

County Council Meeting – 16 March 2023**Question to Councillor Price
Cabinet Member for Education (and SEND)****By Councillor Charlotte Atkins**

Question

What assessment has the County Council made of the financial viability of the private nursery education provision in Staffordshire? Is the new nursery education funding rate of £4.52 per hour sufficient to meet the escalating costs of nurseries delivering up to 30 hours a week for three and four year olds in Staffordshire? What support is the County Council offering the sector?

Reply

The County Council currently has not carried out any financial viability, this is because a national study of all early education funded childcare was conducted to establish the national funding formula. In addition the scale of this study due to the complexity of the market for example, there are differing provider types with significantly differing overhead costs would be extremely challenging.

We do however meet with the Early Education Reference Group and the sector more broadly. We understand that the sector is facing rising costs which mean that the hourly rate they receive through the early education entitlements can feel lower.

- Living wage increases
- General inflation
- Energy and food prices
- Rent increases
- Increase in cost of consumables
- Reduction in private income as parent requirements change
- Recruitment and retention issues

The Local Authority has to operate within a National Funding Formula. We are mandated to pass out a minimum of 95% funding for 3- and 4-year-olds to settings. In recognition of the increased costs identified by the sector above the County Council has ensured a budgeted funding pass-through rate of 96.2% to providers of the 3- and 4-year-old allocation.

Staffordshire however is a low funded authority and therefore this may still feel insufficient to local providers and we are raising this issue with the Department for Education both regionally and nationally and via the LGA.

In addition any early years provider who claims early education funding is able to request support visits from one of our Sufficiency and Market Development Officers. The team provide advice and guidance bespoke to the setting context regarding matters such as:

- Marketing and promotion
- Sustainability
- Recruitment and Retention
- Setting up new childcare
- Early Years Entitlements
- Suitability of premises
- Governance
- Staffing
- Leadership and Management
- Accessing funding such as EYPP and DAF

We would like to offer any setting who is struggling this support so please tell them to get in touch if they are facing challenges.

