



Purnima Tanuku OBE

Chief Executive
National Day Nurseries Association

A sector update from NDNA





UK Government



Prime Minister
Rishi Sunak



Chancellor
Jeremy Hunt



Education Secretary
Gillian Keegan



Minister for Children,
Families and Wellbeing
David Johnston



Parliament



Shadow Education
Secretary
Bridget Philipson (Lab)



Shadow Minister
for Early Years
Helen Hayes (Lab)



Education and Early
Years Spokesperson
Munira Wilson (LD)



Work and Pensions
Committee Chair
Stephen Timms



Education
Committee Chair
Robin Walker



Chair of All Party Parliamentary
Group on Early Years and Childcare
Steve Brine (Con)



Economic Context

- **Rising costs**
 - Inflation down to 3.4% and forecast to go below 2% around April
 - Food inflation is also down to 4.5%
 - Living wage up by 9.8% to £11.44 and applies from age 21
 - NDNA member research: Average wage bill increase of 14.4%
 - Government has announced index linked funding increases from 2025
- **NDNA has:**
 - Given evidence to Low Pay Commission about impact of NLW & NMW
 - Lobbied for increased funding, better capital support and relief from Business Rates
 - Done research with the sector on rising costs.



Spring Budget Announcements

The Chancellor announced a commitment to increasing funding rates for the coming two years. This covered three elements:

- Additional uplift in funding from 2025/26 for two years to cover increases in inflation and earnings
 - CPI for inflation
 - Average Earnings
 - National Living Wage increases
- The pass-through requirement on local authorities will increase to 97%
 - Timeframe is unknown for this ambition
- Funding rates to providers will have to be published within 8 weeks of the national funding being announced



Spring Budget Announcements

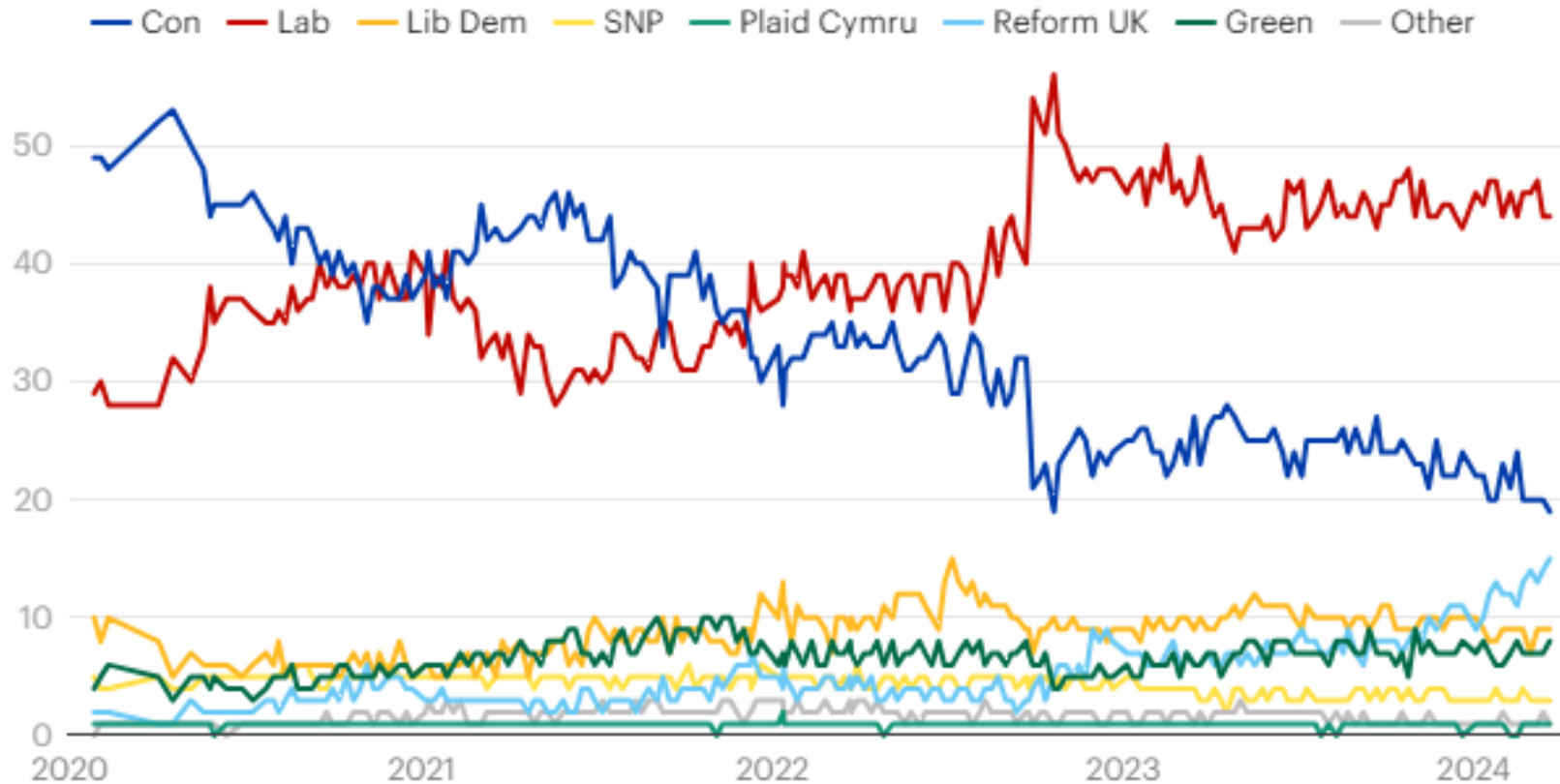
Other relevant Budget 2024 announcements:

- Inflation, which was 11% in Autumn 2022, has fallen to 4% (now 3.4%) and is forecast is to go below 2% around April
- Child benefit threshold changes will apply from April and increase from £50,000 to £60,000. Half a million families will benefit by an estimated £1,300 per household.
- Business rates relief were maintained for pubs and hospitality venues and a 40% relief was introduced for film studios
- National Insurance for employees cut from 10% to 8%

UK General Election 2024

YouGov Westminster voting intention tracker

If there were a general election held tomorrow, which party would you vote for? %

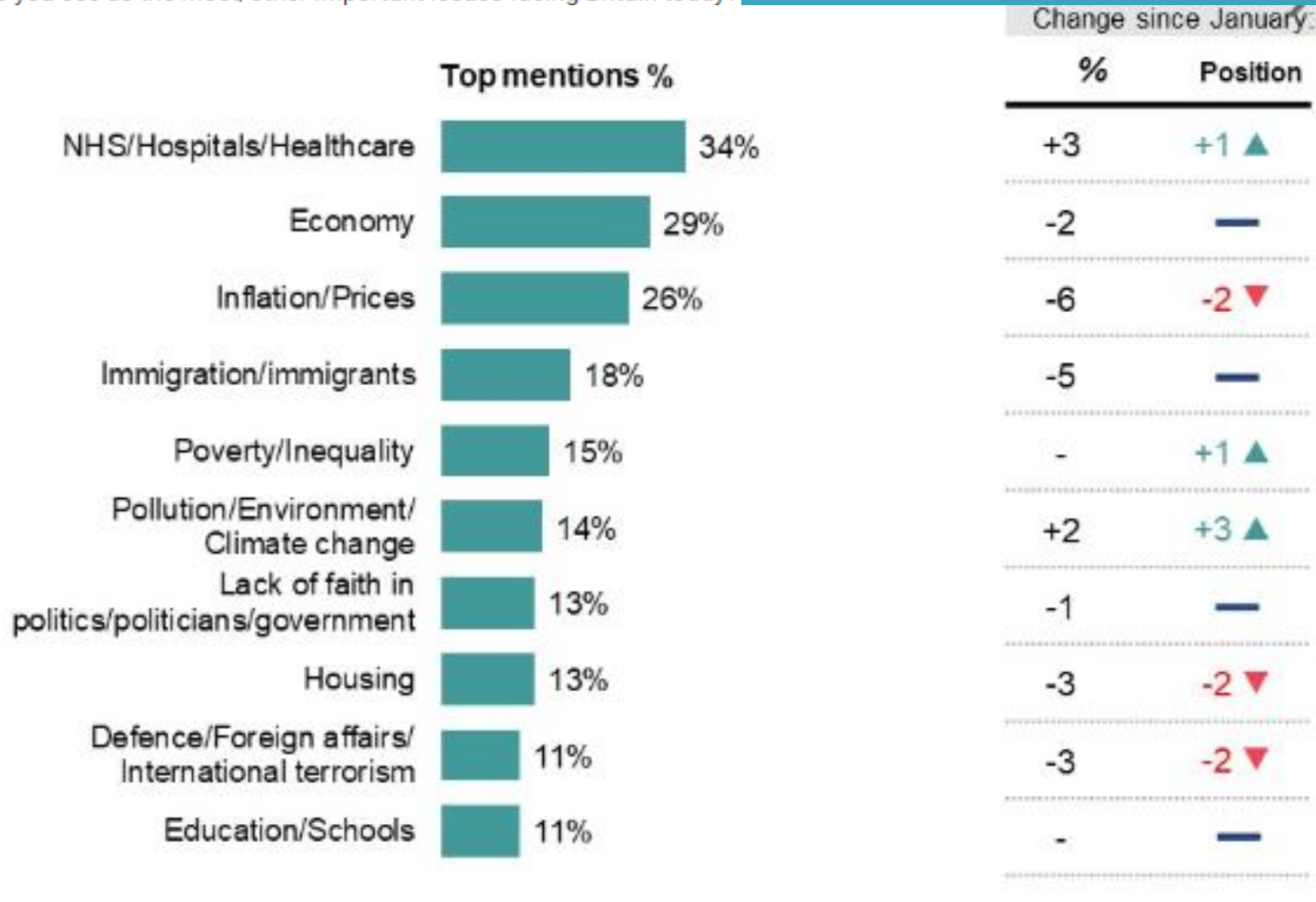


The latest YouGov/Times voting intention poll shows:
 Conservatives on 19% (-1 on Mid March)
 Labour 44% (no change).

Elsewhere, the Liberal Democrats have 9%
 Greens 8% and Reform UK have reached their highest polling of 15%.


UK General Election 2024


What do you see as the most/other important issues facing Britain today?




- The latest Ipsos Mori poll on priorities shows the economy and cost of living are in the top three
- Education and Schools is a lower priority for voters
- This is why childcare is often discussed as an economic issue

The current policy landscape

- 
- Government expansion planned to children from nine months old
 - £4.1 billion additional funding by 2027 and funding for wraparound care in schools
 - EYFS reforms and workforce campaigns

- 
- Committed to Government spending plans on early years
 - Commissioned a review headed by Sir David Bell
 - Pledged a 0 – 14 childcare offer to families but policy is under review.

- 
- Policy commitment to a Better Start in Life
 - Extra funded hours to disadvantaged children and triple the EYPP to £1,000
 - Improve qualification take-up and a graduate in each nursery.



Annual Business Survey



STATE OF THE SECTOR ENGLAND

Cost Increases For Nurseries & Parents



14.4%

Average increase in staffing costs for nurseries.



8.5%

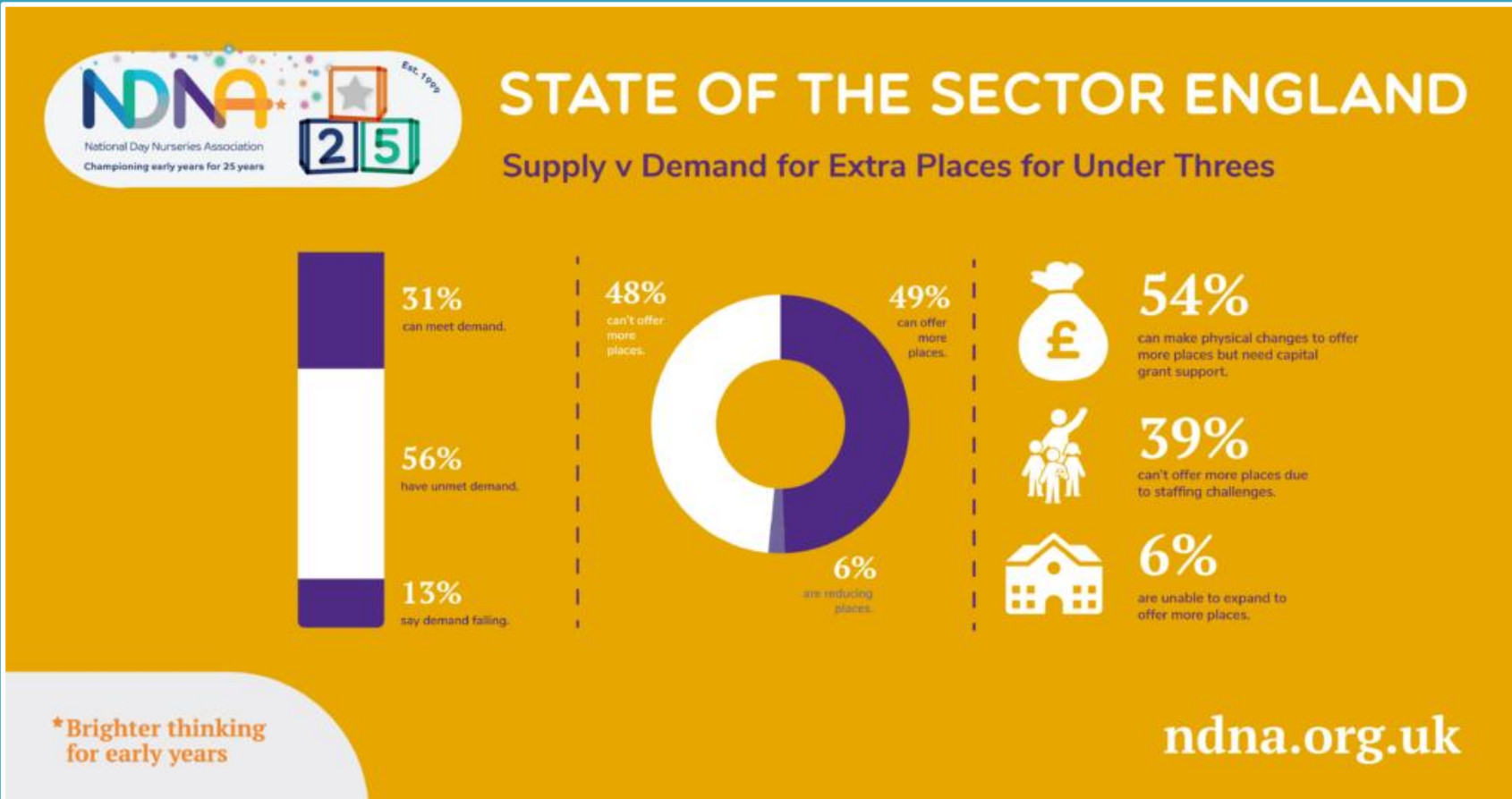
Average increase in parent fees.

*Brighter thinking for early years

ndna.org.uk

- Responses covering 448 nurseries across England
- Average staffing cost increase was 14.4%
- Average parent fee increase was 8.5%

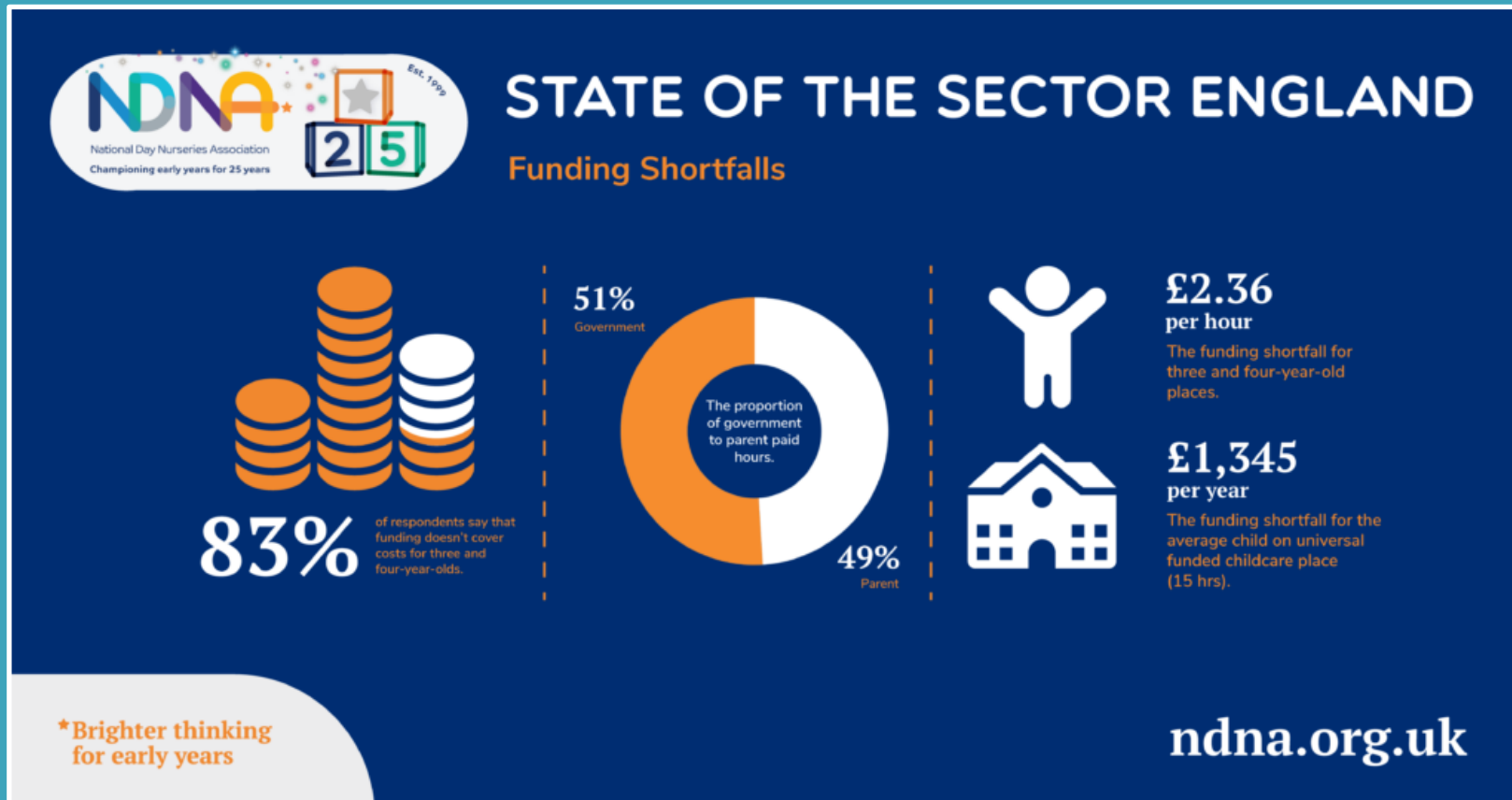
Annual Business Survey



- 56% have unmet demand
- 54% would need capital support to expand
- 39% are limited by staff shortages
- 48% cannot offer more places to under 3s

Annual Business Survey

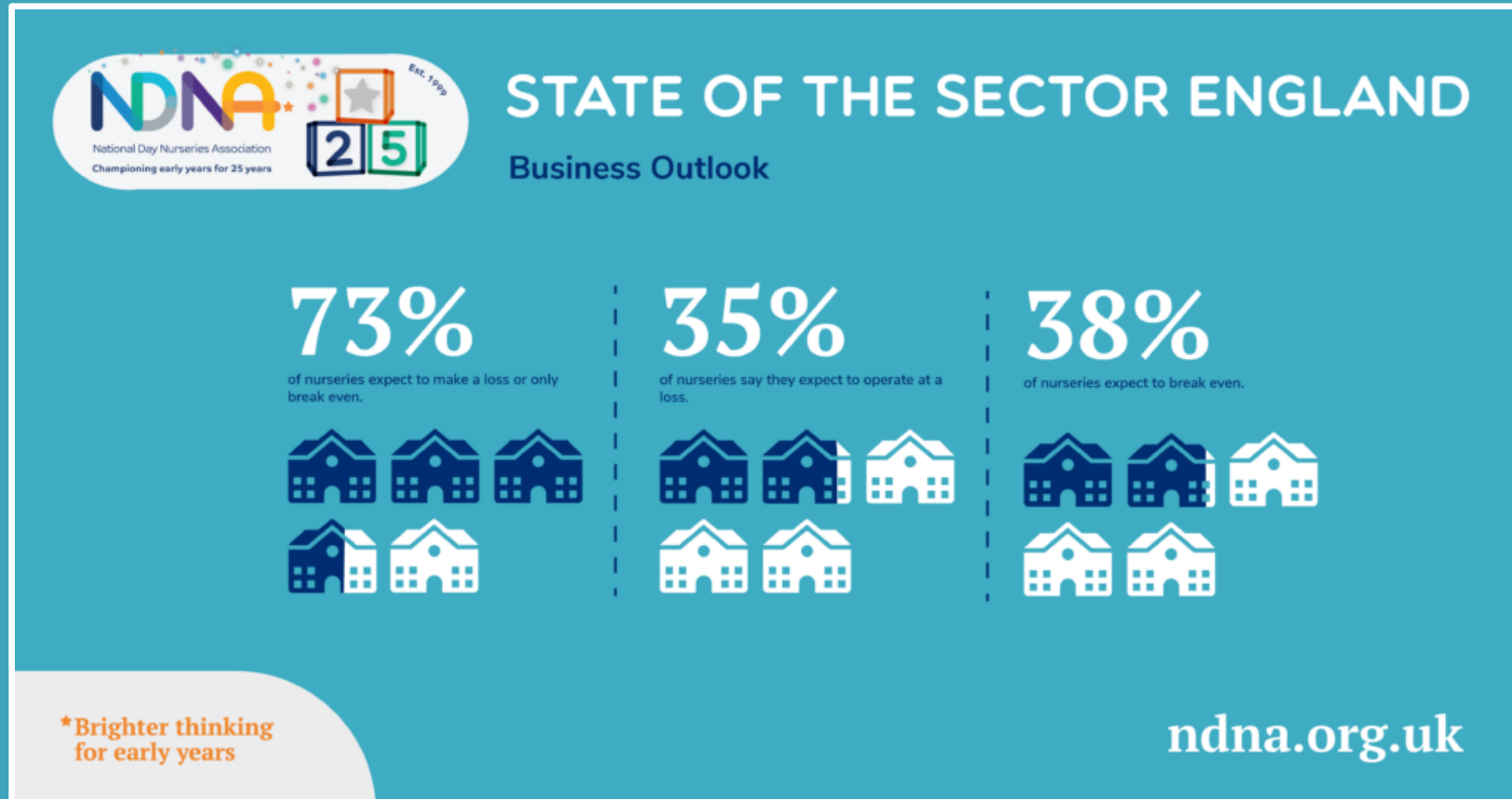
- 83% say 3 & 4 year-old rate doesn't cover costs
- Funding shortfall reported as £2.36 p/h per child





Annual Business Survey

- As a result – 73% operating at a loss or just breaking-even
- 35% are loss-making which goes up to 50% in areas of deprivation





Coram Childcare Report

- Survey of councils across the UK
- In England councils believe sufficiency is falling across the board
- Sufficiency for children with a disability is just 6%

Table 2 - Childcare sufficiency defined as 'Yes: in all areas' in England, for 2024 and 2023 (% LAs)

	2024	2023	Percentage point change
Children under two	35%	50%	-14%
Two-year-old free entitlement	45%	62%	-18%
Three- and four-year-old 15 hour entitlement	62%	73%	-11%
Three- and four-year-old 30 hour entitlement	55%	66%	-11%



Coram Childcare Report

- Fee increases to parents are 6.4 – 7.7%

Table 1 – Prices of 25 hours nursery for children aged under five, and price increases since 2023

	Under-tuos			Two-year-olds		
	2024	2023	Price increase	2024	2023	Price increase
Great Britain	£157.68	£148.63	7.4%	£151.72	£144.01	6.2%
England	£159.61	£150.89	7.7%	£153.69	£146.00	6.4%
Scotland	£125.42	£118.14	6.9%	£120.15	£114.81	6.8%
Wales	£139.94	£135.67	3.6%	£137.83	£134.92	3.0%

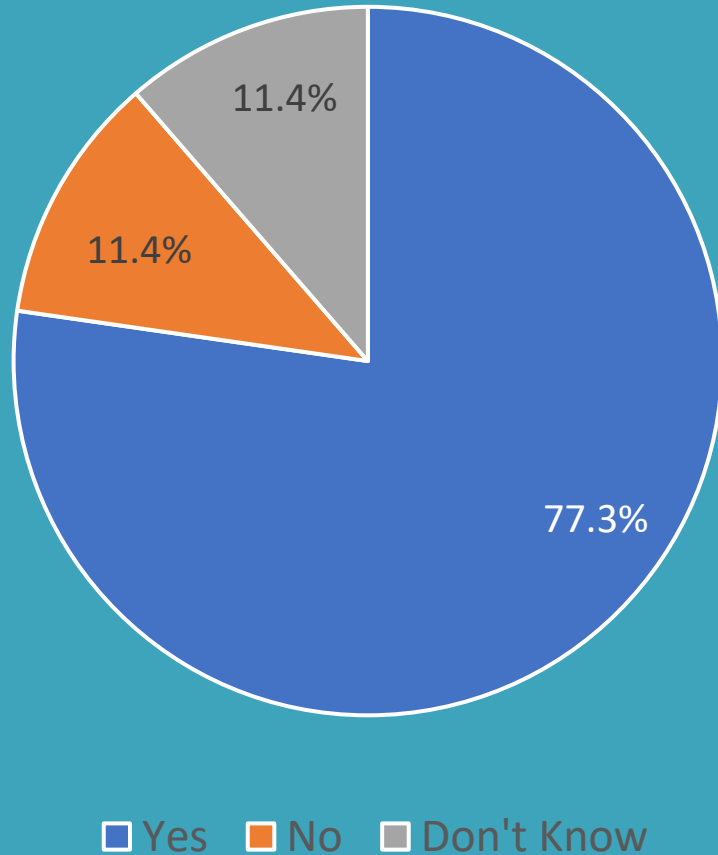


BUILDING THE FUTURE: A BLUEPRINT FOR EARLY EDUCATION AND CARE

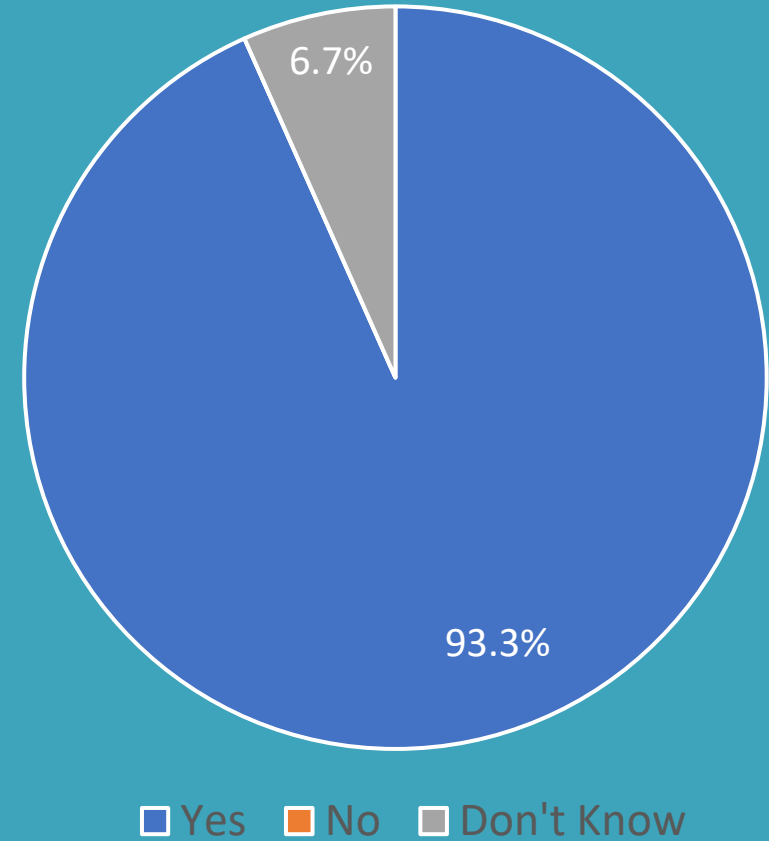


What members have said so far...

Should the work of the early years sector be framed as 'early education and care'?

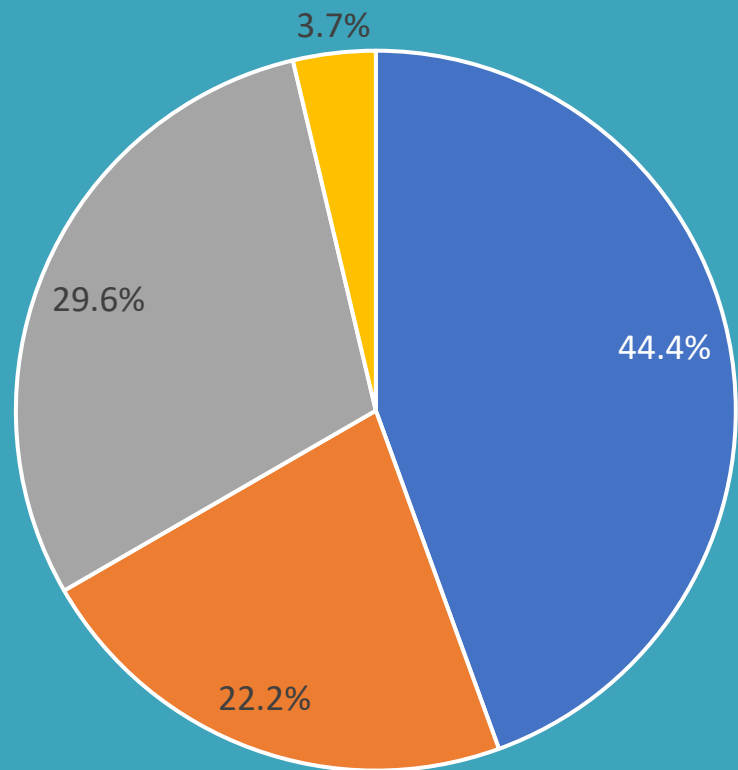


Would you support the creation of a single childcare account for families that can be paid directly to providers?



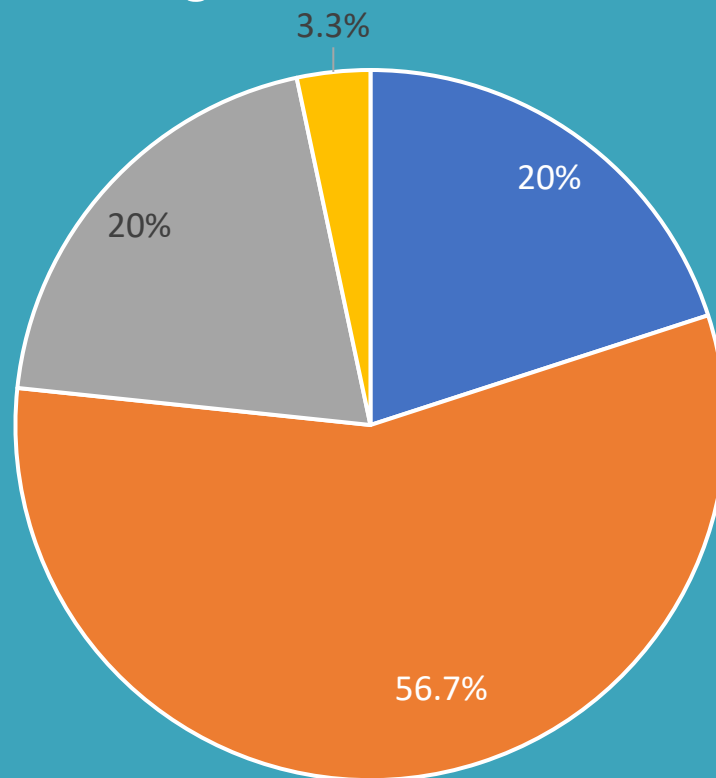
What members have said so far...

How could funded childcare work for parents and providers?



■ Cash value
 ■ Fully funded
 ■ Subsidy
 ■ Other

Should funded early education and care be universal or targeted?



■ Means Tested
 ■ Mixed
 ■ Universal
 ■ Other



Snap poll questions:

Would you support removing the Level 2 maths requirement from the Level 3 apprenticeships?

- Yes
- No
- Don't know



Snap poll questions:

Would you support changes to floor space requirements in the EYFS – especially for under 2 year olds?

- Yes
- No
- Don't know



Ofsted Big Listen

- Ofsted are here to give an update later in the agenda
- Sir Martyn Oliver has written a blog for NDNA
- Big Listen has launched - <https://www.smartsurvey.co.uk/s/ofstedbiglisten/>
- Questions across all areas of inspection
- Specific sections on early years inspection and SEND
- Questions on priorities for Ofsted, inspection practice, impact of Ofsted inspections and open-ended questions on Ofsted's culture and openness
- Consultation closes on 31 May



DfE announcement – Parent Applications & Funding Consultation

- Parents of newly eligible children can apply for funding codes for September from May 12
- Childcare Choices has eligibility info including a checking tool
- DfE are warning that many providers have waiting lists so parents should look soon
- Deadline for Codes is 31 August but won't guarantee acceptance
- Providers cannot set a deadline earlier than 31 July for parents to have a code
- Consultation on Childminders also includes questions on funding – eg monthly vs termly payments - and closes on 10 May



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An Afternoon with Kerry Murphy

Online event 25/04/24



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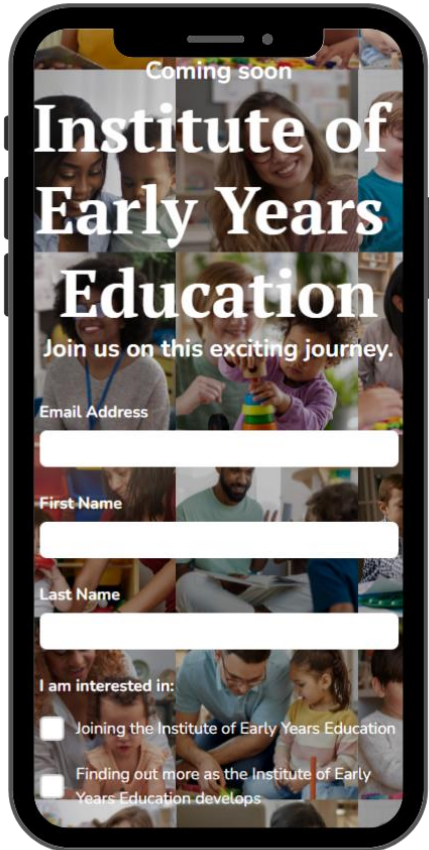
National Day Nurseries Association

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