldham's 2024/26 Childcare Expansion Capital and Revenue Grant. Appointment of all providers should be procured in line with the Council's procedures and the providers' insurances should be retained and checked. The service should ensure all grant conditions are complied with and that there is sufficient monitoring of the Childcare Expansion Programme to fulfil its statutory duties in line with the Childcare Act 2006. Should the Council not proceed in line with the recommended option this will have an impact on the council's ability to support the growth of childcare places.

Victoria Gallacher (Head of Insurance and Information Governance) 24/01/24

11 IT Implications

- 11.1 None

12 **Property Implications**

12.1 It is not clear at this stage whether there would or could be any implications for council assets as part of this funding. This would have to be worked through as part of the detail of how the grant is spent. Katy Webster 2/2/24

13 **Procurement Implications**

13.1 There are no Procurement implications as this report concerns grant funding, However, as always when paying out monies to external organisation, we should ensure an open and fair process has been followed that will comply with any scrutiny and are in line with the specific grant funding conditions, as the grant can be clawed back if the conditions are not met. A grant agreement must be formalised. Mohammad Sharif 08/02/2024

14 **Environmental and Health & Safety Implications**

14.1 None

15 **Community cohesion, including crime and disorder implications in accordance with Section 17 of the Crime and Disorder Act 1998**

15.1 None

16 **Oldham Equality Impact Assessment, including implications for Children and Young People**

16.1 NO

Not attached. An EIA is not required as all vulnerable and disadvantaged groups are considered within the programme.

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 This item has been included on the Forward Plan under reference **CHS-01-24**

19 **Background Papers**

19.1 There are no background papers for this report

20 **Appendices**

20.1 1. Capital and Revenue values and purpose of grant