



2024 to 2027 Business Plan

Service: Children Services

\$32.04	0.82%
Annual cost for the average rate payer (2024 to 2027)	Of the 2024 to 2027 City of London Net Property Tax Supported Budget

Who we are:

- Under the *Child Care and Early Years Act, 2014*, the City of London is the designated Service System Manager (SSM) for child care and early years, serving the London-Middlesex region. The City's Child Care and Early Years team works collaboratively with operators to build a high-quality, equitable, inclusive, and family-centred system that reflects provincial priorities and the needs of children, families, and the community.

What we do:

- As the SSM, the City of London administers provincial funding for child care and early years programs, including the Canada-Wide Early Learning and Child Care Agreement (CWELCC).

- We develop and implement local child care and early years plans, including the directed growth of CWELCC child care spaces, and coordinate delivery of mandated services such as Child Care Fee Subsidy, Special Needs Resourcing, and capacity-building supports for operators and educators. We also support London's nine EarlyON Child and Family Centres, ensuring accessible services for all families.
- The Child Care and Early Years team partners with operators to provide high-quality licensed child care and early learning experiences that benefit children and families, while nurturing a thriving community. High-quality child care promotes cognitive, social, and emotional development, and access to licensed care enables caregivers to participate in the workforce or pursue education, supporting families and the local economy. This support is particularly impactful for women, who continue to disproportionately bear child care responsibilities.
- Our role encompasses local policy development, funding administration and reconciliation, program support, community engagement, data collection and reporting, directed growth of child care, and financial stewardship. We work to create and sustain a robust, equitable, inclusive, accessible, and high-quality child care and early years system that benefits children, families, and the community while ensuring compliance with provincial standards and regulations.

Why we do it:

- The City of London is mandated under the *Child Care and Early Years Act, 2014* to serve as the Consolidated Municipal Service Manager (or SSM) for child care and early years programs in London and Middlesex. Beyond fulfilling this legislative requirement, we are committed to building a system that supports children's development, strengthens families, and fosters equitable access to high-quality care and programs.

The following table provides an overview of the budget for this service:

Budget Summary (\$000's)	2024	2025	2026	2027	2024 to 2027 TOTAL
Gross Operating Expenditures	\$119,736	\$119,742	\$118,752	\$118,763	\$476,994
Other Revenues	-\$111,859	-\$111,859	-\$111,859	-\$111,859	-\$447,435
Net Tax Levy Supported Operating Budget	\$7,877	\$7,883	\$6,894	\$6,904	\$29,559
Total Capital Expenditures	\$0	\$0	\$0	\$0	\$0
Full-Time Equivalents (FTE's)	28	28	28	28	N/A

Reflects 2024 to 2027 adopted City budget as of December 1, 2025

Linkage to the 2023 to 2027 Strategic Plan

This service supports the following Strategic Areas of Focus in the 2023 to 2027 Strategic Plan:



**Reconciliation, Equity,
Accessibility, and
Inclusion**



**Economic Growth, Culture,
and Prosperity**



**Housing and
Homelessness**



**Mobility and
Transportation**



Wellbeing and Safety



**Climate Action and
Sustainable Growth**



**Safe London for Women,
Girls, and Gender-Diverse
and Trans People**



Well-Run City

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this service:

Socio-economic Equity:

- Children and families use licensed child care and early years services during a period of rapid brain development in young children. Licensed child care also plays a significant role in a family's ability to pursue employment or education, especially within single parent families, which are predominantly female led. Research shows that the return on investment for every \$1 invested in quality early years programs can be considerable.
- The Canada-Wide Early Learning and Child Care (CWELCC) system is intended to increase accessibility and affordability of quality licensed child care. SSMs are required to prioritize growth under the CWELCC system to increase access and inclusion for historically underserved communities. The Ministry of Education has identified the following priority populations in its Access and Inclusion framework: low-income, Francophone, Indigenous, Black, other racialized and newcomer communities, vulnerable children, and those with special needs. The City's directed growth strategy incorporates demographic data in the assessment of directed growth plans from child care operators seeking to expand under CWELCC.
- The early childhood and child care workforce in Canada is overwhelmingly female and highly diverse, reflecting both gendered labour patterns and immigration trends. Recent Statistics Canada data indicate that approximately 96% of centre-based early childhood educators are women, and over one-quarter are immigrants or permanent residents (Statistics Canada, 2024). Many workers also identify as racialized or non-native speakers of Canada's official languages, highlighting the workforce's ethnic and cultural diversity (Choi & Frank, 2023). These demographic patterns underscore the importance of inclusive workforce policies and targeted supports to ensure equity and representation in service delivery.
- Despite their essential role in supporting children, families, and the broader economy, early childhood educators face systemic undervaluation and low compensation relative to their training, responsibilities, and comparable professions. The Ontario's Early Years and Child Care Annual Report 2024 data indicates that as of December 2023, full-time registered early childhood educators earned predominantly in the CA \$20–28.59/hour range, below the national average wage (Ontario Ministry of Education, 2024). Qualitative research also highlights high workloads, limited benefits, and insufficient professional recognition as major contributors to staff turnover and workforce instability (ESDC, 2022). These conditions threaten recruitment and retention, limiting the capacity to provide consistent, high-quality early learning experiences.
- The City of London prioritizes the early years workforce through a number of targeted strategies. This includes labour market research, coordination of ongoing professional development opportunities, investment in inclusion-

focused learning, mentorship, Special Needs Resourcing supports, and promotion of the value, impact and career opportunities of the early childhood educator profession.

Governance:

- The City of London is designated under the *Child Care and Early Years Act, 2014* as the Consolidated Municipal Service Manager (or SSM) for Child Care and Early Years programs and services for the City of London and County of Middlesex. Accordingly, this is a provincially established role, and the requirements of the role are legislated within the *Child Care and Early Years Act, 2014* and the associated regulations. Through a Cost Apportionment and Agency Agreement, the County of Middlesex serves as the Service Delivery Agent for child care services in Middlesex County, on behalf of the City of London.
- Provincial expectations for SSMs can change throughout the year based on changes to legislation, regulations, funding guidelines or other emergent policies and practices. Examples of this include:
 - The Canada-Wide Early Learning and Child Care (CWELCC) Funding is provided through a bilateral Federal and Provincial Funding Agreement with specific parameters regarding use. The funding committed has been extended to December 2026. This extension allows Ontario to work with Canada and provinces and territories on a national solution to sustain the CWELCC system for the longer-term.
 - Early Learning and Child Care (ELCC) Agreement Funding: This funding is provided through a bilateral Federal and Provincial Funding Agreement. Funding comes with specific parameters regarding use and has been committed to March 2030.
- In addition to federal and provincial funding, the City of London provides a municipal contribution towards the annual budget based on required cost-share contributions established by the Ministry of Education. These contributions play a crucial role in supporting the current and future growth needed to support demand for child care in London.

Environmental:

- The Child Care and Early Years Service does not anticipate any changes or additional environmental impacts over the budget term of 2024-2027.

Service Highlights 2024 to 2027

Under the *Child Care and Early Years Act, 2014*, Service System Managers (SSMs) are required to develop a Service System Plan outlining the vision, goals, and strategies for delivering child care and early years services within the community. On June 4, 2024, Council approved the [London-Middlesex Child Care and Early Years Service System Plan \(2024-2028\)](#). Over the remaining years of the Plan, the Child Care and Early Years team will focus on the following strategic priorities:

Accessibility

The City of London is committed to enabling families' access to high-quality, affordable child care. Directed growth strategies prioritize spaces in high-priority neighbourhoods, while streamlined registration processes and clear, accessible information make it easier for parents to find and enroll in child care. Beyond CWELCC affordability measures, fee subsidies are prioritized for eligible low-income families to support access to licensed child care.

Inclusion

The City strategically invests in professional development to foster welcoming and inclusive child care environments for all children, families, and staff. Families are supported to participate actively in decisions affecting their child's early learning experience. Investments in Special Needs Resourcing ensure operators have the accommodations and supports necessary for full inclusion and participation.

As a French-designated municipality under the *French Language Services Act*, the City collaborates with the Francophone community and provides services in French for Francophone families.

Quality

As the child care and early years system grows, the City remains committed to maintaining and enhancing service quality. Supports include:

- Pedagogical professional development for educators and administrative training for sector leaders.
- High-quality learning materials and resources for child care spaces.
- Mentorship and support programs for new educators and emerging leaders.
- Recognition and appreciation programs to value and promote the workforce.

Collaboration

Collaboration is central to supporting children's holistic development and well-being. The City promotes strong partnerships among educators, families, and community partners to align home and child care settings and respond to each child's unique needs.

Collaboration extends to health care, social services, and educational institutions, creating a network of shared resources, expertise, and best practices that enhance program quality and promote positive outcomes for children and families.

Accountability

The City of London maintains transparent policies, procedures, and decision-making processes, engaging operators and families to ensure responsiveness to evolving community needs. Operators are invited to collaborate in shaping the local child care system to maximize positive impacts for families.

The City continues to strengthen data collection, reporting, and vendor management to support evidence-based decision-making and the responsible stewardship of public resources.

Risks and Challenges Anticipated in 2024 to 2027

- The current bilateral federal-provincial CWELCC agreement expires December 31, 2026. Ongoing policy changes or future negotiations could affect funding levels and program stability. Any delay or reduction in funding could significantly impact families' ability to access and afford high-quality child care.
- Effective January 1, 2025, CWELCC funding shifted from a revenue-replacement model to a cost-based funding model, which provides benchmark allocations to licensed operators for the delivery of child care to children aged 0-5 years. Non-CWELCC operators are no longer eligible for direct funding. Risks include current benchmark allocations not fully covering the increasing costs of providing care, with limited local priorities funding to meet all needs outside of CWELCC funding.
- Persistent challenges remain in recruiting and retaining qualified ECEs. Workforce shortages affect program quality, limit the system's capacity to expand licensed spaces, and place additional strain on existing operators.
- The demand for affordable child care continues to outpace the number of CWELCC-approved spaces. Meeting the needs of all families seeking affordable care remains a significant challenge, particularly for infants, toddlers, and other high-demand age groups.

Other reference information and links:

- García, Jorge Luis, & Heckman, James J. & Ermini Leaf, Duncan & Prados, María José (2020). [*Quantifying the Life-Cycle Benefits of an Influential Early-Childhood Program*](#). Journal of Political Economy, 128 (7).
- Statistics Canada. (2024). [*Child care centre workers serving children aged 0 to 5 years in Canada, 2021 to 2022*](#) (Catalogue no. 36-28-0001). Government of Canada.
- Choi, Y., & Frank, K. (2023). [*Diversity, economic characteristics, and retention of early learning and child care workers in Canada*](#). Journal of Research in Childhood Education.
- Statistics Canada. (2024). [*Quality of Employment in Canada: Average earnings, 2024*](#). (Catalogue no. 14-28-001). Government of Canada.
- Employment and Social Development Canada (ESDC). (2022). [*Workforce experiences impacting recruitment and retention among early childhood educators*](#). Government of Canada.
- Atkinson Centre. (2023, April). *Canada's Children Need a Professional Early Childhood Workforce*. https://ecereport.ca/media/uploads/wr-downloads/canadas_children_need_a_professional_early_childhood_education_workforce.pdf.

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