

Government scraps early years expansion fund^[1]

The early years investment fund, which was due to provide cheap money to enable settings to expand, has been quietly jettisoned, Nursery World has learned.

Author: Crown, Hannah

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EXCERPTS

The £30m pot, of which £10m was due to come from the Department for Education, was due to provide early years settings with low interest loans to expand under the 30 hours programme, and also provide for children with special educational needs and disabilities.

The DfE has confirmed the decision to scrap it was made last autumn. A source told Nursery World that the fund was shelved 'at the last minute'.

The National Day Nurseries Association, which heard about the loss of the fund from The Children's House in Grimsby, said it was 'very disappointed' and that it had happened with 'no explanation'.

'The sector urgently needs more support to deliver 30 hours,' said NDNA chief executive Purnima Tanuku. 'The government comes up with schemes to assist but then undermines them by rushing them through and failing to communicate details properly.'

According to information from Childcare Works, the 30 hours support service, the fund was intended to 'attract additional investment into the early years market to support providers to expand sustainably to deliver 30 hours and deliver wider policy objectives like quality provision for disadvantaged children, SEND, and integration of childcare with wider community services.'

The idea was that it would be a type of 'early years bank' which would 'facilitate provider access to loan finance for those that would not be able to access traditional commercial finance'.

It has now been removed from the list of sources of early years funding. It is not clear if the early years investment manager, who was due to be appointed in the summer to attract a further £20m in funding from commercial investors, was ever in post.

[Screen shot visual, can be viewed online].

No money

The Children's House in Grimsby had tried to apply for a loan of about £60,000 from the fund for a new outside building for 30 hours delivery and breakfast, after school and holiday clubs.

The 93-place Montessori setting had also applied for £40,000 from another scheme and got through to the second round.

Nursery manager Jo Robinson said, 'We were going to match fund [the early years investment fund] with a fund for small businesses. We were on the point of getting an architect in to get planning permission to put in a modular building in the outside area. Then we were on the internet trying to find it.'

Director Sylvia Tiffney added, 'There was very little detail because the fund hadn't launched, but we were very keen to apply. We understood that it was a low-interest loan and better terms than a high street bank loan.'

'We heard the Government had decided to reinvest the money elsewhere and that settings could seek private finance instead, but I am not sure there are other sources of funding at the moment.'

'Because of the losses we make on 30 hours we need to create more out-of-school places to cover the losses, which is what this money was for. But the lack of this funding means we can't expand.'

Ms Robinson said, 'It costs a lot of money to run an outstanding nursery. We've got six graduates on the staff team. Our resources are high quality. I don't think they realise how much it actually costs. And then you are told no funding increase until 2020.'

'We'd done all the legwork for the other fund. It's a bit frustrating.'

The setting director added that irrespective of the loss of the fund, they were keeping the delivery of 30 hours under review.

A DfE spokeswoman said that the fund was scrapped as there were concerns that it did not offer best use of resources.

The Minister for Children and Families, Robert Goodwill, said that efforts to make sure families had access to affordable childcare were making 'excellent progress' and pointed to other sources of available funding, such as early years capital funding.

He said, 'In 2016, we ran a £100 million early years capital bid round – awarding funding to over 350 projects across 123 local authorities.

'We want to continue to support local authorities – and enable them to support their providers to offer 30 hours free childcare, which is why we established the Delivery Support Fund, backed by £8.65m in funding, in November last year.

-reprinted from Nursery World

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