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Vicky Ford MP

Parliamentary Under-Secretary of State for Children and Families

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Rt Hon Sir George Howarth MP
By email: george.howarth.mp@parliament.uk

12 February 2021

Dear Sir George,

Thank you for your email of 23 November, addressed to the Chancellor of the Exchequer, enclosing correspondence from your constituent, about the support available to early years providers and nursery charging practices. I am replying as the minister responsible for this policy area. I apologise for the delay in responding.

May I begin by wishing you well in these challenging times.

The government immensely values the selfless dedication that early years and childcare staff demonstrate in their work every single day. The earliest years are the most crucial point of child development and attending early education lays the foundation for lifelong learning and supports children's social and emotional development. We continue to prioritise keeping early years settings open in full because of the clear benefits to children's education and wellbeing and to support working parents. Caring for the youngest age group is not something that can be done remotely, and our children cannot get these months back.

Early years provision should remain open and continue to allow all children to attend full-time or their usual timetable hours. This includes early years registered nurseries and childminders, maintained nursery schools, as well as nursery classes in schools and other pre-reception provision on school sites. This is the default position for all areas irrespective of national lockdown restrictions. Only vulnerable children and children of critical workers should attend on-site reception classes.

We are funding nurseries as usual and all children are able to attend their early years setting in all parts of England. Where nurseries do see a drop in income from either parent-paid fees or income from the department, they are able to use the Coronavirus Job Retention Scheme (CJRS) scheme. Further information about financial support for education, early years and children's social care is available at: tinyurl.com/Y7fw2JYh.

We recognise childcare attendance has been affected by the COVID-19 outbreak. We saw attendance rise over the autumn term from 482,000 on 10 September to 759,000 on 17 December. On 17 December, the government announced a return to funding early years settings on the basis on attendance. In line with the existing and unchanged statutory guidance, local authorities (LAs) should ensure that providers are not penalised for short-term absences of children, for example sickness, parental concern over COVID-19, arriving late or leaving early, or a family emergency through withdrawing funding, but use their discretion where absence is recurring or for extended periods, taking into account the reason for the absence and the impact on the provider. A copy of the guidance is available at: tinyurl.com/Y7b6wxt8.

We will fund LAs in the 2021 spring term based on their January 2021 census. If attendance rises after the census is taken, we will top-up councils to up to 85% of their January 2020 census level, where an LA can provide evidence for increased attendance during the spring term. This will give LAs additional financial confidence to pay providers for increasing attendance later in the spring term.

We continue to work with the early years sector to understand how they can best be supported to ensure that sufficient safe, appropriate and affordable childcare is available for those who need it now, and for all families who need it in the longer term.

In line with the spring term funding changes, we have also updated the CJRS guidance, so that providers who have seen a reduction in their free early education entitlements funding, due to lower attendance, can increase their CJRS claim, so long as staff affected were on payroll on or before 30 October, and providers continue to meet the conditions as set out in the department's CJRS guidance. We continue to ensure early years providers can access all the support available. Childminders may use the Self Employment Income Support Scheme. The sector has also benefitted from business rates holidays and business loans.

The Job Retention Bonus scheme will not be paid in February as the intent of the bonus is met by the extension of the CJRS.

The Job Support Scheme has been postponed due to the extended CJRS. The extension of the Self Employment Income Support Scheme, which the Chancellor of the Exchequer announced on 24 September, is available at: tinyurl.com/YYQYdG69.

LAs have a general duty to safeguard and promote the welfare of all children in need in their area. On 18 April, the government announced that councils across England will receive £1.6 billion in additional funding to support those affected by the COVID-19 outbreak. This takes the total given to councils to help their communities through this difficult time to over £3.2 billion.

We have also provided further clarity on other available support, including eligibility for the CJRS, where an employer receives government funding. Further information about the financial support available for education, early years and children's social care which is available at: tinyurl.com/Y7fw2JYh.

With regard to charging, childcare providers will have individual agreements with parents but we have urged all childcare providers to be reasonable and balanced in their dealings with parents, given the great uncertainty that they will also be facing.

Early years settings will continue to benefit from a planned £3.6 billion funding in 2020-21 to create free early education and childcare places for children. Further information is available at: tinyurl.com/Y7b6wxt8.

The government has also provided circa £60 million in supplementary funding for maintained nursery schools this year, and we are re-confirming that funding, nationally, in 2021-22. The government remains committed to the long-term funding of maintained nursery schools.

Furthermore, the government continues to support families with their childcare costs. On 25 November, the Chancellor of the Exchequer announced a £44 million investment in 2021-22, for LAs to increase hourly rates paid to childcare providers for the government's free childcare entitlement offers.

We can now confirm that, in 2021-22, we will increase the hourly funding rates for all LAs by 8p an hour for the two-year-old entitlement and, for the vast majority of areas, by 6p an hour for the three- and four-year-old entitlement. This will pay for a rate increase that is higher than the costs nurseries may face from the uplift to the national living wage in April.

We are also increasing the minimum funding floor, meaning that no council can receive less than £4.44 per hour for the three- and four-year-old entitlements.

We continue to work closely with the early years sector, and we are working hard to mitigate the impacts of COVID-19 on all parts of our society, including individuals and business.

Guidance on actions for early years and childcare providers during the COVID-19 outbreak is available at: tinyurl.com/vvx2c4e.

Information about financial support for all businesses during the COVID-19 outbreak, including the Coronavirus Business Interruption Loan Scheme and the coronavirus Bounce Back Loan, is available at: tinyurl.com/rnbt34t. Furthermore, assistance on identifying appropriate financial support for a business is available at: tinyurl.com/Yd7o2P9d.

If this information or the links included do not answer your question, my office will be happy to let you know of a future MP drop-in session.

Thank you for writing on this important matter.

Yours sincerely,

A handwritten signature in black ink that reads "Vicky Ford". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

Vicky Ford MP
Parliamentary Under-Secretary of State for Children and Families