



Delegated Decision

20th August 2024

Distribution of Revenue Funding to Schools to support the wraparound programme for primary aged children.

Report of John Pearce, Corporate Director of Children and Young People's Services

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To seek approval from the Corporate Director of Children and Young People's Services for the Early Years Service, Education, to allocate Delivery Revenue Funding to schools in order to support the Wraparound Care programme. This funding allocation will be drawn from the council's share of the Programme Grant Funding of **£2,700,473.13**, provided by the Department for Education (DfE). The purpose of the funding is to cover programme delivery costs for Wraparound Care services for Primary aged children
- 2 To describe the process to ensure that the council is compliant with the statutory requirements of the Subsidy Control Act (2022), particularly regarding **Minimal Financial Assistance (MFA)** provisions. This process will be critical when establishing Grant Funding agreements with schools that choose to commission private providers for wraparound childcare services.

Executive summary

- 3 The Labour government has pledged to continue funding the reforms initiated under the previous Conservative government, aimed at supporting working families. This commitment involves providing **start-up funding** to primary schools to expand the availability of **paid wraparound care** for primary school children. The objective is to increase the supply of accessible childcare services, supporting families' work commitments and reducing barriers to full-time employment for parents. This investment will help primary schools either initiate or expand wraparound care on their site.

- 4 In September 2024, Durham County Council was awarded **£2,700,473.13** in Revenue Funding following the submission of a delivery plan. This funding is designated to cover the costs associated with expanding wraparound care projects across the county. The funding is to help remove risk associated with schools offering wraparound care from **8:00 am to 6:00 pm whilst building a demand for the service.**

Recommendation(s)

- 5 The Corporate Director of CYPS is requested to apply delegated decision authority to approve the distribution of revenue delivery funding payments in accordance with the grant funding processes established by the local authority.
- 6 Permission is sought for agreement to request that DCC Legal Services seal the grant agreement documents by delegated authority of The Corporate Director CYPS (Table 1 paragraph 4 of the Council's Constitution).

Background

- 7 The Childcare Act 2006 places a duty on local authorities to secure sufficient childcare for working parents.
- 8 The Revenue Delivery Funding awarded to the council in September 2024 is to support the roll out of wraparound places in primary schools from September 2024 until March 2026. This programme focuses on primary school-aged children from reception to year 6, Monday to Friday during term time.
- 9 The start-up funding over two academic years is to support schools to introduce or expand childcare provision on either side of the school day. Parents of primary school-aged children will pay to access the place. It is expected that new places created must be accessible to all children, including those with special educational needs and disabilities.
- 10 The funding is intended to fund the initial setup or expansion of wraparound care services to address current unmet demand. It also aims to mitigate the financial risk associated with establishing or expanding wraparound services in cases where there is not yet sufficient guaranteed demand to sustain the provision from the outset.
- 11 The primary aim of the program is for most of the new or expanded wraparound care services to be self-sustaining by the end of the planned programme in 2026. However, a secondary objective is to explore flexible approaches to childcare and gather evidence on effective practices. The Department for Education (DfE) acknowledges that it may not be feasible for all new or expanded provisions to demonstrate full sustainability.
- 12 The council is required to report on expenditure of these funds, along with other programme funds received in FY24-25, and, where applicable, any underspend carried forward from FY23/24, as part of the FY24-25 grant assurance exercise.
- 13 The Revenue Delivery funding will be allocated to schools through a Grant Funding Agreement.
- 14 The Department for Education (DfE) has advised local authorities that, as the public body responsible for allocating funding from the Childcare Expansion Grant, they must ensure compliance with the Subsidy Control Act (SCA) 2022.
- 15 The Subsidy Control Act (SCA) 2022 is a UK law that regulates how public subsidies are provided to businesses and organisations to ensure that they do not distort competition in a way that could be harmful to the economy or undermine fair competition.

- 16 Durham County Council (DCC) Legal Services, has identified scenarios that fall under the Subsidy Control Act (SCA). It has been concluded that schools contracting with a private provider to operate wraparound childcare will be classified as potentially providing a subsidy. Consequently, these arrangements must follow the legal process outlined in the SCA, adhering specifically to the Minimal Financial Assistance (MFA) provisions.
- 17 Minimal financial assistance (MFA) allows public authorities to award low-value subsidies (up to £315,000) without the need to comply with the majority of the subsidy control requirements.
- 18 Additionally, DCC Legal Services have advised that when entering into a grant funding agreement with schools, an individual report and grant determination document sealing is required for each grant recipient,

Main implications

- 19 Durham County Council was awarded revenue funding in September 2024 to ensure sufficient provision of the wraparound programme, based on a delivery plan for schools starting their wraparound childcare from the September and January terms.
- 20 The revenue funding is to remove barriers and fulfil the necessary risk-free testing models in schools, which will support the Council's sufficiency duty in response to the wraparound programme. The schools are awarded set up and full staffing costs across the programme, tapering in the Spring term 2026.
- 21 Schools are required, as part of the grant agreement, to submit termly reports to the Department for Education (DfE) detailing the take-up of childcare places funded through the GFA.
- 22 DCC Legal Services have advised that when entering into a grant funding agreement with schools an individual report and grant determination document sealing is required for each grant recipient,

Conclusion

- 23 In September 2024, Durham County Council received revenue funding to support the provision of the wraparound programme through schools across the county. This funding was granted based on the Delivery plan submitted by the Council for both the Autumn and Spring terms.
- 24 Following the guidance provided by DCC Legal Services, it has been determined that the allocation of revenue funding to Private providers running wraparound care on school sites will be classified as a subsidy

and therefore subject to the legal requirements under the Subsidy Control Act (SCA) 2022, specifically the Minimal Financial Assistance (MFA) provisions. Additionally, it has been advised that when entering into grant funding agreements with schools, an individual report and sealing will be required for each grant recipient, introducing an additional layer of procedure for all grant awards.

- 25 Given these considerations, approval is sought to distribute the Delivery revenue funding in accordance with the process outlined above. This approach will ensure full compliance with legal requirements and provide a clear and transparent framework for managing the grant funding agreements to meet the DfE conditions of grant.

Background papers

- None

Other useful documents

- None

Author(s)

Helen Nixon

Tel: 03000 268931

Appendix 1: Implications

Legal Implications

A grant agreement is being entered into between Durham County Council and individual schools for the payment of revenue programme funding. This funding awarded for Delivery purposes will be subject to monitoring by the Department for Education

Finance

£2700473.13 awarded by Department of Education for the Wraparound Programme to provide set up and running costs to schools until March 2026.

Consultation

N/A

Equality and Diversity / Public Sector Equality Duty

Capital Expansion programme must be inclusive for all

Climate Change

N/A

Human Rights

N/A

Crime and Disorder

N/A

Staffing

N/A

Accommodation

N/A

Risk

Not meeting the Council's Sufficiency Duty 2006 and 2016

Procurement

N/A