

Childcare Survey 2024

Expansion of funded early education places

A research briefing from Coram Family and Childcare

January 2024



Executive Summary

Following the Chancellor's 2023 Spring Budget announcements about additional childcare investment, there are three major upcoming expansions to funded early education entitlements:

1. From April 2024, eligible working parents of two-year-olds will get a new offer of 15 funded hours per week of funded childcare.
 2. From September 2024, eligible working parents will get 15 funded hours from the age of nine months until their children start school.
 3. From September 2025, eligible working parents will get 30 funded hours from the age of nine months until their children start school.
- Local authorities are **much more confident that there will be enough places to meet demand for the April 2024 expansion** – 60 percent answered 'confident' or 'very confident' that there will be enough places to meet demand, **compared to just 27% for the September 2024 expansion and only 12% for the September 2025 expansion.**
 - There is also **much more uncertainty about the September 2025 expansion**, with nearly one in five (19 percent) local authorities saying 'don't know'. Providers see **a number of significant barriers to successful delivery of the 30 hours expansions:**
 - ❖ 88 percent see the **local childcare workforce** as a barrier or significant barrier
 - ❖ 64 percent see '**Sufficiency of childcare places for children with special education needs and disabilities (SEND)**' and 55 percent see '**Funding to support children with SEND**' as a barrier or significant barrier
 - ❖ 58 percent see '**Local buildings and space for childcare providers to set up or expand**' as a barrier or significant barrier
 - ❖ Potential facilitators include '**Willingness of providers to offer places**' and '**IT systems to enable applications for places**', both identified by 29 percent as a facilitator or significant facilitator
 - There is a **great deal of uncertainty around how availability of the universal 15 hour entitlement for three- to four-year-olds and the 15 hour entitlement for disadvantaged two-year-olds will be impacted by the roll-out of the 30 hours expansion**, with around half of local authorities unsure of the impact the roll-out will have.

- Despite this uncertainty, it seems that **local authorities expect the roll-out to have a negative impact on availability of both entitlements**, with around a third of respondents expecting fewer available places overall, expecting fewer families to be able to take up their places without any charge, and expecting fewer places to be available for children with SEND.

Context

In the 2023 Spring Budget, the Government announced a substantial increase in funding for childcare which included three major expansions to funded early education entitlements. From April 2024, eligible working parents of two-year-olds will get a new offer of 15 funded hours per week of funded childcare. From September 2024, eligible working parents will get 15 funded hours from nine months until their children start school, and from September 2025, they will get a total of 30 funded hours from nine months until the start of school¹.

Although a very welcome investment, there have been significant concerns from providers and local authorities about delivering this expansion, with challenges around both the skills and availability of the workforce, as well as availability of suitable venues, and the adequacy of the funding rates for the offers.

Expansion of funded early education places

Supply and demand

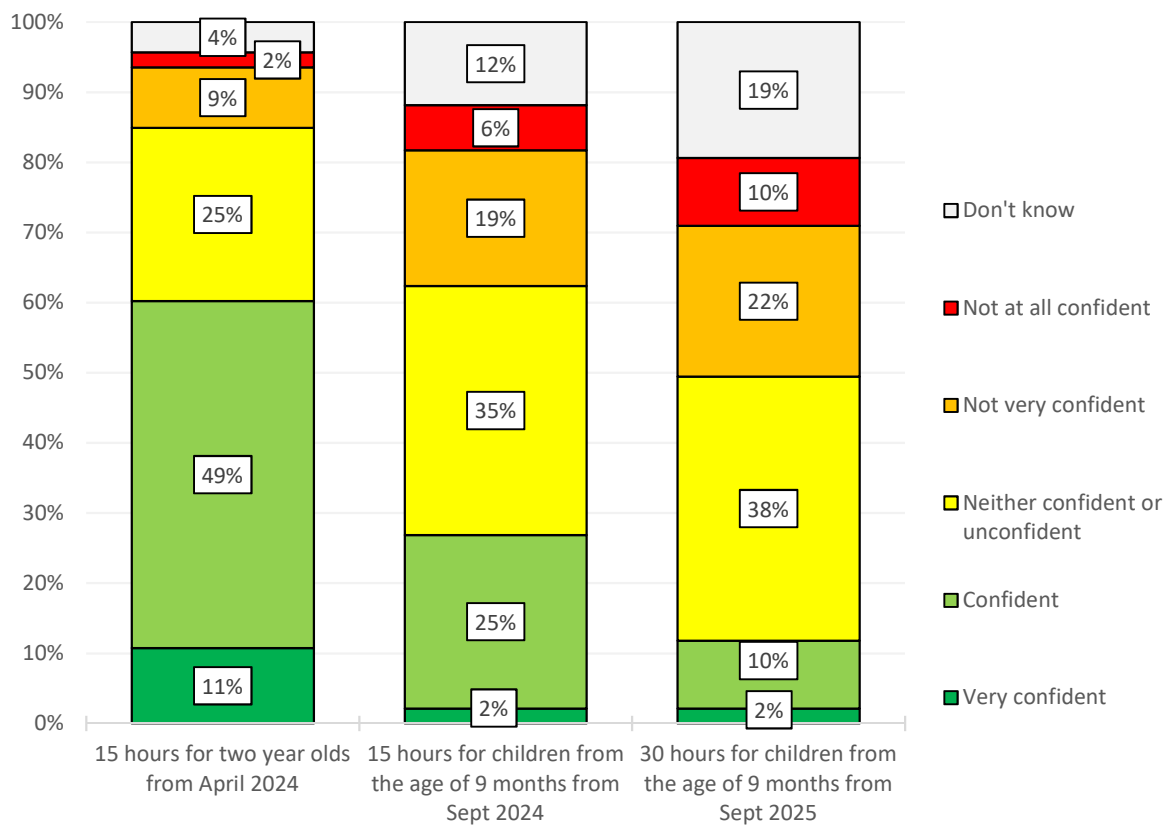
As shown in Figure 1 below, there is substantial variation in how confident local authorities feel about there being enough childcare places to meet demand for the expansion of funded childcare across the different expansions. The majority of providers (60 percent) are either confident or very confident that there will be enough places to meet demand for the April 2024, 15 hour expansion for two-year-olds. However, only 27 percent of providers are confident or very confident that there will be enough supply to meet demand for the September 2024, 15 hours expansion for children from the age of nine months. Local authorities have least confidence in meeting demand for the September 2024, 30 hours expansion for children from the

¹ Gov.uk (2023, 7 Jul). 'Press release: Government funding boost kickstarts delivery of historic new free childcare offers'. Retrieved from: <https://www.gov.uk/government/news/government-funding-boost-kickstarts-delivery-of-historic-new-free-childcare-offers>

age of nine months, with only 12 percent saying that they were confident or very confident that their area would have enough supply to meet demand.

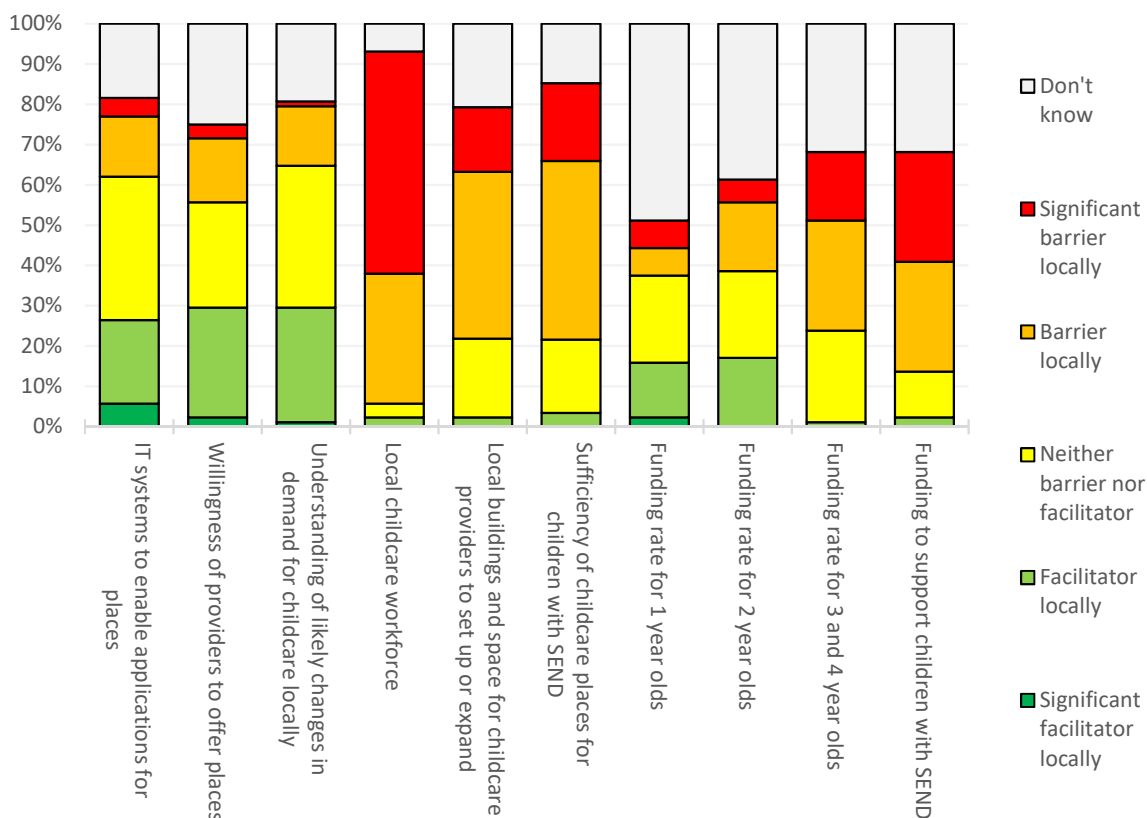
There is also a great deal more uncertainty among local authorities about the two expansions for children from the age of 9 months, especially for the September 2025 expansion; almost 1 in 5 local authorities (19 percent) do not know if supply will meet demand in their area.

Figure 1: Confidence in supply meeting demand for expansion of funded childcare



Question asked in survey: *How confident do you feel that there will be enough childcare places locally to meet demand for the expansion of funded childcare for children with working parents?*

Figure 2: Barriers and facilitators to successful delivery of the 30 hours expansion



Question asked in survey: Are the following acting as barriers or facilitators to successful delivery of the 30 hours expansion locally?

Facilitators and barriers to successful delivery of expansions

Our survey also asked what factors local authorities think are the biggest facilitators and barriers to successful delivery of the 30 hours expansion locally. As shown in Figure 2, above, the biggest facilitators identified were 'Willingness of providers to offer places' and 'Understanding of likely changes in demand for childcare locally', both of which were identified by 29 percent of local authorities as facilitators or significant facilitators.

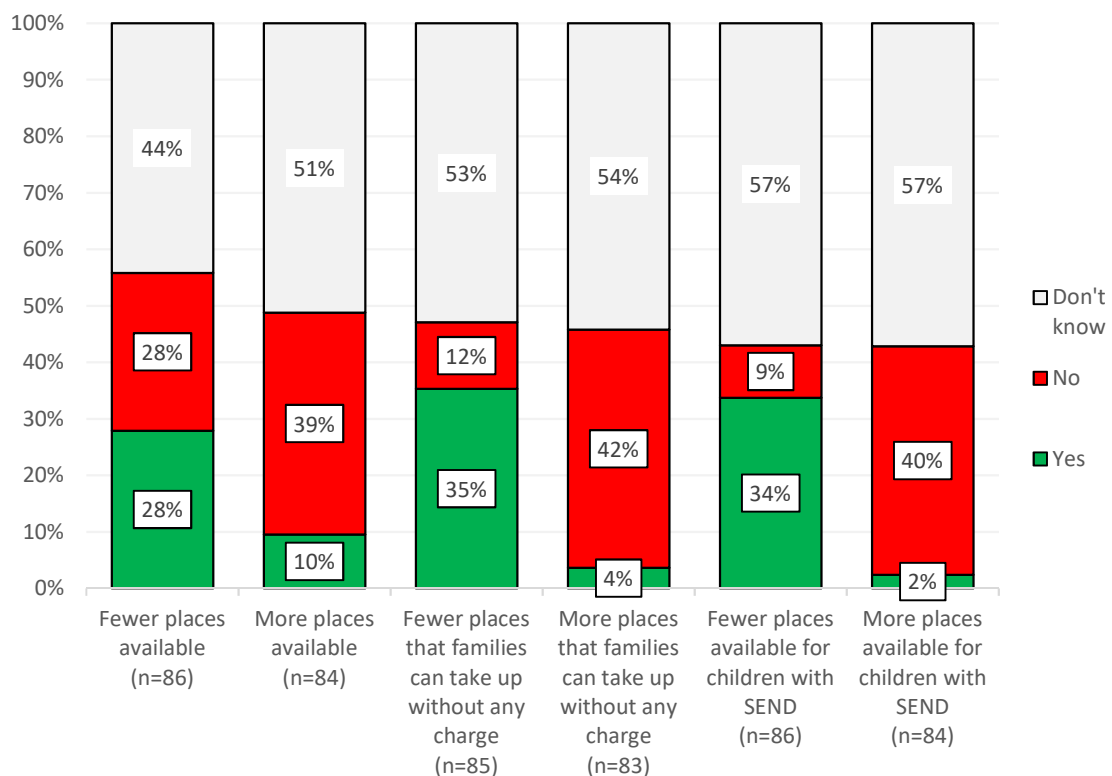
On the other hand, the vast majority (88 percent) of local authorities identified the local childcare workforce as a barrier or significant barrier to successful delivery of the expansion, highlighting the difficulties that the childcare sector as a whole is facing to both recruit and retain staff.

Adequate provision for children with special educational needs and disabilities (SEND) was also a major concern for over half of local authorities, with 64 percent identifying 'Sufficiency of childcare places for children with SEND' as a barrier or significant barrier, as well as 55 percent for 'Funding to support children with SEND'. Another factor identified as a barrier or significant barrier by more than half of local authorities was 'Local buildings and space for childcare providers to set up or expand' (58 percent).

Overall, this question revealed that local authorities see far more barriers than facilitators for the upcoming expansions and, furthermore, that they potentially see the barriers as having more impact than the facilitators. It is also concerning that there is such a substantial variation in the types of barriers identified by local authorities, with the childcare workforce, provision for children with SEND, and space for providers to expand all being seen as significant barriers.

Changes in availability of entitlements

Figure 3: Expected changes in availability of the universal 15 hour entitlement for three- and four-year-olds as the 30 hour expansion rolls out

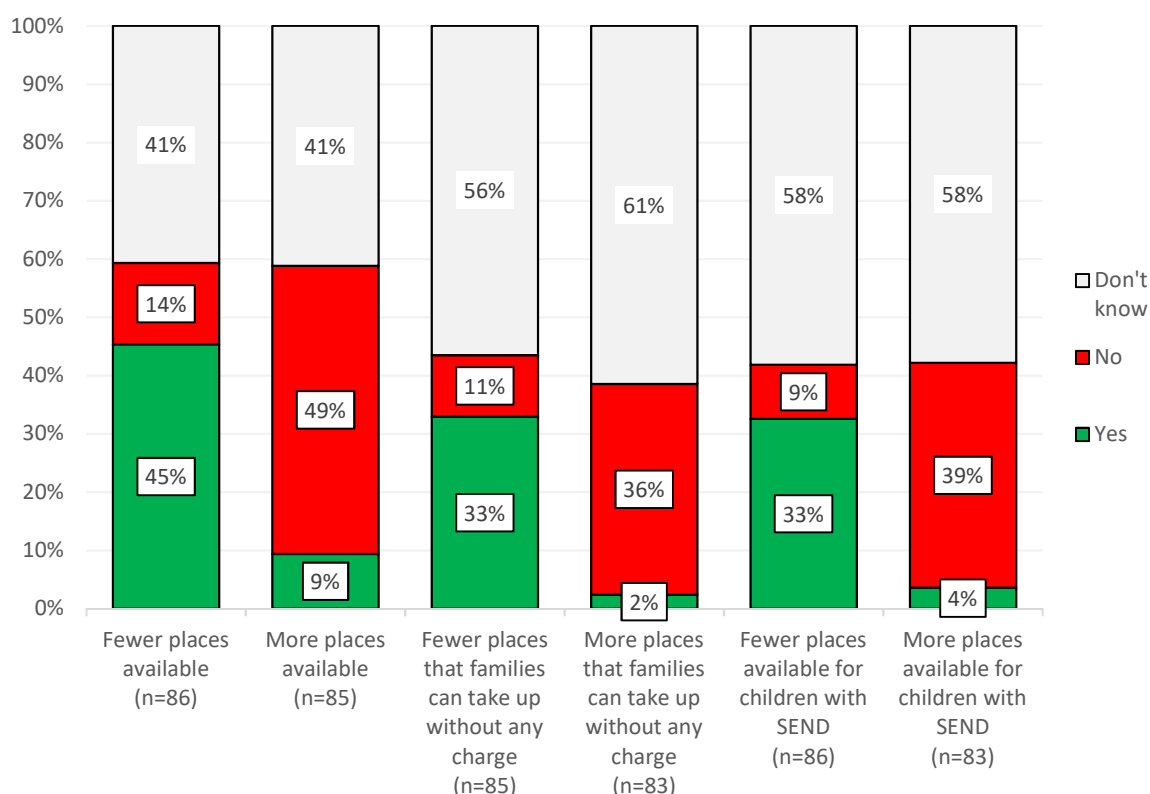


Question asked in survey: As the 30 hour expansion rolls out, do you expect to see any changes in availability of the universal 15 hour entitlement for three- and four-year-olds?

As shown in Figure 3, there is a great deal of uncertainty around how availability of the universal 15 hour entitlement for three- to 4-year-olds will be impacted by the roll-out of the 30 hours expansion – more than half of local authorities answered ‘Don’t know’ for all but one category.

However, despite this uncertainty, it is clear that a substantial minority of local authorities expect the roll-out to have a negative impact on availability of the universal 15 hours entitlement for three- to 4-year-olds, with 28 percent expecting fewer available places overall, 35 percent expecting fewer families to be able to take up their places without any charge, and 34 percent expecting fewer places to be available for children with SEND.

Figure 3: Expected changes in availability of the 15 hour entitlement for disadvantaged two-year-olds as the 30 hour expansion rolls out



Question asked in survey: As the 30 hour expansion rolls out, do you expect to see any changes in availability of the 15 hour entitlement for disadvantaged two year olds?

As seen in Figure 4, local authorities are similarly uncertain about the impact of the roll-out of the 30 hour expansion on availability of the 15 hour entitlement for disadvantaged two-year-olds. Again, despite the uncertainty, many local authorities are expecting a negative impact; 45 percent expect fewer places to be available overall, 33 percent expect fewer families to be able to take up their places without any charge, and 33 percent expect fewer places to be available for children with SEND.

Conclusion

With three major upcoming expansions to funded early education entitlements, our annual Childcare Survey asked local authorities about the preparedness of providers in their area for delivering these new offers. We found that local authorities were more confident in delivering the April 2024 expansion of care for eligible two-year-olds than the two expansions for children from the age of nine months.

Perhaps most crucially, there is a great deal of uncertainty about how the new expansions will affect existing entitlements, with around half of all local authorities who responded to these questions unsure of how these entitlements will be affected. Of those who did feel confident enough to answer, most expected the roll-out of the new entitlements to have a negative impact on the availability of existing entitlements.

Furthermore, local authorities identified some significant barriers to successful delivery of the new expansion, most notably the local childcare workforce, which was identified as a barrier by almost 9 out of 10 providers. SEND provision was also a cause for concern, with both sufficiency and funding being identified as barriers by more than half of local authorities. More than half of local authorities also saw space for providers to set up or expand as a major barrier. Potential facilitators included willingness of providers to offer places and IT systems to enable applications for places; however, these were only identified as facilitators by fewer than 3 in 10 local authorities.

Overall, our findings show that there is considerable work needed to support local authorities and providers in delivering the expansions of funded early education entitlements; in particular around attracting and retaining staff, providing adequate care for children with SEND, and providing settings with sites to expand into as demand increases.

The uncertainty surrounding the expansions also suggests that clearer communication and planning is needed from both central government, local authorities and providers. These expansions could be a game-changer for parents who have been struggling

with expensive childcare bills – enabling them to make meaningful choices about working and caring.

But we have already seen growing childcare shortages across the country, and there is clearly concern that this expansion will further exacerbate the situation. For this offer to live up to parents' expectations, it must be funded at a level that covers the costs of high quality care and delivered in partnership with the early years sector.

Methodology

As part of our 2024 Childcare Survey, we included questions about how prepared local authorities feel they are for the upcoming expansions of funded early education entitlements. We surveyed 153 English local authorities and received responses from 92, giving a response rate of 60 percent.

We used Excel to calculate percentages of local authorities giving particular answers to each question, and used these figures to generate the graphs found in this report. Any further methodological enquiries can be directed to Sam Shorto, at sam.shorto@coram.org.uk.