City of London Corporation Committee Report

Committees: Community and Children's Services Committee	**Dated:** 30/06/2026
Subject: A review of the City Childcare Accessibility Scheme	**Public report:** For Decision
This proposal: • **delivers Corporate Plan 2024-29 outcomes** • **provides statutory duties** • **provides business enabling functions**	• Diverse Engaged Communities • Providing Excellent Services
Does this proposal require extra revenue and/or capital spending?	Not currently required (accessing CILN funding)
If so, how much?	N/A
What is the source of Funding?	Community Infrastructure Levy Neighbourhood (CILN) funding
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Judith Finlay, Executive Director of Community and Children's Services
Report author:	Kirstie Hilton, Head of Education and Early Years Service

Summary

The City of London Corporation remains committed to ensuring that every child who lives or is educated in the City of London has the opportunity to reach their full potential. Since 2015, the City of London Education and Early Years Service has supported families to access childcare through the Childcare Accessibility Scheme. On 19 June 2025, this Committee approved the Childcare Policy which included a review of the Childcare Accessibility Scheme, with an annual review due now. The Education and Early Years Service also continues to monitor the availability and sustainability of childcare provision across the Square Mile through the twice-yearly Sufficiency Assessment.

Recommendation

Members are asked to:

- Review the Childcare Policy agreed in June 2025 and consider whether to maintain the current approach or approve a revised and enhanced Childcare Accessibility Scheme from September 2026. The proposed change is the introduction of additional support for families already receiving the 30-hour entitlement, where there is more than one pre-school child in the family. Officers recommend Option 2, as it broadens access and reduces cost

pressures for working families, particularly those on lower incomes who continue to face significant childcare expenses.

Background

1. Childcare costs in London are among the highest in the country. The London Assembly has pointed out that fees are 25–33% above Great Britain averages. This makes the funding shortfall (between what providers receive via the entitlement schemes and what it costs to run high-quality provision in London) more acute. The average City of London childcare place cost is shown in Appendix 1.

2. Since September 2025, working parents in England have been able to access up to 30 hours of free childcare per week, 38 weeks a year, for children aged from 9 months old until they start school (Free Early Education Entitlement – FEEE). This is funded by the Department for Education (DfE). Eligibility requires that parents (or one parent in a two-parent household) work at least the equivalent of 16 hours per week at National Minimum Wage and have an adjusted net income below £100,000 per year (per parent).

3. Many parents still face additional charges (meals, consumables, extra sessions, non-funded hours). The 30 hours funding also does not apply to families where only one parent works.

Current Position

4. We engage proactively with families every year on childcare-related matters as part of our childcare sufficiency assessments. As part of the Spring/Summer 2026 Sufficiency Assessment, a parents' survey was undertaken to ascertain what impact the latest expansion to the FEEE has had on families' working patterns. The survey was launched on 5 January 2026 and was widely advertised via Early Years settings, primary schools, community libraries, and local WhatsApp groups.

5. When asked whether the expanded Early Years entitlement (from 15 to 30 hours) had affected their ability to work, 37.5% of respondents stated 'yes' positively and 57% stated that it had had no impact. The most frequent positive outcome of accessing an extended funded childcare place was the ability to extend working hours (60% of relevant parents). Of relevant parents, 88% stated that reduced childcare costs (from accessing the FEEE) made work more financially worthwhile. However, childcare fees were still a high-profile theme, with the cost burden having the biggest impact on work and career.

6. The average hourly fees across the City of London range from £11.75 for babies (birth to 1 year old) to £10.54 for 3- and 4-year-olds (This calculation does not include the fees for the sessional Barbican Playgroup, to ensure a like-for-like comparison, as the Playgroup operates on a term-time basis only and does not take children under 2 years old).

7. Since 2015, the Childcare Accessibility Scheme (CAS) has been reviewed twice (once in 2020 and once in 2025) to ensure the scheme supported the most vulnerable families in the City.

8. The current scheme has three distinct criteria. A summary of the criteria is below. A full description can be found in Appendix 2:

    - Criteria 1: Referral from professional or charitable organisation delivering services.

    - Criteria 2: Referrals from professionals for children with additional needs but not qualifying for an Education, Health and Care Plan (EHCP).

    - Criteria 3: Referrals from Early Years settings for families needing financial support (for families with a household income of £60,000 p.a. net or less and savings not exceeding £16,000).

9. Numbers of applications have fluctuated over the last few years. More detail on these applications can be found in Appendix 3.

10. The Childcare Accessibility Scheme was originally funded by money received by the Corporation pursuant to a Section 106 Agreement.[1] When large numbers of dwellings are built in a local area, there is an impact on the community, which Section 106 seeks to mitigate by requiring the developers to contribute to infrastructure, services or facilities. As of 1 April 2026, £204,513.81 remain in the Childcare Accessibility Fund. By end of June 2026, this fund will be reduced to £195,263.73.

11. One potential key issue was raised about the current scheme. The perceived inequity for working single parents or families on low income. Families already receiving the 30-hour entitlement only receive additional support in school holidays. In practice, wraparound costs, consumables, stretched hours, and additional childcare beyond funded sessions can still be unaffordable. This has a particular impact on lone parents working full time.

Proposals

12. **Option 1:** The Childcare Accessibility Scheme (CAS) criteria remain the same. The CAS continues to be available only during the school holidays for families entitled to the government's 30 hours funding (see Appendix 2).

13. **Option 2:** Universal Needs

    The scheme would retain three criteria. Families would be eligible even if already in receipt of the 30 hours FEEE.

    Criterion 1: Families receiving support from professionals such as:
    - social care
    - family support

[1] Section 106 of the Town and Country Planning Act 1990.

- domestic abuse services
- mental health services
- refugee/migrant support
- recognised charities
- other targeted interventions.

Criterion 2: Referrals from professionals for children with additional needs but not qualifying for an EHCP.

Criterion 3: Financial Hardship

Referrals from Early Years settings or self-referral where families demonstrate, for example, low income, debt, insecure employment, and so on.

- household net income cap in line with Housing support thresholds (e.g. £60,000)
- savings cap (e.g. £30,000 as per Housing Support threshold).

Option 2 would ensure that families who already receive the 30 hours of free early years entitlement continue to receive help with additional childcare costs, which are particularly high in London.

This proposal introduces extra support for families with more than one pre-school child, in addition to their existing 30-hour entitlement.

14. **Option 3:** Hybrid Points-Based Priority Scheme

This option would be similar to the housing system where applicants receive eligibility points based on circumstances.

Example:

Factor	Points
Lone parent household	3
Child with additional needs	3
Professional support involvement	2
Household income below threshold	3
Parent in training for employment	2
Risk of exclusion/isolation	2
Multiple children under 5	1

This option could be more nuanced and flexible, and better reflects cumulative disadvantage. However, point allocation would require clear governance and an appeals process (as is the case for Housing allocation). There would be a resource implication for this option.

Recommendations

15. Option 2 would enable vulnerable families who are already entitled to the 30 hours of FEEE to fully access the CAS scheme (up to 15 hours a week), thereby supporting increased participation in employment.

16. If the policy continues to apply the eligibility criteria outlined in Option 1, current spending levels suggest that available funding could last for up to seven years. A move to Option 2 may increase the spending and reduce the sustainability of the current available funding to five years. However, in the past five years, the number of applicants has varied from one to seven, depending on the year, and some applications were only for a term. Therefore, it is difficult to provide an accurate estimate of future spending.

Corporate & Strategic Implications

17. ***Strategic implications***

1) This aligns with the Corporate Plan 2024–29 and the Community and Children's Services Business Plan 2025.

2) Providing Excellent Services: Supporting people to live healthy, independent lives, and achieve their ambitions, is dependent on excellent services. Vital to that continued pursuit is enabling access to effective adult and children's social care, outstanding education, lifelong learning, quality housing, and combatting homelessness.

3) Diverse Engaged Communities: Across our residents, workers, businesses, and visitors, everyone should feel that they belong. Connecting people of all ages and backgrounds will help build diverse, engaged communities that are involved in co-creating great services and outcomes.

18. ***Financial implications***

The Childcare Accessibility Scheme is currently funded from CIL resources, with an estimated balance of approximately £195k remaining by June 2026. Whilst current expenditure levels indicate that the remaining funding may be sufficient to support the existing scheme for several years, the proposed changes under Option 2 may increase demand and accelerate the rate at which the available funding is utilised.

Given the historically low and variable number of applications received, the financial impact of the proposed changes cannot be quantified with certainty at this stage. Members should note that no alternative funding source has currently been identified beyond the remaining CIL allocation.

Should the scheme continue beyond the life of the available CIL funding, a future funding decision would be required. The DfE Best Start in Life funding cannot be used for this purpose as it is ring-fenced for approved programme activities. Any future request for replacement funding would need to be considered through the Corporation's budget-setting process and would be subject to the availability of resources

19. ***Resource implications***

The City CAS, which Members of this Committee last approved in June 2025, is aimed at increasing demand and take-up by lower-income families. The administration of this will be absorbed within existing officer resources.

20. ***Legal implications***

There is no statutory duty on the Corporation to provide subsidised childcare. The CAS is discretionary and aims to ensure equity of support for individual children and families in the City through availability of subsidised childcare across the Square Mile. Adopting a policy or scheme that is fair, reasonable, rational, and where eligibility can be properly assessed, reduces the risk of a legal challenge.

21. ***Risk implications***

When the current CIL funding is spent, there will no longer be available funds for the CAS. This could result in reduced childcare access, leading to adverse outcomes including decreased parental employment or training participation, heightened financial hardship, poorer child development outcomes and potentially greater demand on statutory support services over time.

22. ***Equalities implications***

A Test of Relevance has been undertaken and is included as Appendix 4. There was no negative impact identified and therefore a full Equality Impact Assessment is not needed.

23. ***Climate implications*** – Not applicable

24. ***Security implications***

The scheme is only available in settings judged by Ofsted to have at least Good/Expected Standards and with a Safeguarding outcome met. Unlike other evaluation areas, which are now graded on a 5-point scale, safeguarding is judged on a ‘met’ or ‘not met’ basis. This reflects Ofsted’s expectation that every setting must comply with statutory safeguarding requirements in full.

Conclusion

25. Fewer than 50% of respondents to the online parents’ survey stated that the expansion to the FEEE had had a positive impact on their ability to work, particularly the ability to extend working hours.

26. This review of the CAS should consider whether the scheme remains what it was intended for (support the City of London’s most vulnerable families to access childcare), whether to revise the criteria, the administration, and how to sustain it once CIL funding has been spent.

Appendices

- Appendix 1 – Average hourly fees per age group
- Appendix 2 – Current Childcare Accessibility Scheme Criteria
- Appendix 3 – Details on CAS Applications over the last five years
- Appendix 4 – Test of Relevance

Background papers:

- 19 June 2025 – Community and Children's Services: Children's Centre Services and 0–2 childcare arrangements

Kirstie Hilton
Head of Education and Early Years
Community and Children's Services Department

T: 020 7332 3274
E: Kirstie.Hilton@cityoflondon.gov.uk

Appendix 1 – Average hourly fees per age group

Aged 0–12 months	Aged 1 year	Aged 2 years	Aged 3 years	Aged 4 years
Spring 2026 stated hourly fees				
£11.75	£11.75	£11.23	£10.54	£10.54

Appendix 2 – Current Childcare Accessibility Scheme Criteria

The Childcare Accessibility Scheme offers eligible families who live in the City of London up to 15 hours of free childcare per week. For families already receiving the 30-hour Free Early Education Entitlement, the scheme will only apply during the school holidays This scheme aims to foster children's early development and empower parents to make positive changes to their lives through work, training or family support.

Criteria 1: Referral from professional or charitable organisation delivering services.

A member or members of the family is/are supported by a professional or charitable organisation delivering services to the family over and above universal health and education services. Evidence should include:

- A brief description of the child's developmental level: physical skills, emotional wellbeing and communication.
- A brief description of the family's current issues.
- Evidence of any child protection/safeguarding issues, including public law interventions (if applicable).
- The expected impact of this funding on the child/family.

Criteria 2: Referrals from professionals for children with additional needs but not qualifying for an Education, Health and Care PLAN (EHCP).

- The referral should include evidence of implementation of the graduated approach (Assess, Plan, Do, Review) and its impact.
- A clear description of the intended purpose of the childcare place and expected positive outcomes.

Criteria 3: Referrals from Early Years settings for families needing financial support.

Open to families with a household income of £60,000 p.a. net or less and savings not exceeding £16,000.

Evidence required:

- Three months' payslips as proof of income. If newly employed, payslips must be submitted on a weekly/fortnightly/monthly basis until the three-month threshold is met. Funding will be withdrawn if this condition is not met.
- Most recent P60
- Proof of childcare costs (e.g. invoice)
- Proof of City of London address of parent/carer and child

- Three months’ bank and savings account statements.

Application Process

Applications will be reviewed by the Education and Early Years team at the City of London Corporation, and families will be notified of their eligibility status within 30 days. EEYServices@cityoflondon.gov.uk

Approved Childcare Providers

- Funded childcare must be provided by Office for Standards in Education, Children's Services and Skills (Ofsted) registered providers. Therefore, providers must meet safeguarding, quality, and health and safety standards and participate in ongoing quality improvement activity.
- Childcare providers delivering hours funded by the Childcare Accessibility Scheme must accept the City of London Corporation’s contract for the scheme.
- Providers need not be located in the City of London.

Appendix 3 - Details on CAS Applications over the last five years

Criteria 2020-2025:

1a: Children whose welfare/development gives cause for concern
1b: Children with additional needs but not qualifying for an Education Health and Care (EHC) plan
2: Families who have a combined income of less than £55K

Criteria July 2025 – To date

1: Referral from professional or charitable organisation delivering services.
2: Referrals from professionals for children with additional needs but not qualifying for an Education, Health and Care PLAN (EHCP).
3: Referrals from Early Years settings for families needing financial support.

Year	Total number of families for the year
2021	1
2022	7 (including Afghan and Ukrainian families)
2023	7
2024	2
2025	3
From August 2025 – June 2026	6

Appendix 4 – Test of Relevance

TEST OF RELEVANCE: EQUALITY ANALYSIS (EA)

The screening process of using the Test of Relevance template aims to assist in determining whether a full Equality Analysis (EA) is required.

The EA template and guidance plus information on the Equality Act and the Public Sector Equality Duty (PSED) can be found on the City of London Intranet at: Equality and Inclusion

Introduction

The Public Sector Equality Duty (PSED) is set out in the Equality Act 2010 (s.149). This requires public authorities, in the exercise of their functions, to have statutory 'due regard' to the need to:

- Eliminate discrimination, harassment and victimisation
- Advance equality of opportunity between people who share a protected characteristic and those who do not, and
- Foster good relations between people who share a protected characteristic and those who do not.

The characteristics protected by the Equality Act 2010 are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sexual orientation

It is also Corporation policy to give voluntary (non-statutory) 'due regard' to the impact upon Social Mobility.

What is due regard?

- Statutorily, it involves considering the aims of the duty in a way that is proportionate to the issue at hand.
- Ensuring that real consideration is given to the aims and the impact of policies with rigour and with an open mind in such a way that it influences the final decision.
- Due regard should be given before and during policy formation and when a decision is taken, including cross-cutting ones, as the impact can be cumulative.

The general equality duty does not specify how public authorities should analyse the effect of their business activities on different groups of people. However, case law has established that equality analysis is an important way public authorities can demonstrate that they are meeting the requirements.

Even in cases where it is considered that there are no implications of proposed policy and decision making on the PSED it is good practice to record the reasons why and to include these in reports to committees where decisions are being taken.

It is also good practice to consider the duty in relation to current policies, services and procedures, even if there is no plan to change them.

The Corporation has also adopted a voluntary (non-statutory) due regard of the impact upon social mobility issues. This should be considered generally and, more specifically, against the aims/objectives in the Social Mobility Strategy, 2018-28.

How to demonstrate compliance

Case law has established the following principles apply to the PSED:

- **Knowledge** – the need to be aware of the requirements of the Equality Duty with a conscious approach and state of mind.
- **Sufficient Information** – must be made available to the decision maker.
- **Timeliness** – the Duty must be complied with before and at the time that a particular policy is under consideration or decision is taken – not after it has been taken.
- **Real consideration** – consideration must form an integral part of the decision-making process. It is not a matter of box-ticking; it must be exercised in substance, with rigour and with an open mind in such a way that it influences the final decision.
- **Sufficient Information** – the decision maker must consider what information he or she has and what further information may be needed in order to give proper consideration to the Equality Duty.
- **No delegation** – public bodies are responsible for ensuring that any third parties which exercise functions on their behalf are capable of complying with the Equality Duty, are required to comply with it, and that they do so in practice. It is a duty that cannot be delegated.
- **Review** – the duty continues to apply when a policy is developed and decided upon, but also when it is implemented and reviewed.

However, there is no requirement to:

- Produce equality analysis or an equality impact assessment
- Indiscriminately collect diversity data where equalities issues are not significant
- Publish lengthy documents to show compliance
- Treat everyone the same. Rather, it requires public bodies to think about people's different needs and how these can be met
- Make services homogeneous or to try to remove or ignore differences between people.

The key points about demonstrating compliance with the duty are to:

- Collate sufficient evidence to determine whether changes being considered will have a potential impact on different groups
- Ensure decision makers are aware of the analysis that has been undertaken and what conclusions have been reached on the possible implications
- Keep adequate records of the full decision-making process.

Test of Relevance screening

The Test of relevance screening is a short exercise that involves looking at the overall proposal and deciding if it is relevant to the PSED.

Note: If the proposal is of a significant nature and it is apparent from the outset that a full equality analysis will be required, then it is not necessary to complete the Test of Relevance screening template, and the full equality analysis must be completed.

The questions in the Test of Relevance Screening Template are designed to help decide if the proposal is equality relevant and whether a detailed equality analysis is required. The key question is whether the proposal is likely to be relevant to any of the protected characteristics.

Quite often, the answer may not be obvious, and service user or provider information will need to be considered to make a preliminary judgement. For example, in considering licensing arrangements, the location of the premises in question and the demographics of the area could affect whether Section 149 considerations come into play.

There is no one-size-fits-all approach but the screening process is designed to help fully consider the circumstances.

What to do

In general, the following questions all feed into whether an equality analysis is required:

- How many people is the proposal likely to affect?
- How significant is its impact?
- Does it relate to an area where there are known inequalities?

At this initial screening stage, the point is to try to assess obvious negative or positive impact.

If a negative/adverse impact has been identified (actual or potential) during completion of the screening tool, a full equality analysis must be undertaken.

If no negative/adverse impacts arise from the proposal, it is not necessary to undertake a full equality analysis.

On completion of the Test of Relevance screening, officers should:

- Ensure they have fully completed, and the Director has signed off, the Test of Relevance Screening Template
- Store the screening template safely so that it can be retrieved if, for example, Members request to see it, or there is a Freedom of Information request, or there is a legal challenge
- If the outcome of the Test of Relevance Screening identifies no or minimal impact, refer to it in the Implications section of the report and include references to it in the Background Papers when reporting to the Committee or other decision-making process.

1. **Proposal / Project Title: The Childcare Accessibility Scheme**

2. **Brief summary (include main aims, proposed outcomes, recommendations / decisions sought):**
Since 2015, the City of London Education and Early Years Service has supported families to access childcare through the Childcare Accessibility Scheme (CAS). The scheme offers up to 15 hours of free childcare per week to City of London resident families eligible under set criteria. The CAS is being reviewed but the overall aim of the CAS will not change.

3. **Considering the equality aims (eliminate unlawful discrimination; advance equality of opportunity; foster good relations), indicate for each protected group whether there may be a positive impact, negative (adverse) impact or no impact arising from the proposal:**

Protected Characteristic (Equality Group)	Positive Impact	Negative Impact	No Impact	Briefly explain your answer. Consider evidence, data and any consultation.
Age	☐	☐	☒	The scheme is available to children 0–5
Disability	☒	☐	☐	The Childcare Accessibility Scheme has had and continues to have application from parents with disabilities as well as parents with children with SEND. The CAS is targeted at families experiencing difficulties, including disability. Currently three parents on the scheme have a disability.
Gender Reassignment	☐	☐	☒	*Click or tap here to enter text.*
Marriage and Civil Partnership	☐	☐	☒	*Click or tap here to enter text.*
Pregnancy and Maternity	☒	☐	☐	The scheme is open to parents, including pregnant women and parents on parental leave.
Race	☐	☐	☒	Click or tap here to enter text.
Religion or Belief	☐	☐	☒	*Click or tap here to enter text.*
Sex (i.e. gender)	☐	☐	☒	Click or tap here to enter text.
Sexual Orientation	☐	☐	☒	*Click or tap here to enter text.*

4. **Are there any potential social mobility or wider issues?** Please check appropriate box	Yes	No	Briefly explain your answer:
	☐	☒	The Childcare Accessibility Scheme aims to foster children's early development and empower parents to make positive changes to their lives through work, training or family help, supporting positive social mobility.

5. **There are no negative/adverse impact(s)** Please briefly explain and provide evidence to support this decision: The Childcare Accessibility Scheme aims to support resident families facing a range of disadvantage and vulnerability. It provides support for these families to be able to access childcare and early education, therefore supporting their children to learn, develop and thrive.

6. **Are there positive impacts of the proposal on any equality groups or social mobility?** Please briefly explain how these are in line with the equality aims or social mobility strategy:
The Childcare Accessibility Scheme aims to support resident families facing a range of disadvantage and vulnerability. It provides support for these families to access childcare and early education. This supports children facing a range of disadvantage to reach their full potential. The CAS supports two of the City Social Mobility Strategy's aims: Everyone can develop the skills and talent they need to thrive; and Opportunity is accessed more evenly and equally across society.

7. **As a result of this screening, is a full EA necessary?** Please check appropriate box	**Yes**	**No**	**Briefly explain your answer:**
	☐	☒	There has been no negative impact identified by this Test of Relevance.

8. **Name of Lead Officer: Kirstie Hilton** **Job title:** Head of Service for Education and Early Years **Date of completion: 29/04/2026**

Signed off by Department Director: **Name:** **Date:**