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Your reference:

Our reference:

Date: 30 June 2021



**Co-operative Executive Member for
Education, Children and Families
Councillor for Southey Ward**

Town Hall, Sheffield, S1 2HH

Rt Hon Gavin Williamson CBE
Secretary of State for Education
House of Commons
London
SW1A 0AA

Dear Mr Williamson

We are writing on behalf of the Sheffield early years sector to express our concerns regarding the disparity in Sheffield's hourly Funded Early Learning (FEL) rate, as compared to other core cities with similar socio-economic conditions. Please see the core cities benchmarking of rates as per Appendix 1.

The attached analysis highlights the variation in the hourly FEL rate across comparative core cities, with Bristol receiving the highest hourly funding at £5.69 an hour for 3 and 4-year olds, which is 21% higher than Sheffield's rate of £4.71 per hour.

Whilst we recognise that the Early Years National Funding Formula (EYNFF) is a move towards greater fairness, and we welcome the increase of 3.1% in 2021/22 compared to 2018/19; from a Sheffield perspective it appears that we continue to be underfunded as compared to other local authorities – there has been a similar increase (around 3% for all other core cities except Bristol), which means the historic anomalies in funding have not been addressed.

In addition to the inconsistencies in funding across local authorities, we believe that the increase being offered nationally is insufficient to meet the increasing costs as a result of the National Living Wage which has increased by around 11% over the period 2018/19 to 2021/22, and which exemplifies the shortfall between FEL growth and wage costs.

Furthermore, the sector has been disproportionately impacted by Covid-19. Although early years providers were relied upon to enable key workers to continue to work during the pandemic; they received far less financial protection than schools and did not receive the additional funding for Spring 2021 as anticipated.

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While Sheffield City Council provided additional support for the publicly funded hours (over and above national guidance), early years providers received little support for the paid provision.

The insufficient increase in funding, historical underfunding, increasing costs and impact of Covid-19 means that early years providers in Sheffield will be faced with financial sustainability issues across the childcare sector. This could potentially lead to closure for a number of providers, seriously impacting our ability to provide sufficient FEL and Childcare places for parents in the city.

It is also becoming increasingly difficult to recruit and retain quality staff due to the early years providers' ability to pay competitive rates.

Low staffing levels within settings have an impact on providers being able to access SEND and safeguarding training, meetings and networks which would benefit the children and families in their care, resulting in issues not being diagnosed, addressed or supported as there are not the staff numbers to cover whilst maintaining required ratios. In addition, many settings cannot afford to access training and there are some practitioners who self-fund their own training and further qualifications.

Sheffield has faced many years of standstill funding for FEL - inflation and increased costs have meant a real terms reduction in funding for the early years sector. The sector has been reviewing its spending and there is little or nothing left to cut without impacting on the outcomes for Sheffield children.

Sheffield City Council continues to work with early years providers via the Schools Forum and its Early Years Working Group to assess any potential impact on the sector and to provide support and guidance.

As Vicky Ford MP said in a recent speech: *'The early years experience is a vital part of a child's education. It is when children develop the communication skills that set them up for life. Those skills cannot be taught online.'* We trust you can see that the historically low FEL allocation continues to be seriously disadvantageous for Sheffield early years providers and we would therefore appreciate your help to increase funding to this sector without delay.

We would welcome a meeting with you to discuss the matter in more detail and we await further contact from your office to arrange a suitable date at your earliest convenience.

Yours sincerely



Councillor Jayne Dunn
**Co-operative Executive Member for
Education, Children and Families**



Paul Stockley
Chair, Sheffield Schools Forum