

Reflection of the pressures within the Early Years Sector

Background

We should be concerned that the Early Years sector is reaching financial breaking point and there is a genuine possibility that settings may close or restrict care and education solely to 3-4 year provision, where staff to child ratios are more generous, resulting in reduced staffing costs. If so, the very children we are trying to reach, particularly our most vulnerable families who often need additional support and help with early intervention programmes will be unable to access Early Education provisions, resulting in failures to bridge the learning and development gaps many of these children typically have.

Finance

A recent 'Call for the True Cost of Childcare' has been completed and we wait the report and recommendations for enhanced payments. Settings reported consideration to (and not exclusively) rising costs in the following:

- Staff hourly wages
- Implementation of pension scheme
- HR and H&S costs
- Accountancy fees
- Waste disposal
- Staff training
- Rent
- Business rates
- DVD licence (MPLC) – Schools have this paid for directly from the DSG fund

Whilst cost have been and are expected to rise further, the Early Years sector is funded significantly below the levels of income each FTE brings into the DSG and significantly below other education providers (especially when the additional enhancements are factored in).

The table below is a comparison of education funding using information from the Schools Forum in January 2015.

Cohort	FTE (income to DSG)	Actual BPPE	Early Years funding compared to FTE	Early Years funding BPPE:£4 hourly rate
3 & 4 year olds	£3,888.06	@ £3.85 = £2,194.50 @ £4.00 = £2,280.00	- £1,693.56 - £1608.06	
KS 1 & 2		£2,754.40 (plus lump sum of £106,700)		- £474.40
KS3		£3,607.24 (plus lump sum of £175,000)		- £1,327.24

It is appreciated that all education sectors are facing huge pressures, however Child-minders, setting leaders and managers are often required to be 'in ratio' meaning they are expected to complete management task whilst working full time with children.

However, whilst it is acknowledged that many who work in education give up *some* of their own time, it is worth noting that Early Years leaders do not have the privilege of delegating these duties to specialist members of staff – such tasks are completed by setting managers and child-minders in *much* of their own time.

Time, Staff and Resources

The current situation within the EY sector is there is a desire to raise the quality of the EY workforce through access to enhanced training to degree level in order to improve outcomes for children and raise standards. However, due to the current level of funding providers are in a catch 22 situation where the funding does not enable them to pay the appropriate hourly rate for higher qualified staff making staff retention difficult and often leave them to go to other settings.

However, the introduction of new Living Wage, in a sector that traditionally is one of the lowest paid, has already added to financial pressures. Furthermore, this must be 'up scaled' to more senior or higher qualified staff members, resulting in massive wage rises, with reports of £18,800 and £36,000 per annum increases in wage bills (approximately an additional 17 FTE to plug the gap).

Both local evidence and international evidence (in the form of reviews and reports) highlights the benefits of money placed in Early Years Education Settings where we can support, educate and intervene with services before children start school and work on a '*preventative*' approach rather than the '*reactive*' approach to assist the Borough and schools to reduce the burden of high needs placements.

SEND statement/EHCP levels in Swindon are 3.8% against a national average of 2.6%, placing significant pressures on budgets as we support the growing numbers of children requiring additional support in schools. Whilst it is appreciated that all members should unite to contribute to the provisions for SEND, it is suggested that this contribution should be distributed in a fairer, relative manner than previous approaches.

Significant changes in recent years have also added to workloads such as:

- responsibility to complete and review Early Help Records
- work closely with the Health Visiting Team when conducting 2 year reviews
- increases in safeguarding issues and attendance to (and writing reports for) TAC meetings and CP conferences
- a greater number of children starting at settings with development delay/SEN
- greater attendance to network meetings
- making referrals to children's centres along with informing parents 'What's on?' at their local Children's Centre
- and more recently the SEND reforms and Education and Health Care Plans.

Additionally, Ofsted requirements necessitate greater parent partnerships including open days and parent evenings, working closely with other professionals, tracking children's progress and keeping a record of how Early Years Pupil Premium is spent. The new inspection framework also places greater emphasis on tracking children's progress and educating parents and carers on healthy eating and oral hygiene, as the country tackles childhood obesity and a nation of children with rotten teeth. Furthermore, settings are also subject to other legal requirements such as updating allergens lists (including non-food items such as play-doh for example) and Public Health inspections. All of the above is in

addition to the actual running of a business – payroll, invoices, attendance, staff reviews, updating websites, show around's etc.

This report is not suggesting that settings should not conduct the above as fulfilling these duties is what makes settings' good' or 'outstanding'.

Wider Pressures

A further concern of the sector is the implementation of 30 hours of childcare. Research conducted by SBC have suggested the Borough needs to source the equivalent of 72 Reception Class places by September 2017 with an expansion expected of 21,000 new homes in the borough requiring an additional 33 classes.

A recent survey indicated that 46% of settings are interested in expansion of businesses, but this cannot happen without financial support to do so. Furthermore, there is anxiety that they may have to turn away *existing* families as they may simply not have enough childcare hours to accommodate the increase.

Settings and child-minders have also expressed concern that they already operate the 15 hours Early Education programme at a loss and the additional 15 hours will effectively mean a further 'pay cut' as the £3.85 (£4.00 for setting operating flexible funding over 52 weeks) does not cover the cost of providing the sessions, never mind their own hourly rates.

Additionally, it has been highlighted that provision for SENRAP funding will need to be enhanced, which also needs to be recognised.

A further unease with the implementation of 30 hours is the tightly governed restrictions on staff to child ratios. Faced with such rising costs, business decisions need to be made and there is a genuine fear that settings will reduce the number of childcare places for children under 3 years to enable the 30 hours to be accommodated. In doing so, managers can reduce staff numbers and related costs such as pensions.

Summary

The Early Years Sector is asking for more money – although the request is made in the context that it is merely asking that the money provided by central Government should be passed directly and fairly on to settings to enable leaders to do the job effectively.

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