

Dear Colleagues

Following a meeting of managers and as school forum representative PVI managers have asked me to raise with you our concerns with you regarding the offer of 5p per hour for three and four year old funding.

We feel this rate being just over 1.35% makes us vulnerable and in some cases unsustainable. With several PVI settings already closing recently, over the city this would be obviously not only be a concern to the individual settings, parents, staff and children, but also to the LA as it will affect their sufficiency for funded places. The childcare bill policy statement page 6 states 'On 25th November the Chancellor announced that the government will invest an extra £1 billion per year by 2019-20 in the early education entitlements. This includes nearly £300 million per year from 2017-18 for a significant uplift to the national average rate paid for the two-, three- and four- year-old entitlements. The national average rates for both two-year-olds and three- and four-year-olds will increase by at least 30p per hour. For three and four year olds the national average rate will increase from £4.56 to £4.88, including the Early Years Pupil Premium. For two year olds it will increase from £5.09 to £5.39.' Whilst it is understood that these are averages and is in fact for 2017-2018, it would give guidance to what is expected to remain sustainable.

We understand that the councils plans have always been for parity between providers and as such funding for PVI's , nursery classes and nursery schools are now equal and receive the same amounts. Though in reality this is not the case as PVI's pupils do not benefit from such things as free school meals (where entitled) and the ability to draw on school funds to provide 25 or 30 hours of education. These are often provided free or at a reduced cost.

As you are aware PVI's are stand alone, and as with Nursery Schools we are responsible for our rent, mortgage, rates, utilities as well as all resources and training. In line with this the new Living wage means that to keep our differentials the same for our qualified and non-qualified staff our wage bill will need to rise over 7.5%. This and also the pension contribution and loss of reclaiming SSP has will greatly affect many settings.

We note from the school forum meeting minutes that Nursery schools have had a one payment to help with sustainability of £40,000 each. See meeting minutes 15th January 2016, point 5.6. They are also protected additionally by MFG. Managers have also asked me to raise if we have agreed to give the 40k of public money (as shown in appendix a) to the nursery schools when the fact still remains that if they are not sustained on the current rate of funding then they will be needing the cash injection year on year. Also the fact that they are giving the grant to nursery schools that do not require it, again wasting public money, £160,000 That would pay a whole year rise at a further 10p ph for 2,800 children and including the 80k going to the other two nursery schools that's £4,200 children that could have benefited from a 10p per hour rise. Managers understand that the need to pay all the nursery schools is a statutory requirement but it is still food for thought about the value of where funds of being allocated and the impact on the children's outcomes.

It is not our wish at all to see any nursery school or class close but wish to again highlight if they are not sustainable with the new funding of £3.75 how can the PVI's be? We understand that nursery schools have to employ a teacher and PVI's do not, but PVI staff are now often graduates and have taken additional qualifications for EYP or EYT and need to be paid accordingly in order to retain their

employ and maintain our high standards of education and enable children to make progression towards their early learning goals. If we do not employ graduates to work directly with the children our ratios are 1:8 meaning our staffing costs are higher.

We understand that the special needs and deprivation rates stay the same, and this is applauded as the numbers of children needing extra support increases. Though as additional funding it cannot and indeed should not be relied upon to make up staff wages.

We ask that the forum relooks at the funding to ascertain whether a further increase is possible to support all Early Years providers to provide the necessary foundations of education needed to support the children of Stoke on Trent.

Additional to this the managers have requested that we have a PVI representative from each cluster in order to ensure all areas are being represented equally.

Thank you

Sue Smith