

Dame Meg Hillier  
Chair, Public Accounts Committee  
House of Commons  
London SW1A 0AA

15 May 2024

Dear Meg,

**Preparations to extend early years entitlements for working parents in England**

Justin Russell, Susie Owen and I appeared before the Committee on 8<sup>th</sup> May. I am writing to follow up on points raised in the hearing.

**Questions 9 and 10 (Robin Walker): Could you give us a list of Local Authorities that have come out of the Safety Valve programme supporting SEND provision where deficits have been reduced or removed?**

Most Local Authorities (LAs) with Safety Valve agreements are currently on track with their targets to manage and reduce their Dedicated Schools Grant (DSG) deficits.

The latest published data we have on LA deficits is from the end of 2022-23 financial year, at which point Richmond Upon Thames had all but eliminated their deficit (an outstanding balance of £0.3m, with their agreement running to 2024-25 year end – compared to a deficit in 2019-20 of £14.8m). We expect 2023-24 deficit data within the next few months, but our monitoring of LAs shows the great majority are on track. Since signing their agreements, the following LAs have reduced their historic deficits: Barnsley, Bexley, Blackpool, Bolton, Bury, Cambridgeshire, Darlington, Dorset, Hammersmith and Fulham, Hounslow, Isle of Wight, Kent, Kingston Upon Thames, Norfolk, North Somerset, North Tyneside, Richmond Upon Thames, Rotherham, Salford, South Gloucestershire, Southwark, Stoke-on-Trent, Surrey, Torbay, Wokingham and York.

The majority of Safety Valve agreements run for between five and seven financial years, with the expectation that LAs will have fully eliminated their DSG deficits by the end of that period.

**Question 47(Chair): Could you share a copy of the 2023 Childcare Provider Survey which has a table of the number of registered places in it?**

The *Childcare and early years provider survey 2023* is available [here](#), and *Section 2 – Number of childcare places* includes a table with the number of registered places (2018 to 2023) by provider type.

**Question 52-54 (Chair): Can you confirm the date that the termly headcount data will be published later this year and what this publication will include?**

We are considering options to publish the summer termly headcount data in early autumn, and autumn headcount data early in 2025.

**Question 77: Sarah Olney asked about the £31k salary visa threshold for foreign workers. I replied: “[...] visa thresholds for early years haven’t been a particularly strong feature of the feedback we have been getting, although I am really happy to take that away and have a look at it.”**

Throughout recent changes to the immigration system, we have worked closely with No.10, Home Office, and stakeholders from the early years sector to understand the impact of the changes to the Skilled Worker visa on the early years workforce.

On 4 April 2024, the new immigration rules came into force. Early years providers can continue to recruit staff from overseas if the minimum salary threshold of £38,700 is met. Nursery education teaching professionals on national pay scales can be recruited from overseas on salaries of £23,200 and above.

Beyond the immigration system is the resident labour market, which includes UK workers and migrants with general work rights, who can all work without government restrictions. We are supporting providers to recruit domestically by attracting talented staff into the sector, supporting the recruitment and retention of childminders, and making early years careers as accessible and rewarding as possible.

We will continue to engage with the sector, Home Office and the Migration Advisory Committee on future reviews of the Immigration Salary List.

**Question 95: Robin Walker asked about funding rates to disadvantaged pupils. Susie Owen replied: “We have increased EYPP and disability access funding, which is a payment that goes to the child if they are in receipt of DLA, so they have seen increases. I can confirm what those figures are; I don’t have them here, but we have increased them in line with the uplift rates in recent years.”**

The Early Years Pupil Premium and Disability Access Funding rates are:

	Early Years Pupil Premium		Disability Access Fund (DAF)
Financial Year	Hourly Rate	Annual Equivalent (on max 570 hours)	Rate per Annum
2017-18	53p	£302	£615
2018-19	53p	£302	£615
2019-20	53p	£302	£615
2020-21	53p	£302	£615
2021-22	53p	£302	£615
2022-23	60p	£342	£800
2023-24 Apr - Aug	62p	£353	£828
2023-24 Sept-Mar	66p	£376	£859
2024-25	68p	£388	£910

*September 2023-24 increase reflects investment from the early years supplementary grant*

## **Clarifications**

In response to Question 57, Susie Owen refers to the Local Authority Ombudsman, the correct name for this is the Local Government Ombudsman. Susie also did not mention that in order to complain to the LGO a parent must have first exhausted the Local Authority complaints procedure.

In response to Question 67, I mentioned “The rates that we are setting” then referred to £11.22 for under 2s, £8.28 for 2-year-olds and £5.88 for 3–4-year-olds. Although those numbers are correct, not all Local Authorities will see those actual rates – those are national average rates and should be referred to as such.

In the answer to Question 79, Susie Owen referred to the childminder start-up grant scheme as being financial incentives of either £500 or £1000, when this should have been £600 or £1200. I would be grateful if this change could be made in the subsequent report.

In the answer to Question 5 I said that we have evaluation programmes around both safety valve and delivering better value, and an evaluation planned for the change programme. In fact, we do have an evaluation programme in place for the ‘change programme’, run by a consortium headed up by ICF, research on the impact of the safety valve programme is about to begin, and the evaluation for the ‘delivering better value programme’ is being planned.

I hope the information provided in this letter is useful to the Committee.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S Acland-Hood', written in a cursive style.

**SUSAN ACLAND-HOOD  
PERMANENT SECRETARY**