# City of London Corporation Committee Report

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| **Committee(s):**<br>Community and Children's Services Committee | **Dated:**<br>8 September 2026 |
| **Subject:**<br>Subsidy of 0-2 childcare for The Aldgate School | **Public report:**<br><br>For Decision |
| **This proposal:**<br>• **delivers Corporate Plan 2024-29 outcomes** | Diverse engaged communities.<br>Providing excellent services. |
| **Does this proposal require extra revenue and/or capital spending?** | No |
| **If so, how much?** | £ N/A |
| **What is the source of Funding?** | City Fund |
| **Has this Funding Source been agreed with the Chamberlain's Department?** | Yes |
| **Report of:** | Judith Finlay, Executive Director of Community and Children's Services |
| **Report author:** | Deborah Bell, Strategic Director of Education and Skills |

## Summary

This report asks Members to decide whether to approve a reduced ongoing discretionary subsidy for The Aldgate School's 0–2 (rising 3) childcare provision, or to allow the existing subsidy to end from 31 August 2027. The provision is a legacy arrangement following the decommissioning of Children's Centre services and is registered, funded and inspected separately from the school's nursery and wider school provision.

The City Corporation has a statutory duty to secure sufficient childcare for resident working parents and those entering work through education or training. The report sets out that alternative childcare provider capacity exists in the City, but that sufficiency would depend on continued availability in a changing local market. It also notes strong resident and service-user support for retaining The Aldgate School childcare provision, particularly because of its affordability, outdoor space and continuity for families.

The Aldgate School has revised its financial modelling and reduced the subsidy requested from up to £174,000 per year to up to £60,000 per year, plus a discretionary one-off pay protection staff cost of £66,070.02. The report states that alternative funding sources have been explored, that the school cannot lawfully cross-subsidise the childcare provision from its school budget, and that the reduced subsidy can be met from existing budget provision.

Members are therefore asked to approve the ongoing reduced subsidy, subject to annual review, availability of City Corporation funding and uptake by City resident children. If the subsidy is not approved, The Aldgate School's Governing Body has indicated that the 0–2 (rising 3) childcare provision will cease from September 2027, with associated redundancy costs falling to the City Corporation.

## Recommendation

Members are asked to:

- Note the report, including further work undertaken with The Aldgate School, and revised childcare sufficiency in the Square Mile.

- Approve further discretionary subsidy following revised financial modelling received from The Aldgate School. This will be subject to availability of funding from the City Corporation and uptake of City resident 0-2 (rising 3) year olds at the provision, to be assessed at annual review of the Service Level Agreement by officers and governors.

## Main Report

### Background

1. The Aldgate School operated the Children's Centre for more than 20 years. When the Children's Centre was decommissioned in 2025 as part of the wider response to national children's social care reforms, the 0–2 (rising 3) childcare provision previously delivered through the Centre remained as a separate legacy issue.

2. The 0–2 (rising 3) provision is the only not-for-profit provider in the City operated for children aged from 3 months until they become eligible to move into the school nursery class at age 3. The nursery class forms part of the school rather than the childcare provision, with wraparound care available where families require it. At The Aldgate School, the childcare provision operates in two rooms: babies aged 0 to rising 2, and toddlers aged 2 to rising 3. Each room is subject to different statutory staffing and space requirements. For example, the required staffing ratio is 1:3 for children under 2 and 1:5 for

children aged 2 to rising 3. The childcare provision is registered separately from the school, including the nursery class for children aged 3 and over, under Department for Education (DfE) and Ofsted arrangements. It has separate admissions arrangements, funding streams and inspection arrangements.

3. Under Section 6 of the Childcare Act 2006, the City of London Corporation must, so far as is reasonably practicable, secure sufficient childcare for working parents and for parents undertaking education or training to enter work who are resident in its area. This duty includes ensuring sufficient childcare places from 3 months old, shaping the childcare market so that provision is accessible, affordable, flexible and high quality, assessing local demand and supply, identifying gaps, and stimulating the market where shortages exist. This reflects the Department for Education's Early Education and Childcare guidance, April 2026.

4. Children's Social Care reforms began in 2023 under the previous government and are being rolled out at pace now nationally. This committee has been appraised of these reforms and the steps being taken in the City to ensure government policy is being implemented. Part of the national reforms landscape is the need for each local authority to develop Family Hub provision. A Family Hub is a package of services for families from pre-birth to 19 or 25 when a young person has special educational needs. Family Hubs are designed with early intervention and prevention of needs escalating at their core. Family Hubs include Best Start in Life services for the under 5s.

5. Following resident consultation in 2023, this Committee decided in 2024 to decommission Children's Centre services delivered by The Aldgate School. Best Start in Life services transferred successfully to the City Corporation in September 2025.

6. Regular reports to this Committee have shown progress on Family Hub and reform activity, including increased reach and engagement with children and families and work to establish a wider offer for children and young people up to age 19, or 25 where they have special educational needs. A further Family Hub report is also being presented to this Committee.

**Current Position**

7. On 30th June 2026, Members of this committee deferred a decision on whether to:

a. Approve an ongoing discretionary subsidy of up to £60,000 p.a. to support the 0–2 (rising 3) childcare provision delivered by The Aldgate School, plus £66,070.02 for pay protection commitments.
b. Or to retain this committee's previous decision made in June 2025 to cease discretionary subsidy to support the 0-2 (rising 3) childcare delivered by The Aldgate School.

## Options

### *Option A – Approve reduced ongoing subsidy*

8. Approve an ongoing discretionary subsidy of up to £60,000 per year to support The Aldgate School's 0–2 (rising 3) childcare provision, plus a one-off pay protection staff cost of £66,070.02. This would be subject to availability of funding from the City Corporation and uptake of City resident 0-2 (rising 3) year olds at the provision, to be assessed at annual review of the Service Level Agreement by officers and governors

9. If approved, the childcare provision would continue, with the subsidy reduced from the previous commitment of up to £174,000 per year.

### *Option B – Cease subsidy*

10. Cease all discretionary subsidy for The Aldgate School's 0–2 (rising 3) childcare provision from 31 August 2027, implementing the committee's previous decision.

11. If this option is chosen:
    - The Aldgate School Governing Body has indicated that the provision will close from 1 September 2027;
    - parents and staff would need to make alternative childcare and employment arrangements;
    - the City Corporation would be required to meet redundancy costs for childcare staff amounting to £64,790.18. The pension strain cost of £29,726 would need to be met by the school's delegated budget. Redundancy costs are a snapshot. They are calculated as of 23rd July 2026; however, the City pay awards for this year have not yet been agreed at the time of writing. Members should note that that this will mean the redundancy cost and pension cost strain costs are likely to increase slightly.

## Proposals

12. It is recommended that Option A – to provide a reduced ongoing discretionary subsidy – is approved.

13. The advantages of approving sustained subsidy for The Aldgate School's childcare provision are:
    a. It would support the City Corporation's duty to promote affordable childcare for residents. Appendix 4 compares fees with commercial providers. The Aldgate School will review its fees from April 2027, including revision of non-means-tested rates for non-City residents. As a voluntary aided school, this is a matter for Governors. London schools offering 0–2 (rising 3) childcare are rare and generally exist only where Children's Centres remain. The model delivered in Islington, for example, shows residents receiving means-tested subsidised fees while non-residents pay commercial rates.
    b. Appendix 5 shows that alternative childcare capacity appeared sufficient in July 2026. However, sufficiency depends on current providers' capacity remaining available, which cannot be guaranteed as places change regularly when children move area or age group. It should also be noted that worker numbers in the City continue to rise so access to commercial childcare close to workplaces for commuters may lead to additional strain on sufficiency in the future as office capacity continues to be developed. Planning activity in the City reached a record high in 2025, with the highest number of planning applications received in a decade and more than 500,000 square metres of office floorspace granted permission.
    c. Scope to increase affordable private, voluntary and independent (PVI) childcare in the City is limited by the lack of suitable premises, such as community centres, scout huts or church halls commonly utilised in other local authority areas.
    d. Many residents and service users have strongly supported retaining The Aldgate School provision, citing affordability, outdoor space and continuity of community support from early years through primary education. The existing model, which prioritises admission to City children and offers reduced rates based on income, would be sustained.
    e. The proposed subsidy of up to £60,000 per year, plus one-off pay protection staff costs of £66,070.02, would support residents in Portsoken, the City's least advantaged ward, and help meet the City's childcare sufficiency duty. Pay protection would move four affected staff from local to national pay rates, aligning them with other Church of England London Diocese schools and with non-teaching staff at The Aldgate School. Previous pay protection at the school has been provided for three years.
    f. Alternative subsidy sources have been duly considered and discounted. Charitable Trusts have been approached but are not minded to fund ongoing costs. The Freeholder has offered support, which is outside of their charitable objects, by requesting a contribution of £2000 per year to use the space.

g. The school cannot cross-subsidise the childcare from its Individual School Budget (ISB) under Dedicated Schools Grant (DSG) conditions of grant 2026–27. Chamberlain's Department states "*the Individual School Budget is delegated for school expenditure, whereas funding for early years childcare forms part of the separate Early Years funding arrangements within the DSG framework. On that basis, Finance has advised that delegated ISB funding should not be used to subsidise provision for children below statutory school age.*
*The conclusion is based on the overall statutory funding framework, the distinction between the Individual Schools Budget and the separate Early Years funding arrangements, together with the associated DfE guidance."*
h. Although The Aldgate School receives and spends more per pupil than similar schools, it is the City's only state-funded school, sits outside the National Funding Formula and must fund services normally provided by local authorities elsewhere. These additional costs are shown in Appendix 2.
i. The revised financial model apportions relevant whole-school costs to the 0–2 (rising 3) provision and reduces them as far as possible, particularly leadership costs.
j. The £60,000 annual subsidy and pay protection costs can be met from existing budgets. The remaining £114,000 per year from the current £174,000 commitment would return to the local risk Family Hub budget, to include work at Artizan Street Library and Community Centre in Portsoken Ward.
k. The June 2026 Equality Impact Assessment (reviewed in July) found that available actions have been taken to minimise potential negative impacts if the provision ceased. If reduced subsidy is approved, the assessment supports a conclusion that there would be no negative equality impact.

14. The alternative option available to this Committee is to cease all discretionary subsidy for The Aldgate School's 0–2 (rising 3) childcare provision from 31 August 2027. This would implement this Committee's decision from 19 June 2025, which was made pending further financial analysis work by The Aldgate School and City Corporation officers.

15. That further work has now been completed. The subsidy requested has reduced from up to £174,000 per year to up to £60,000 per year. The Aldgate School would remain responsible for setting and managing its available budget, with City Chamberlain's officers continuing to monitor income and expenditure monthly.

16. For 2026-2027, the hourly rate for DfE Extended Childcare Entitlement allocated to all early years settings in the City of London is:

| Age of entitlement | Rate per hour |
|---|---|
| 3-4 year olds, | £8.50 |
| 2-year-olds (*both disadvantaged and working families*) | £11 |
| Under 2 years | £15 |
| Early Years pupil premium (EYPP) | £1 |
| Deprivation supplement *(based on the IDACI post codes)* | £0.85 |

17. For The Aldgate School, this income is shown in Appendix 6.

18. Uptake of 0-2 (rising 3) childcare places at The Aldgate School as of the time of writing is shown in Appendix 3.

**Key Data**

19. Relevant key data is summarised below:

| Area | Key data |
|---|---|
| Proposed annual subsidy | Up to £60,000 per year. |
| Previous subsidy commitment | Up to £174,000 per year. |
| Reduction in subsidy | 65% reduction. |
| One-off pay protection cost | £66,070.02. |
| Budget impact | No additional revenue or capital spend required; costs can be met from existing budgets. |
| Funding source | City Fund, agreed with Chamberlain's Department. |
| Returned budget if Option A approved | £114,000 per year would return to the local risk Family Hub budget. |
| Current provision capacity | 16 places total: 10 places for 2 to rising 3; 6 places for 0 to rising 2. |
| Current occupancy | 16 children attending; no vacancies. |
| City resident children | 8 of 16 children are City residents. |
| Waiting list | 25 children total: 13 for 2 to rising 3; 12 for 0 to rising 2. |

**Corporate & Strategic Implications –**

*Strategic implications*

20. This aligns with the Corporate Plan 2024-9 and the Community and Children's Services business plan.

21. 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.

22. 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.

*Financial implications*

23. Services are delivered in the context of limited public funding and significant budget pressures. The proposal represents a 65% reduction in discretionary subsidy from Local Risk, from up to £174,000 to up to £60,000 per year. The Aldgate School understands that £60,000 is an upper limit that cannot be exceeded. Also see paragraph 13.g.

24. Dedicated School Grant is three distinct funding streams; Individual School Budget (ISB), Early Years (9 months to 4 years) and High Needs. The City Corporation retains the Early Years and High Needs funding centrally and distributes it in top-up funding for SEND and funding to all childcare providers in the City under the DfE Extended Childcare Entitlement Scheme, including The Aldgate School for 0-2 (rising 3) and 3/4 yr olds. This is in accordance with DfE regulations, endorsed and monitored by the Chamberlain's Department. The Aldgate School cannot cross subsidise the childcare from its school budget.

*Resource implications*

25. If Members decide to cease all discretionary subsidy from September 2027, £174,000 funds would be retained within centrally held Local Risk for Family Hub services as they develop.

*Legal implications*

26. The City Corporation is required to secure sufficient childcare in its area to meet the needs of City residents. Compliance with this statutory duty is

assessed bi-annually through the Sufficiency Survey, which is published on the City Corporation's Family Information Services webpages.

27. Section 8 of the Children Act 2006 permits local authorities to assist any person who provides childcare, this includes providing financial assistance. To mitigate against the risk of a successful public law challenge, decisions on discretionary spending should comply with the principles of good public law decision-making, including that they are procedurally fair, supported by and based on the available evidence and are proportionate and reasonable.

28. Section 36 of the Education Act 2002 provides that, in a voluntary aided school, the legal employer of the staff is the School's Governing Body. As such the Governing Body is directly responsible for hiring and dismissing all teaching and non-teaching staff.

29. Under the School Staffing (England) Regulations 2009, if the voluntary aided school's governing body and the local authority explicitly agreed in writing that the local authority would handle support staff appointments and contracts, the local authority (the Corporation acting in its capacity as local authority) must be involved in the dismissal. This is exceedingly rare in voluntary aided schools.

30. The City Corporation would be required to meet the redundancy costs for affected staff, currently shown as £64,790.18 subject to the caveats in paragraph 11 in this report, under Section 37 of the Education Act 2002, and in accordance with section 11.12 of the City of London Corporation Scheme for Financing Schools (revised February 2011), found at Education Policies - City of London (submitted 24/02/2021).

31. The default position, therefore, is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the local authority's budget. In the former case, the local authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy.

32. There is a Service Level Agreement (SLA) currently in place for the subsidy of the 0–2 (rising 3) childcare provision with the Governing Body of The Aldgate School. If Members approve ongoing reduced discretionary subsidy, a new SLA will have to be entered into with the Governing Body of The Aldgate School, and any conditions as to the funding of the subsidy must be agreed with the Chamberlain. The current SLA will expire on the 31 August 2027 unless terminated earlier in accordance with the terms thereof.

33. The complicated funding arrangements for maintained schools have been reviewed in conjunction with the Chamberlain; the school cannot cross-subsidise the childcare from its Individual School Budget (ISB) under Dedicated Schools Grant (DSG) conditions of grant 2026–27. Officers have considered whether there is any discretion and determined that there is not.

34. The Aldgate School Governing Body has indicated that, if the Committee does not approve ongoing subsidy of up to £60,000 per year, the 0–2 (rising 3) childcare provision will cease from 1 September 2027.

*Risk implications*

35. Further delay in deciding whether to provide subsidy would reduce the time available for service users and staff to make alternative childcare and employment arrangements if the school's Governing Body ceases the provision.

*Equalities implications*

36. The Equality Impact Assessment prepared for Members in June 2026 (reviewed in July for currency) considered the 0–2 (rising 3) childcare arrangements in the City. It found that relevant actions had been taken to minimise potential negative impacts if provision ceased. The requirements of the Equality Act 2010 have been considered and will continue to be kept under review.

*Climate implications* – not applicable.

*Security implications*

37. Alternative use of the existing 0–2 (rising 3) childcare space at The Aldgate School has been considered from a safeguarding perspective. Alternative options were ruled out, as detailed in the June 2025 report on Children's Centre services and 0–2 (rising 3) childcare arrangements.

**Conclusion**

38. Members have considered this issue on previous occasions and have received further requested information to support decision-making between Option A and Option B. The decision is one of principle, balancing financial pressures, the reduced subsidy now requested by The Aldgate School, the value placed on the provision by residents and service users, and the City Corporation's childcare sufficiency duty.

Members are asked to decide whether to approve ongoing reduced subsidy or cease subsidy from September 2027.

## Appendices

- Appendix 1 - Additional City Corporation funding for services provided at no cost to The Aldgate School
- Appendix 2 - Services that The Aldgate School funds from DfE Grant
- Appendix 3 - Enrolled children at The Aldgate School June 2026
- Appendix 4 - The Aldgate School and City providers' fees comparison
- Appendix 5 - Alternative full time childcare providers in the City as of July 2026
- Appendix 6 - Early Years funding allocation to The Aldgate School 2025-26
- Appendix 7 - Answers to Member specific questions from 30th June 2026
- Appendix 8 - Equality Impact Assessment (EQIA)

## Background Papers

- 11 March 2024 - Community and Children's Services: City of London Children's Centre Services – Review
- 11 November 2024 - Community and Children's Services: City of London Children's Centre Services – Update Report
- 16 January 2025 – Community and Children's Services: Children's Centre Services and 0-2 childcare arrangements
- 19 June 2025 - Community and Children's Services: Children's Centre Services and 0-2 childcare arrangements
- 16 March 2026 - Community and Children's Services: Update on progress with 0-2 childcare provision at The Aldgate School
- 30 June 2026 – Community and Children's Services: Childcare Provision at The Aldgate School

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Department of Community and Children's Services
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**Appendix 1**

| Additional funding for services provided at no cost to the school. These services are currently funded from the City of London central and local risk budgets | | |
|---|---|---|
| **Education Psychologist & SEND Advisory support** | £14,000 | 25/26 cost. Education Psychology services remain provided at no cost to The Aldgate School. EP advice includes the statutory assessment work required for City resident children and additional non-statutory advice, training, and support to the school for the benefit of all pupils |
| **LDBS Core Support Services** | £3,064.71 | 25/26 School Improvement from the London Diocesan Board for Schools. |
| **THEP membership** | £3,514 | 25/26 Tower Hamlets Education Partnership membership fee. |
| **Strings Project** | £44,000 | Instrument lessons for pupils |
| | | |
| **0-2 childcare subsidy** | £174,000 | Approved until 31 August 2027 |

**Appendix 2**
**Services that The Aldgate School funds**

- Additional school improvement services
- Speech & language therapy
- Behaviour support services
- Support to underperforming ethnic groups and bilingual learners
- Insurance
- School kitchen maintenance
- Staff costs for supply cover (for example, long-term sickness, maternity, trade union, and public duties)
- Licences and subscriptions other than those funded by the DfE
- Routine maintenance of the Grade 2* listed building.

**Appendix 3**

**Enrolled children at The Aldgate School childcare provision as reported by the school 26th June 2026 10.01hrs**

| | The Aldgate School Childcare<br><br>2 to rising 3 | The Aldgate School Childcare<br><br>0 to rising 2 |
|---|---|---|
| Total number of places available? | 10 | 6 |
| Number of children currently attending? | 10 | 6 |
| How many are City resident? | 6 | 2 |
| How many are attracting the DfE extended childcare offer? | 5 (4 City) | 5 (2 City) |
| How many are accessing the City Childcare Accessibility Scheme? | 1 | 0 |
| How many are on the waiting list? | 13 | 12 |
| How many vacancies are there? | 0 | 0 |

**Appendix 4 The Aldgate School and City providers' fees comparison 2025-26**

| **Category** | **0 to rising 2** | **2 to rising 3** |
|---|---|---|
| TAS City residents < £55K household income | £7.65/hr<br>*21% less than non-residents* | £7.35/hr<br>*22.45% less than non-residents* |
| TAS City residents > £55K household income | £8.70/hr<br>*6.3% less than non-residents* | £8.40/hr<br>*7.2% less than non-residents* |
| TAS Non-City residents | £9.25/hr | £9.00/hr |
| City located average provider fee (0–12 months) | £11.75/hr | £11.23/ph |

**Appendix 5**

**Alternative full time childcare providers in the City (except Global Kids which is 0.4 of a mile from The Aldgate School in Tower Hamlets), as of 3 July 2026.**

| Provider | Ward | Ofsted Grade | Additional comments | 0-1 vacancies | 1 to rising 2 vacancies | 2 to rising 3 vacancies |
|---|---|---|---|---|---|---|
| Childcare at The Aldgate School | Portsoken | Good (June 2025) | | 0 | 0 | 0 |
| Newpark Childcare Centre | Cripplegate | Outstanding (February 2020) | Recent inspection not yet published at the time of writing | Full until Autumn 2027 | Full until Autumn 2027 | Full until Autumn 2027 |
| Barbican Playgroup | Cripplegate | Three expected standards and two strong standards (new Inspection framework) | This setting operates term time only. | N/A | N/A | 0 |
| City Child (Bright Horizon) | Cripplegate | Good (March 2024) | The Bright Horizon Group is currently subject to an Ofsted Welfare Requirements Notice (3rd July 2026). Outcome unknown at the time of report writing. | 1 space | 2 spaces | 3 spaces |
| Smithfield House | Farringdon Within | Good (May 2023) | This setting is also a delivery site for the City Family Hub Network. | Full until January 2027 | Full until January 2027 | Monday - 4 spaces Tue-Thu – 3 space Friday – 4 spaces |

| | | | | | | |
|---|---|---|---|---|---|---|
| Hatching Dragons | Aldersgate | Good (October 2024) | Currently planning to relocate. Location to be confirmed by December 2026 | Monday – 4 spaces<br>Tuesday – 2 spaces<br>Wednesday – Thursday – 1 space<br>Friday – 4 spaces | | Monday – 13 spaces<br>Tuesday and Wednesday - 12 spaces<br>Thursday – 10 spaces<br>Friday – 17 spaces |
| Global Kids | Tower Hamlets | Good (July 2023) | | 6 spaces | 6 spaces | 6 spaces |

**Appendix 6**

**Early Years DfE funding allocation to The Aldgate School 2025-26**

| **Early Years Funding allocation to The Aldgate School for the childcare and nursery class 2025/26** | |
|---|---|
| **Budget Allocation** | |
| £44,849.25 | 9-month-old Funding |
| £31,459.50 | 2-year-old funding |
| £206,033.25 | 3- and 4-year-old funding |
| **£282,342.00** | **Total** |

**Appendix 7**

**Answers to Member specific questions from 30th June 2026 not already answered in this or the Family Hub report**

1. Community Infrastructure Levy Neighbourhood Fund (CILNF) has very strict criteria regarding beneficiaries which means they must be City residents or City workers. If The Aldgate School decided to apply for CILNF to sustain the 0-2 (rising 3) childcare, it would only fund the City resident children - with other funding required to support those who are resident outside of the City.

   Also, a CILNF application would have to demonstrate community priorities. Recipients would need to be identified as disadvantaged through Early Years SEND, Social Care & Early Help needs or financial disadvantage. Given the 0-2 (rising 3) childcare service is a universal offer, it is unlikely to be eligible for CILNF without some revised criteria to identify disadvantage.

2. Clear summary table showing the £ cost per City child using the services from 2023-2028 (forecast), provided by The Aldgate School 13 July 2026. Please note that numbers in childcare change throughout the year so this is a snapshot as at 1st of September only on each of the years requested to current date. September (as requested) is half way through the Childcare's financial year. Therefore, figures have had to be adjusted straddling both years. There is income to offset most of the costs. To unpick individual children's invoices over four years (income and residence varies as do children enrolled) is not possible given current staffing capacity. Total income has been offered as an alternative. It is not possible to forecast for 2027-28 as babies for September 2027 admission are yet to be born.

   Costs and income

| | Figures taken from financial year end 2023 | Figures taken from financial year end 2024 | Figures taken from financial year end 2025 | Figures taken from financial year end 2026 | Future year - year end 31st March 2027 |
|---|---|---|---|---|---|
| Number of children in provision as at the date requested (01/09) | 15 | 16 | 13 | 14 | No data available |
| Cost per child | £34,709.60 | £35,960.16 | £43,877.30 | £36,214.18 | No data available |

| | | | | | |
|---|---|---|---|---|---|
| No of City children | 7 | 9 | 5 | 6 | No data available |
| Cost per City children | £242,967.22 | £323,641.46 | £219,386.50 | £217,285.11 | No data available |
| No of Non-City children | 8 | 7 | 8 | 8 | No data available |
| Cost per Non-City children | £277,676.82 | £251,721.14 | £351,018.40 | £289,713.47 | No data available |
| Total **Expenditure** (fixed and variable costs) @ financial year end | £520,644.04 | £575,362.60 | £570,404.90 | £506,998.58 | No data available |
| Total **Income** @ financial year end | SLA £456,000 plus income of £111,721.34 | SLA £456,000 plus income of £160,112.27 | SLA £456,000 plus income of £222,168.07 | SLA £294,000 plus income of £249,811.09 | SLA £172,000 plus income (no data as yet) |

3. Government policy, reflected in DfE capital funding for nurseries, is for increased Nursery Class provision for 3+ year olds only as distinct to childcare provision. The Aldgate School did not apply as they have an existing Nursery Class provision and any expansion of that would require consent and support of their freeholder.

4. The Aldgate School cannot draw on its own financial reserves to subsidise the 0-2 (rising 3) childcare as the reserves are drawn from Individual School Budget (ISB) and therefore ringfenced for the benefit of pupils of statutory school age only.

5. There is potential to further differentiate The Aldgate School's fees structure for non-City residents and based on means. This is a responsibility of the Governing Body and one which they will be undertaking for the financial year 2027-28.

6. Detail, as far as available, on the circumstances of the families currently accessing The Aldgate School childcare provision is shown in Appendix 3. The DfE Extended Childcare Entitlement is for working parents. Each parent (or the sole parent in a single-parent household) must have an adjusted net income of £100,000 or less per year. If either parent earns more than £100,000 adjusted net income, the family is not eligible for the working-parent entitlement. There is one family attracting the City's discretionary Childcare Accessibility Scheme funding. This is under Criterion 1, referral by a professional.

**Appendix 8 Equality Impact Assessment**

## Equality Impact Assessment Form

Before completing this form, please refer to the Equality Impact Assessment Guidance documents and training materials

- EQIA Intranet Info hub
- EQIA Guidance

The Equality Impact Assessment (EQIA) will identify how any proposed policies, practices, activities, service changes or procedures will impact or affect different groups or communities if implemented. It supports officers in assessing whether the impacts are positive, negative, or unlikely to impact each of the nine protected characteristic groups. The assessment will also demonstrate whether there are ways to proactively advance equity, equality, diversity and inclusion. An EQIA is required before you finalise your proposal, or it may not be legally compliant.

If you have any questions or need feedback on your analysis, please contact the EDI team: CSPT.EDI@cityoflondon.gov.uk

**Section 1: To be completed by all**

| | |
|---|---|
| **Proposal Title** | Continuation of subsidy of the 0-2 (rising 3) childcare provision at The Aldgate School |
| **Details of the lead officer completing the Assessment/ Role responsible for the completion of the EQIA** | Kirstie Hilton<br>Head of Service Education and Early Years |
| **Department Responsible:** | Department of Community and Children's Services (DCCS) |
| **Who has been involved in creating the EQIA:** (please summarise/list stakeholders you have engaged with and how) | • The Aldgate School (data)<br>• Education and Early Years Service |
| **Date of Initial assessment:** | May 2026 |

| | |
|---|---|
| **Dates of review (as applicable)** | 20 July 2026 |

**1.PROPOSAL OVERVIEW**

**What does the proposal aim to achieve?** Please outline your proposal below

- ➔ If no potential impacts are identified at this stage, proceed to **Section 3**
- ➔ If you believe there may be potential negative impacts, continue to **Section 2, Steps 2,3,4, and 5** to complete a full EQIA, then move to **Section 3**
- ➔ If you identified any positive impact, please record and monitor at **Section 2, Step 5,** then move to **Section 3**

Please feel free to attach supporting documents/ information

In June 2025, Members agreed a time-limited package of support for the school's 0–2 (rising 3) childcare provision, which runs until the end of August 2027.

Over recent months, City Corporation officers have met with the school's leaders and governors. Our shared aim has been to support the school as it developed a financially viable plan for the future and continuation of the 0-2 (rising 3) childcare. This included exploring options that make best use of available income, national entitlements and fees, and ensuring that costs are understood and appropriately allocated. The school will update families when there is firm news about the model it intends to take forward from September 2027.

The 0–2 (rising 3) childcare at The Aldgate School continues to operate unchanged. The City Corporation will keep working alongside the school so that families have clear information as plans are developed. The City Corporation will also continue to meet its duty to ensure sufficient childcare across the Square Mile and to support families who are eligible for help.

The proposal in this Committee report is to provide on-going funding (up to £60,000 per annum) to The Aldgate School to continue offering childcare places from September 2027.

**Section 2: To be completed for a full EQIA**

## 2. EVIDENCE AND IMPACT ANALYSIS

Please highlight the potential impact on these groups, actions taken to mitigate impact and advance equality, diversity and inclusion (include data/evidence upon which the analysis is based)
Protected Groups:

- Age
- Disability
- Gender Reassignment
- Marriage & Civil Partnership
- Pregnancy & Maternity
- Race
- Religion & Belief
- Sex
- Sexual Orientation

Additional Groups

- Socio-economic background
- Care leavers
- Carers & Parents
- Veterans

Where relevant note relevant intersectional impacts: where combinations of different group identities may result in unique or compounded impacts.

The continuation of the 0-2 (rising 3) childcare at The Aldgate School will positively impact the 16 families who currently use the provision (including 8 City residents) as well as local families wishing to use the provision post Summer 2027.

The City of London, along with other local authorities must plan, commission and oversee childcare provision, ensuring there are enough suitable places that meet the needs of working families and children with SEND, while supporting providers rather than replacing them. Our twice-yearly sufficiency assessment enables us to identify geographic gaps in provision and shortages for specific age groups as well as recognise any barriers affecting the take-up of places.

The Summer 2026 Sufficiency report has highlighted that City of London early years settings have an average of 30% of City children attending, which means resident families choose to send their children to other boroughs' settings.

- **Age** – The childcare will continue to provide early education and care for children aged 0-2 (rising 3) years, supporting the City's youngest residents and their families. The continued operation of the childcare will have a positive impact on children who access the provision and on parents/carers who rely on local childcare to work, train or study. There will be a neutral impact for those not eligible for the services provided by the childcare.

- **Disability** – The continued operation of the childcare will support children aged 0-2 (rising 3) years with special educational needs and disabilities (SEND) by maintaining access to inclusive early years provision. The setting will continue to work with families and relevant professionals to meet children's individual needs and ensure appropriate support is available. Currently we know of one child with SEND attending the childcare at The Aldgate School.

- **Pregnancy and maternity** – The childcare will continue to provide local childcare places for families with young children, including expectant parents planning future childcare arrangements and parents returning to work following maternity, paternity or parental leave. The ongoing availability of local childcare is expected to have a positive impact on this group. The Early Years brokerage service is always available to support new parents in identifying local childcare.

- **Sex** – The census 2021 data showed that the City of London population comprised of 4,722 males and 3,861 females (55% and 44% respectively). Research indicates that mothers of very young children are more likely than fathers to undertake caring responsibilities and are often more reliant on childcare provision to access employment, education and training opportunities. The continued operation of the childcare is therefore likely to have a particularly positive impact on women, while also benefiting fathers and other carers.

- **Race** – The continued availability of the provision will support equitable access to childcare for diverse communities and help ensure that local families can access childcare services within their area. There is also a nearby nursery, located in Tower Hamlets, which the Early Years team is working closely with and can support City families to access. This is expected to have a positive impact.

- **Socioeconomic background** – The continuation of the service, alongside the City Childcare Accessibility Scheme, will support families who require additional childcare assistance, including those experiencing economic disadvantage. Maintaining access to affordable childcare is expected to have a positive impact on lower-income families and support parents to access employment and training opportunities.

It is intended that there will be a neutral impact on the following characteristics:

- religion and belief
- care leavers/experience
- marriage and civil partnership
- gender reassignment
- sexual orientation

This proposal has no impact on veterans.

## 3. STAKEHOLDER ENGAGEMENT

**Outline any consultation/engagement activity and additional information gathered not outlined above** (if relevant)

Include information on stakeholders involved, and methods used for engagement / consultation.

Describe any further work required on proposals as a consequence of engagement/consultation (if relevant)

The City Corporation is working with the school so that families have clear information as plans are developed.

Further information will be shared with families in consultation with the school to ensure consistency of messaging.

## DECISION MAKING (MITIGATIONS AND CHANGE)

**After completing steps 1-3, please outline your informed decision.**

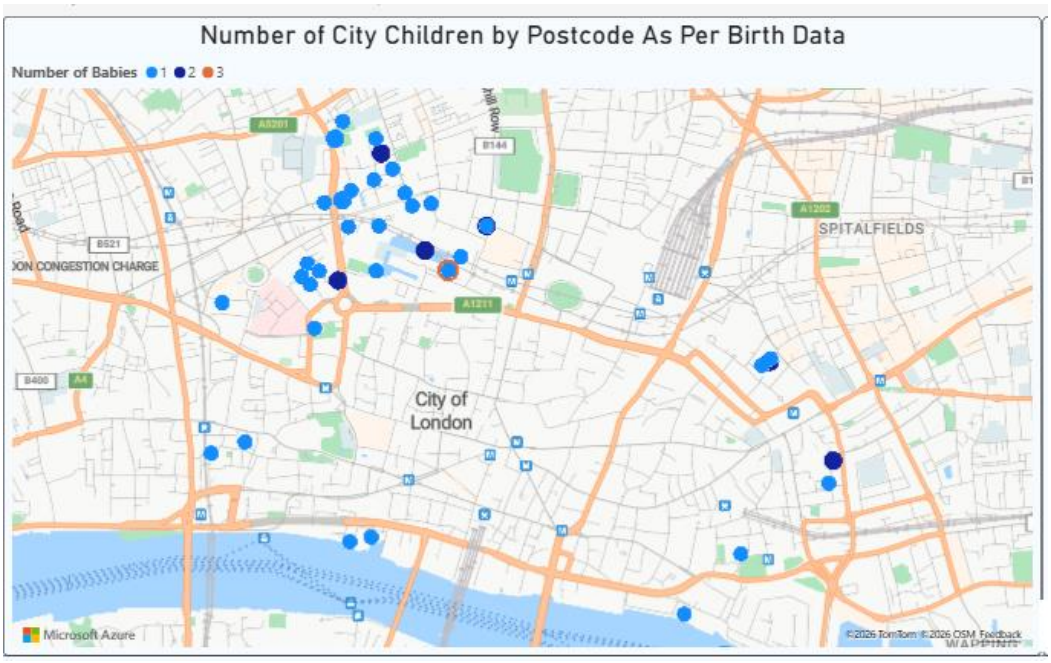
**Possible outcomes could be that:**

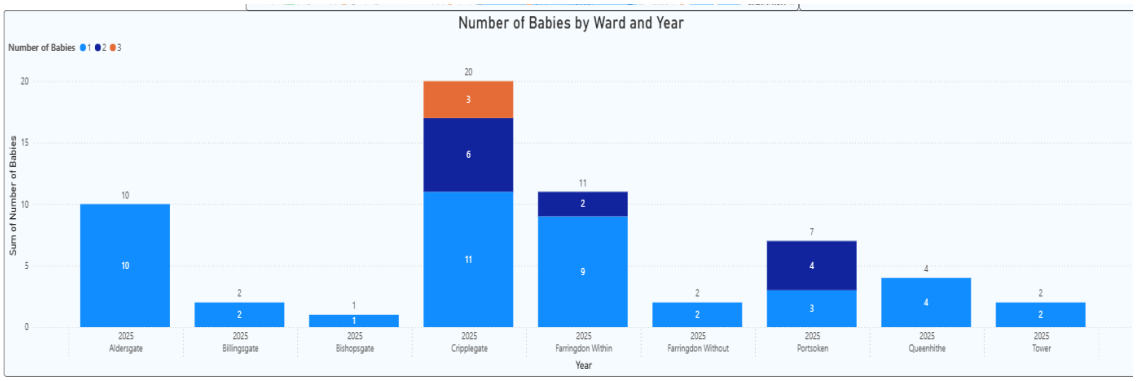
a. **No changes are required; there is no negative impact or discrimination**
b. **Available actions have been taken to remove or minimise potential negative impacts**
c. **Adjustments to the proposal to remove or minimise potential negative impacts – monitoring and regular review will take place to manage this with a view to taking further mitigation actions**
d. **Where a negative impact is identified that is not unlawful discrimination, or where discrimination can be objectively justified- justify and continue with the proposal: there may be other factors (such as other proposal aims or financial constraints) that make it reasonable to adopt the proposal, despite the negative impact – potential impacts will be monitored and kept under regular review. Please seek advice from/ the EDI team and the Legal team before making the decision.**

e. **You decide not to take the proposal forward.**

**Contextual Information:**

The City of London has, on average, between 40 and 60 new births a year. New Birth data for 2025 shows there were 59 new births registered in the City of London. As can be seen in the map and data set below, a high number of births are concentrated at the North West point of the City, with most births taking place in the Cripplegate ward.






## Local Childcare

Out of the 16 children currently attending the childcare at The Aldgate School, 10 are in the toddler room (two to rising three), 6 of which are City residents. Six of the ten children will be moving to Nursery in September 2026.
There are a number of childcare settings accessible in and around the City of London (within 20 minutes walk of The Aldgate School):

- Global Kids Aldgate East, 52 Old Castle St, London E1 7AJ (7 minutes walk).
- Early Steps Nursery, 47 Hobsons Place, London E1 5HH (16 minutes walk)
- Hatching Dragons Nursery, Ferroners' House Ironmongers Hall Shaftesbury Place Off, Aldersgate St, Barbican, EC2Y 8AA, (20 min walk)
- Newpark Childcare Centre, 1 Barbican, London EC2Y 8DU (17 minutes walk)
- Barbican Playgroup, Andrewes House Barbican, London EC2Y 8AX (17 minutes walk)

Global Kids Aldgate East, Hatching Dragons Nursery, Newpark Childcare Centre, and Barbican Playgroup, accept the City Childcare Accessibility Scheme which provides financial support to City residents meeting certain criteria.

## Children with Disabilities

We are active in supporting children with disabilities accessing childcare. Currently we know of one child with SEND attending the childcare at The Aldgate School. The child will be three in December 2026 and will therefore be able to move to the Nursery class. The Autumn Term 2025 Sufficiency Assessment has shown that all City of London settings provide inclusive environments for all children, including those with SEND. The Early Years Inclusion Fund and the Disability Access Fund can be claimed by settings to provide additional support and resources for children with SEND.

## Pregnancy and Maternity

We receive regular information on new births from our health colleagues and ensure that home visits are offered to all new families. We work closely with health visiting teams to make sure families can access information about stay and play sessions and receive support in finding suitable childcare.

The Census 2021 – Conceptions in England and Wales 2021 – highlights that:

- of all the English regions and Wales, London has seen the biggest fall in conception rates over the last decade, decreasing by 20.9% since 2011
- the conception rate for women aged under 18 years has more than halved since 2011 when it was 30.9 conceptions per 1,000 women of the same age, down to 13.2 conceptions per 1,000 women of the same age in 2021
- In 2025, there were 59 births recorded in the City of London.

There are a number of childcare settings accessible in and around the City of London. Our Family Involvement Worker and Early Years Advisors can support parents to find childcare settings that best meet the family's needs.

**Sex**

Census 2021 data showed that the City of London population comprised of 4,722 males and 3,861 females (55% and 44% respectively).

The Sharing of childcare and well-being outcomes: an empirical analysis report, published 15 January 2021 *explains that women are more likely to provide care during any given day and spend more time providing care compared to men. This gender gap is especially noticeable during the weekday, for caring alone, and routine care. In other words, when men take part in care, it is mostly done jointly with their partners, during the weekend, or providing enrichment care.*
*This gender gap was especially prevalent among parents with pre-school aged children (under 5) where mothers were spending 2 to 3 times as much time providing care, especially on weekdays, and for routine and solo care.*

This means that the continuation of the Childcare at The Aldgate School may have a bigger positive impact on women than on men.

There are also several childcare settings accessible in and around the City of London (within 20 minutes' walk of The Aldgate School) and the Early Years Advisors as well as the Family Involvement Worker are available to provide support in finding childcare places. The City Childcare Accessibility Scheme is currently being accessed by a majority of women.

**Race**

The Census 2021 records ethnic group not race. The City of London resident population is predominantly white. The largest minority ethnic groups of children and young people in the area are Asian/Bangladeshi and Mixed – Asian and White. A health needs assessment for the population aged 0-25 for the City of London and Hackney (2022) highlighted that 'The City of London has…higher levels of ethnic diversity in Portsoken ward, including a large Bangladeshi community, and the remainder of the City less diverse'.

In 2021, 7 in 10 City of London residents identified as White. More specifically, White British residents make up the City's largest ethnic group, making up a larger proportion than the London average

The ethnic group which has seen the greatest increase in size is the Asian residents, growing from 13% to 17% . This follows the general trend observed in London

Northern and western areas mirror the City's overall ethnic makeup. However, central and eastern areas show distinct demographic differences. For example, City Central & East has a larger proportion of Indian residents (8%).

The eastern area has highly concentrated diversity. In Middlesex Street and Mansell Street, 1 in 4 residents identify as Bangladeshi and this area has the highest proportion of African residents

The childcare at The Aldgate school serves the local population which includes families from several different ethnic background, including Asian/Bangladeshi and Black. Global Kids Aldgate East and Early Steps Nurseries reflect a rich diversity of cultures and backgrounds among both staff and families, creating a welcoming environment for everyone.

**Socio-economic background**
The City Childcare Accessibility Scheme will continue to offer financial support to City residents meeting the following criteria:

- Criterion 1: Referral from professionals delivering services to families.
- Criterion 2: Referrals from professionals for children with additional needs but not eligible for an Education, Health and Care (EHC) plan.
- Criterion 3: Referrals from early years/ settings for families needing financial support. This criterion is aimed at parents who have a joint combined income of less than £60,000 net per annum and savings not exceeding £30,000.

Currently there are seven City of London families benefitting from the scheme. Of these, one currently attends the Childcare at The Aldgate School. There will be a neutral impact for those not eligible for the services included in this project.

**Gender Reassignment**
92.1% of the City of London population that completed the Census 2021 stated their gender as being the same as their sex registered at birth. 7.4% of respondents did not provide an answer to the question about gender identity. 0.4% identified as gender identity different from sex registered at birth but no specific identity given, trans woman, trans man or non-binary.

It is expected that there will be a neutral impact from the proposal on this protected characteristic.

**Marriage and civil partnership**
The Census 2021 records legal partnership status. In the City of London for residents aged 16 and over (8,003):

- 4,594 never married and never registered a civil partnership
- 2,435 married or are in a civil partnership

- 172 separated, but still legally married or still legally in a civil partnership
- 559 divorced or dissolved a civil partnership
- 243 widowed or surviving a civil partnership

It is expected that there will be a neutral impact from the proposals on this protected characteristic.

**Sexual orientation**
The Census 2021 data available for City of London residents aged 16 and over (8,008) shows that:

- 6,348 identified as straight or heterosexual
- 607 as gay or lesbian
- 185 as bisexual
- 15 as pansexual
- 5 as asexual
- 8 as queer
- 10 as all other sexual orientations
- 830 didn't answer that question

Data is not available for children and young people aged 15 and below.

It is expected that there will be a neutral impact of the proposals on this protected characteristic as childcare is available and accessible to all children, parents, and carers.

**Care leavers**
The City Corporation data states that at the end of April 2025, there were 46 City of London care leavers. No care leaver has a child currently attending the Childcare at The Aldgate School.

Therefore, there will be a neutral impact of this proposal on care leavers.

## 5.MONITORING AND REVIEW

**How will you monitor and review the impact (positive or negative) of the proposal once it has been put into effect, if so, how? What are the timescales for reviewing the EQIA once proposals are implemented?**

This may take the form of an action plan.

We will monitor:

- The uptake of the City Childcare Accessibility Scheme
- Access to the brokerage service offered by the Early Years Team

- Any complaints received directly by Officers as well as via the call centre and the EEYService@cityoflondon.gov.uk email inbox.

This will include quantitative data (e.g., demographics, usage, etc.) and qualitative feedback (e.g., Sufficiency Assessment, complaints or compliments received by the EEY Team on childcare availability).

This Equality Impact Assessment will be reviewed each year, including in Summer 2027.

**Section 3: To be completed by ALL**

**6.RECORDING YOUR DECISION AND SIGN-OFF**

1. Submit to your line manager for review and sign-off
2. Submit to Director or Chief Officer (as relevant) for sign-off
3. Where possible, share the final document with the corporate EEDI team

**Sign off**

1. Officer completing the EQIA

| | |
|---|---|
| **Name** | Kirstie Hilton |
| **Job Title** | Head of Education & Early Years Service |
| **Date** | 20/07/26 |
| **Signature** | K. Hilton |

2. Line Manager

| | |
|---|---|
| **Name** | Deborah Bell |
| **Job Title** | Strategic Director of Education & Skills |
| **Date** | |
| **Signature** | D. Bell |

3. Senior Manager or Chief Officer

| | |
|---|---|
| **Name** | |
| **Job Title** | |
| **Date** | |
| **Signature** | |

**Once this form has been signed off, please send a copy of the form to the EDI Team: CSPT.EDI@cityoflondon.gov.uk**