

Expansion of funded early education places – an update

A research briefing from Coram Family and Childcare
June 2024

Executive summary

● Just over half of local authorities in England (52%) say that all or almost all of the eligible parents in their area who wanted to have been able to take up the new funded entitlement since April 2024.

● Local authorities' predictions in January 2024 about their areas' preparedness for the April 2024 expansion is mirrored by the proportion reporting successful take-up of the new offer.

● Over half of local authorities (53%) identify the local workforce as having been a barrier to delivery of the April 2024 expansion.

● Many local authorities are uncertain about the impact of the new offer on families claiming the disadvantaged two-year-old offer and a small proportion (11%) report that it has led to fewer places disadvantaged families can take up without any charge.

● Local authorities' confidence in their area being ready for the September 2024 expansion has increased since January, from 28% to 41%. This means that more than half of local authorities are not confident, with less than three months to go to the rollout of the second extension.

In the 2023 Spring Budget, the Chancellor announced three major expansions to funded early education entitlements, the first of which has now begun:

1. Since April 2024, two-year-olds in eligible working households are entitled to 15 hours per week of funded childcare.
2. From September 2024, children from nine months to school age in eligible working households will be entitled to 15 hours a week of funded childcare.
3. From September 2025, children from nine months to school age in eligible working households will be entitled to 30 hours a week of funded childcare.

● Confidence in the September 2025 expansion is much lower, with just 11% of local authorities confident about delivering this. There has been no increase in confidence since January.

● The vast majority (75%) of local authorities say their biggest concern about delivery of the funded childcare expansion is the local workforce, three times higher than any other concern.



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, the first of which has now been rolled out. Since April 2024, two-year-olds in eligible working households are entitled to 15 hours per week of funded childcare. From September 2024, children from nine months to school age in eligible working households will be entitled to 15 hours a week of funded childcare and, from September 2025, they will get a total of 30 funded hours from nine months until the start of school [1].

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 New entitlement take-up

We asked local authorities what proportion of parents who wanted to, have been able to take up the new 15 hours funded early education entitlement for two-year-olds.

As shown in Table 1, just over half of local authorities in England (52%) say that all or almost all of the eligible parents in their area who wanted to have been able to take up the new funded entitlement. 14% of local authorities say that around three quarters of eligible parents who wanted to have been able to take up their entitlement.

In November 2023, prior to the roll-out of any of the expansions to funded early education entitlements, we asked local authorities about their confidence in the preparedness of providers in their area to deliver these new offers. We published an early release of these findings in January 2024 and updated figures in our annual Childcare Survey in March 2024.

Following the April 2024 expansion, we have again surveyed local authorities about the expansion to funded early education entitlements to find out how they are going and how confident they feel about the upcoming delivery of the remaining two phases.

This corresponds to the percentage of local authorities who, in January 2024, reported that they were either confident or very confident (63%) that there would be enough places to meet demand for the April 2024 expansion [2].

No local authorities (0%) say that none or almost none of the eligible parents in their area have been able to take up their entitlement. However, 34% of local authorities say that they do not know.

[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-fundingboostkickstarts-delivery-of-historic-new-free-childcare-offers>

[2] Coram Family and Childcare. [Childcare Survey 2024](#)

Table 1 – Since the start of the funded childcare expansion for two-year-olds in working households in April 2024, how many parents who wanted to take up the entitlement have been able to do so?

	Number of local authorities	Number of local authorities Percentage of local authorities
All or almost all	46	52%
Around three quarters	12	14%
Around half	0	0%
Around a quarter	0	0%
None or almost none	0	0%
Don't know	30	34%

Barriers to take-up

We asked local authorities what they thought were the biggest barriers and facilitators that prevented or enabled families who wanted to being able to take up the new 15 hour funded entitlement for two-year-olds in working families.

As shown in Table 2, the largest proportion of local authorities (53%) identify the local workforce as a significant barrier or barrier to delivery of the April 2024 expansion.

36% of local authorities say that local buildings and space for childcare providers to set up or expand has been a significant barrier or barrier to delivery.

Changes in availability of entitlements

We asked local authorities what impact, if any, the roll-out of 15 funded hours for two-year-olds in working households has had on families claiming the 15 funded hours entitlement for disadvantaged two-year-olds.

As shown in Table 3, the majority of local authorities are not able to say whether the April 2024 expansion has led to fewer places that families can take up without any charge (including needing to buy additional hours) (54%).

21% of local authorities report that both sufficiency of childcare places for children with SEND and funding to support children with SEND have been significant barriers or barriers to delivery.

A lower proportion of local authorities report facilitators to the expansion. 21% of local authorities identify willingness of providers to offer places as a significant facilitator or facilitator to expansion and 16% report IT systems to enable applications for places as a significant facilitator or facilitator to expansion.

However, 11% of local authorities say they have seen fewer places for the disadvantaged offer that families can take up without any charge (including needing to buy additional hours) since the April 2024 expansion.

9% of local authorities report that there are fewer places available for disadvantaged two-year-olds who also have special educational needs and disabilities (SEND).

Table 2 – Barriers and facilitators to parents taking up the new entitlement for two-year-olds from working households

	Significant facilitator locally	Facilitator locally	Neither barrier nor facilitator	Barrier locally	Significant barrier locally	Don't know
Delay in parents receiving their code	0%	6%	31%	9%	0%	53%
IT systems to enable applications for places	6%	10%	41%	1%	1%	41%
Willingness of providers to offer places	6%	15%	33%	6%	0%	39%
Understanding of likely changes in demand for childcare locally	5%	8%	32%	4%	1%	50%
Local childcare workforce	3%	1%	8%	30%	23%	35%
Local buildings and space for childcare providers to set up or expand	1%	1%	22%	30%	6%	39%
Sufficiency of childcare places for children with SEND	1%	4%	19%	23%	6%	45%
Funding rate	0%	10%	36%	10%	5%	38%
Funding to support children with SEND	3%	5%	22%	24%	5%	41%

Table 3 – Effects on families claiming 15-hour entitlement for disadvantaged two-year-olds since the April 2024 introduction of the 15-hour entitlement for two-year-olds from working households

	Yes	No	Don't know
Fewer places available	10%	38%	53%
More places available	4%	41%	54%
Fewer places that families can take up without any charge (including needing to buy additional hours)	11%	25%	65%
More places that families can take up without any charge (including needing to buy additional hours)	2%	33%	65%
Fewer places available for children with SEND	9%	27%	64%
More places available for children with SEND	0%	35%	65%

Supply and demand

We asked local authorities how confident they are that there will be enough childcare places in their area to meet demand for the upcoming expansions of funded childcare – 15 hours for children in working households from the age of nine months in September 2024 and 30 hours for children in working households from the age of nine months in September 2025.

As shown in Table 4, a much higher proportion of local authorities say they are confident or very confident (41%) that there will be enough places for the September 2024 expansion than say they are not very confident (16%) or not at all confident (0%). This is an increase since we surveyed local authorities as part of our annual Childcare Survey - in January, 28% of local authorities reported being confident or very confident that there will be enough supply to meet demand for the September 2024 expansion.

However, this is still concerningly low considering that the September 2024 expansion rolls out in less than three months.

When asked about the introduction of 30 hours of funded childcare for children in working households from the age of nine months in September 2025, only 11% of local authorities say they are confident or very confident that there will be enough places to meet demand. This has not changed since our report in January, when 12% of local authorities said they were confident or very confident that there will be enough places to meet demand for the September 2025 expansion, indicating significant concerns about the ability of the system to deliver the extra places required.

Table 4 - Confidence that there will be enough childcare places to meet demand for the expansion of funded childcare for children with working parents?

	15 hours from September 2024	30 hours from September 2025
Very confident	5%	2%
Confident	36%	9%
Neither confident nor unconfident	37%	42%
Not very confident	16%	28%
Not at all confident	0%	5%
Don't know	6%	13%

Concerns

We asked local authorities what their biggest concern was about delivery of the remainder of the expansion to funded early education entitlements.

As shown in Table 5, the vast majority

(75%) of local authorities say they are concerned about staffing and mention issues such as difficulty with recruiting and retaining staff, and difficulty recruiting staff with relevant skills and qualifications.

Table 5 - In your own words, please tell us what your biggest concern is about delivery of the remainder of the entitlements expansion

	Number	Percentage
Staffing - recruitment, retention & skills/qualifications	58	75%
Lack of places/supply not meeting demand	19	25%
Don't have data/too early to tell	17	22%
Funding rates given to providers for funded places are too low	12	16%
Physical space to expand/high rent preventing new providers, or existing providers expanding into new premises	11	14%
Lack of capital/funding to help providers to expand or new settings to open	10	13%
Lack of capital/funding to help providers to expand or new settings to open	9	12%
Sustainability of settings (inc. childminders)	7	9%
Concerns over caring for younger children	5	6%
High prices for consumables	5	6%
Timescales	3	4%
Lack of guidance	3	4%
Increased prices/affordability for parents	3	4%
SEND spaces restricting ratios and overall places	2	3%
Settings choosing full time places over part time	1	3%
Local councils not taking expansions into account when making decisions about planning permissions	1	1%
Two-year-old entitlement (working parents) making providers less inclined to offer two-year-old entitlement (disadvantaged children)	1	1%
Lack of settings	1	1%
Uncertainty around election and potential changes in policy	1	1%

25% of local authorities say they are concerned about there being a lack of places to meet demand for the September 2024 and September 2025 expansions.

Conclusion

Part way through the major expansion to funded early education entitlements, we surveyed local authorities about the delivery of the April 2024 expansion and the preparedness of childcare providers in their area for the September 2024 and September 2025 expansions.

This briefing provides an update since we last reported on local authorities about providers' preparedness in January 2024, prior to the roll-out of the first phase of the expansion.

We found that local authorities' predictions about the April 2024 expansion were borne out in the levels of parents who were able to take up an early education place for their child. While most parents who wanted to have been able to take up a place, it is far from 100%. Local authorities report that the biggest barrier to delivery of the April 2024 expansion has been the local workforce. Local buildings and space for providers to set up or expand, sufficiency of places for children with SEND and funding to support children with SEND were also identified as key barriers to delivery by local authorities.

Many local authorities are uncertain about what impact the introduction of 15 funded hours for two-year-olds in working households has had on families accessing the 15 funded hour offer for disadvantaged two-year-olds. Some local authorities report that this expansion has led to fewer places being available for disadvantaged two-year-olds that can be taken up without any charge (including needing to buy additional hours) and fewer places for disadvantaged two-year-olds who have SEND. It is understandable that this impact is not well understood so soon after the roll-out, but the response from local authorities who were able to answer shows that the situation should be monitored, and close attention must be paid to make sure disadvantaged children are not negatively affected by the increase in funded places.

Local authorities' confidence that there will be enough places to meet demand for the September 2024 expansion has increased since we first reported on this in January 2024 but is still low considering that we are less than three months away from roll-out.

Local authorities' confidence regarding providers' preparedness for the September 2025 expansion is very low and has not improved.

Staffing is the biggest concern for local authorities in delivering the remainder of the funded childcare expansion, outstripping other concerns by three to one.

Our findings show that more work is needed to support local authorities and providers in delivering the expansion to early education entitlements, crucially around attracting and retaining staff with the right skills and qualifications.

We have found that local authorities' previous responses about their confidence in the preparedness for the expansion correspond to the proportion of families who were able to access their place. This suggests that local authorities have a good understanding of their local situations, and that their concerns should be listened to and acted upon.

We urge the next government to invest in the early years sector – especially the early years workforce – to make sure that children do not miss out on the early education they are entitled to, and parents can make meaningful decisions about work and care.

Methodology

As part of our 2024 Holiday Childcare Survey, we included questions about the delivery of the April 2024 expansion of funded early education entitlements and about how prepared local authorities feel they are for the remaining expansions of funded early education entitlements. We surveyed 153 English local authorities and received responses from 130, giving a response rate of 85%.

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.









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