



Department
for Education

21st May 2024

Dear Directors of Children's Services

Childcare Reform Update

We are writing to you to express our gratitude for the work your teams have already undertaken to deliver the Childcare Reform Programme, and to seek your continued support as we move into the next phase of delivery on both the early years entitlement expansion, and the national wraparound programme.

Early Years Entitlement Expansion

Thank you for all the work that led to the successful delivery of phase 1 of the early year entitlements expansion in April and for the ongoing preparations for phase 2 in September. Thanks to the hard work of your teams, working closely with parents and providers, over 200,000 two-year-olds are already benefitting from 15 hours of funded early education, supporting parents to more easily manage their career and help with the cost of childcare. Your support in ensuring that funding rates were shared with your local providers as early as possible was greatly appreciated and enabled providers to plan and feel confident ahead of the childcare expansion. We are continuing to work with your teams on the details of the earlier announcement that local authorities will have an eight-week window to communicate hourly funding rates to providers. Thank you in advance for your teams' help on this issue, it is greatly appreciated.

We also wanted to highlight the importance of working with your providers to make sure that they check the eligibility of all their working parent entitlements codes well ahead of a child starting their place. Ahead of the September start, we are aware that some providers in your area will close for the summer holidays, so where parents have confirmed taking up a place, we expect providers to have validated these codes via DfE's ECS system before they close for the summer. This is an important step to ensure that parents are accessing public funding for a place to which they are entitled, but it also allows government to monitor national and local level sufficiency. We are currently working on plans to be able to share a dashboard with you through the View your Education Data (VYED) portal, which will allow you to see at an LA-level how many codes have been issued to parent's resident in your local authority and how many of these codes have been validated and checked against the ECS system. We are also considering how to share LA-level information on code validation publicly, given the high level of public interest in the childcare reform programme. This will be after the term in question has started, and we will ensure you have notice of any such publication.

National Wraparound Programme

The National Wraparound Childcare programme is a key element of the wider programme, enabling parents of children of all ages to make choices about when and how much they work. Local authorities play a crucial role in delivering this part of the

childcare reform programme, and we are writing to seek your support to help ensure delivery is on track.

You and your teams have made huge steps in your preparation for delivery of the wraparound programme, and we recognise the hard work, at pace, that this has taken.

September 2024 is a significant milestone, as this is when most new places should start to be delivered. The data we have received from local authorities so far indicates that the pace and trajectory of place delivery is likely to be slower than that originally anticipated, despite the hard work of your teams. This is important because places that are delivered later in the programme will have less time to grow parental demand. There is a risk that some local authorities will 'time out' and miss this window of opportunity, meaning new childcare places will not have adequate time to embed, assure parents of availability, build demand, and become financially viable once government support ends.

That is why it is so important that your wraparounds leads and supporting staff continue to receive adequate time, priority and support to frontload delivery of new and expanded places in September 2024. Your wraparound teams will need the support from others across your organisation to deliver the system change required, including data experts, comms input, and school engagement support. We would value your help in enabling these cross-team connections to be made, where it is not already happening as effectively as it could be.

We also understand that funding timescales are impacting the scale and pace of delivery, in that some local authorities are understandably hesitant to commit any funding until the grant funding for this year has been paid. Our commitment to fund local authorities to deliver this programme is set out in the Memorandum of Understanding and [grant determination letter](#), alongside our expectations for use of the funding. In order to prepare adequately for September delivery, we would urge you to consider spending in advance of receiving this funding. We can assure that you will receive the funding you require, up to the maximum allocations, providing you return a satisfactory delivery plan that demonstrates value for money. We have provided clear guidance on what will be considered good value for money. If you assess yourself as being within these parameters, you can be confident that you will receive your funding. In addition, all LAs have received capacity funding. As this is unringfenced, any unspent capacity funding can be used for delivery as required.

We aim to confirm acceptance of the delivery plan, the value and date of the grant payment, within 4 weeks of the plan being submitted to Childcare Works. We hope that this will enable you to distribute funding to providers as early as possible. We will make the grant payment 4-6 weeks later. Plans that do not meet the core requirements as set out in guidance are likely to take longer to approve, but DfE and Childcare Works will work at pace with local authorities to improve the delivery plan and minimise funding delays.

Here are some of our key upcoming milestones for you to be aware of:

- **May – 14th June** – LAs to submit Delivery Plans for programme funding
- **June – August** – Upon Delivery Plan approval, LAs receive grant funding – the earlier the delivery plan is received, the earlier funding will be received

- **September** – Programme launch: additional wraparound childcare places available for parents to access in all areas of the country
- **October** – First Management Information (MI) data collection return

For more detail about the National Wraparound Childcare programme, please see the attached information sheet and our published [programme handbook](#).

If you have any questions or concerns, please do not hesitate to get in touch with the DfE team at wraparound.programme@education.gov.uk or with Childcare Works at childcareworks@mottmac.com.

Thank you again for everything you and your local authority have accomplished so far. We appreciate your ongoing support, and your continued commitment to delivering this programme.

Kind regards



Susie Owen

Director for Early Years, Childcare, Families and Analysis



Sophie Taylor

Director for Vulnerable Children's Strategy and Educational Engagement

National Wraparound Childcare Programme

Information sheet for Local Authorities

The national wraparound childcare programme is part of the childcare reforms announced at the 2023 Spring Budget.¹ The government's ambition is 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 and increase labour market participation. To support this ambition, the government announced that it will provide £289 million of start-up funding over two academic years to support LAs and PVI 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. The programme funding aims to remove all barriers to setting up new provision or expanding current provision, including removing the financial risk of setting up new provision, even where demand from parents may not yet be guaranteed.

Collective vision of the programme

This programme will be **local authority-led**, with LAs leading the strategy and delivery of the programme locally, as this builds on their existing duty to ensure that there is sufficient childcare in their local area. It will also be **school-centred** with provision delivered by a variety of childcare providers to best meet the needs of local communities and families.

For this programme to be successful, it needs to be **cohesive and collaborative** across LAs, PVI and parents, **purposeful** with **strong leadership, senior buy-in** and **shared motivation**, and **deliverable** by drawing on **dedicated, skilled LA wraparound staff**. Further to this, the programme should be **reflective of the community** by building on existing assets and understanding on the local community, **high quality, inclusive and sustainable** for future families once programme has ended.

Delivery model

LAs have received 'capacity funding' to use internally to build capacity within their teams. LAs will also receive funding to expand and set up new provision and ensure sufficient places are available ('programme funding'). Parents will still be expected to pay for provision as this programme aims to increase the **availability** of childcare, rather than subsidise childcare, but support with costs will be available to eligible parents via Universal Credit childcare (support for up to 85% subsidy of their costs) or Tax-Free Childcare (covering 20% of costs up to £2k a year).

¹ [Chancellor unveils a Budget for growth - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/chancellor-unveils-a-budget-for-growth)

By providing funding upfront, we aim to minimise the financial risk of setting up or expanding provision. We initially expect our funding to ensure sufficient supply of wraparound places to meet current local demand, but over time as approaches are tested and refined and other government interventions encourage parents to enter the labour market, we expect to see increased take-up/demand for places. The hypothesis is that this leads to provision being self-financing and sustainable in the longer term.

As outlined in the [programme handbook \(p.16\)](#), local authorities should take 7 key steps to deliver this programme: (1) ensure **strong local leadership** through a **robust governance structure**, (2) allocate a **designated wraparound lead** and ensure **appropriate resourcing**, (3) **plan for delivery** (supply and demand mapping) (4) submit a **costed delivery plan** detailing how the funding will be used to expand existing places and create new places, (5) **allocate funding** to providers, (6) work collaboratively with providers to **set up provision** and (7) continue to **promote the programme** to providers and parents. If you have any questions, please contact wraparound.programme@education.gov.uk