

Extra £66 million promised for early years in government spending round ^[1]

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EXCERPTS

The early years sector has responded by welcoming any extra amount of funding, but have warned the sum announced today will not be sufficient to solve many of the sector's financial woes.

The £66 million pledged today falls well short of the predicted £662 million shortfall in funding for the sector.

Funding increase 'won't bridge £662 million funding gap'

Neil Leitch, chief executive of the Early Years Alliance said: "The early years sector has been holding its breath, waiting desperately for some reprieve from years of government underfunding. While any extra money is welcome, the £66 million announced by the Chancellor of the Exchequer for early education will not make even the smallest inroad into bridging the £662 million funding gap in the sector.

"We are nearing a tipping point where parents will no longer be able to bear the increase in fees and optional extras that childcare providers are forced to charge to subsidise the funding shortfall. Many childcare providers have already reached that tipping point and have closed for good. On today's news, expect more childcare price hikes and more closures."

'The sector needs more'

Earlier this week the Government announced plans for new teacher salaries to rise to £30,000 by 2022-23, but those plans were criticised by Purnima Tanuku, chief executive of NDNA, who said "We are facing a workforce crisis in early years fuelled by government underfunding and stalled investment plans. While investment in education is good news, we need to see a firm commitment to the early years."

The chief executive of the Professional Association of Childcare and Early Years (PACEY), Liz Bayram said: "With so many providers struggling with the low fees Government pays them to deliver "free" early education places, the Chancellor's announcement today of an additional £66m from next year is a start.

"However the sector needs more, it is crying out for a long term investment strategy that ensures providers can deliver the high-quality places children and families deserve without risking their childcare businesses' future sustainability.

"This £66 million, alongside the additional £700 million for high need children and young people in the school settlement will help. However, PACEY's focus remains on working with the DfE and Treasury to ensure this acknowledgment that funding is too low is developed into sustained and full investment in the Government's early education strategy.

"Only then will we start to see the disadvantage too many children still experience begin to reduce."

Funding amounts to an increase of less than 2 per cent

Ms Tanuku added: "For three years providers have faced stagnating funding rates to deliver the Government's childcare policy so any announcement of plans to increase the rate will be welcomed. However, the devil will be in the detail.

"The Chancellor's announcement of an additional £66 million of additional funding amounts to an increase of less than 2 per cent and we will have to wait and see how this will breakdown between regions and providers.

"We welcome the Chancellor's plans for an additional £700 million funding for children with SEND and hope that some of this will be allocated to early years."

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