



Capital Allocations for Expansion of Early Years Childcare and Wraparound Provision 2023-24: Explanatory Note

Overview of Methodology

The Childcare Expansion Capital grant is paid to local authorities (LAs) to support the phased expansion of Early Years (EY) childcare provision for working parents of all children 9 months to 3-year-olds and also for the provision of 8am to 6pm wraparound care for primary aged children.

The Department for Education (DfE) does not currently hold comprehensive data on available demand and capacity available for expansion of EY provision for 9 months to 2-year-olds or availability of full 8am to 6pm wraparound care for primary aged children. The allocation methodology is therefore intended to distribute the available funding fairly and efficiently between LAs using reliable proxy indicators. The total grant funding amounts to £100m for FY 2023-24. This total amount of funding is distributed at a national level between LAs as follows:

- 80% of the available funding is distributed in proportion to LAs' published [Dedicated Schools Grant 2023 to 2024 Early Years block allocations - Number for 3 and 4 year old additional 15 hours entitlement for eligible working parents](#) PTE (part-time equivalent) (the 'Entitlement' component)
- 20% of the available funding is distributed in proportion to LAs' reported number of primary schools without existing full wraparound provision. Full wraparound provision is deemed to be provision of both before and after school wraparound care (the 'Wraparound' component).

This methodology is specific to allocations for FY 2023-24 and this explanatory note should not be taken as an indication of any future methodology or approach to childcare capital funding.

Allocations for FY 2023-24

In October 2023, DfE announced capital funding of £100m for FY 2023-24, to be distributed between LAs to support the expansion of EY childcare provision and wraparound care.

To calculate the distribution of the funding across LAs, we use a combination of existing DSG PTE 3- and 4-year-old additional 15 hours entitlement and existing primary school wraparound data. The LA values for each of these two elements are weighted to reflect regional cost differences and the resulting weighted values are used to determine each LA's allocation.

Entitlement Calculation

The LA DSG PTE entitlement for additional 15 hours for 3- and 4-year-olds for all LAs¹ are weighted using the regional cost location factors and then added together to calculate the **Total Weighted DSG PTE**.

Each LAs weighted DSG PTE entitlement is divided by the **Total Weighted DSG PTE** to calculate the LA's share of the 80% of funding assigned to entitlement.

The LA's entitlement funding element is then calculated as:

LA entitlement share x 80% x £100m

Wraparound Calculation

Each LA's number of primary schools without existing full wraparound provision are weighted using the regional cost location factors and then added together to calculate the **Total Weighted Schools without Wraparound**.

Each LA's weighted number of primary schools without existing wraparound provision is divided by the **Total Weighted Schools without Wraparound** to calculate the LAs share of the 20% of funding assigned to wraparound provision.

The LA's wraparound funding element is then calculated as:

LA wraparound share x 20% x £100m

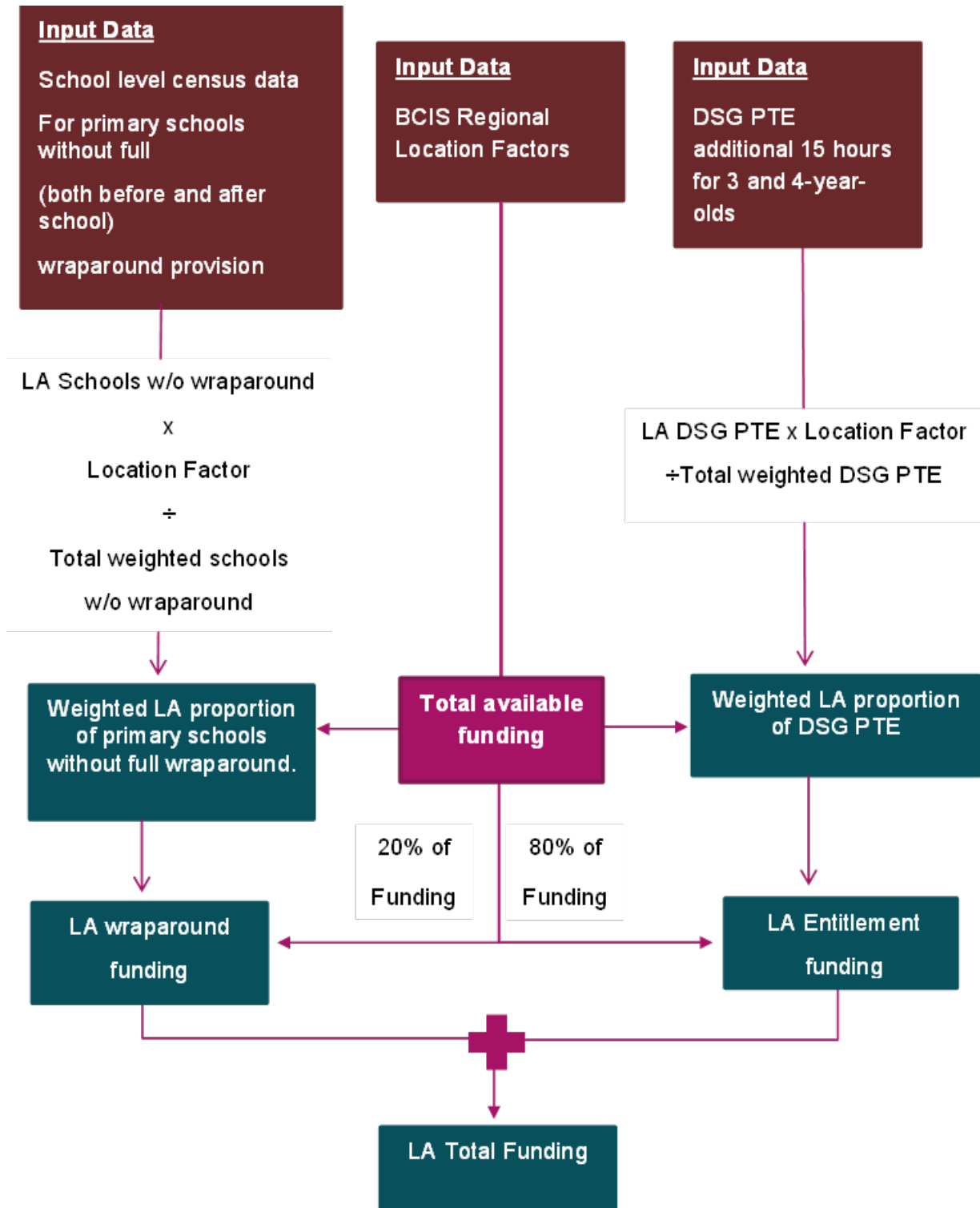
Total Allocation

For each LA, the wraparound element is added to the entitlement element to produce the LA's total allocation.

The methodology is summarised in figure 1.

¹ These calculations exclude Isles of Scilly and City of London who are outside the scope of these calculations.

Figure 1: Summary of the methodology for FY 2023-24



© Crown copyright 2023