

Make the First Five Years Count:

A manifesto for early education and care

Key early years data for England



General Election Campaign 2024 – key early years data for England

England’s early years sector overview:

- 21,200 nurseries & pre-schools in the private, voluntary and independent sector (PVI)
- They deliver early years education and care to 1.04 million children (67% of the total in England)
- 259,300 staff work in PVI nurseries and preschools (75% of the early years workforce)
- 96% of early years providers are currently graded ‘Good’ or ‘Outstanding’ by Ofsted.

The importance of early education and care:

- 90% of brain development occurs in the first five years of a child’s life
- Research analysed by the Education Policy Institute showed that 40% of the gap between children from disadvantaged backgrounds and their peers has already emerged by age five
- 42% of UK voters say a political party’s plans on childcare will shape how they vote
- Women could increase their earnings by up to £10.9 billion with adequate childcare
- Inadequate support for early years care and education costs England more than £16 billion every year according to researchers at the LSE.

The funded offer to parents and planned expansion:

- All three & four-year-olds are entitled to 15 hours of funded early education and care a week
- Working families can get up to 30 hours of funded childcare a week for three & four-year-olds
- Children aged two from disadvantaged families get 15 hours of funded childcare and all two-year-olds in working families can get 15 hours funded childcare (since April 2024)
- This is only available for 38 weeks a year (term time) so to stretch it for the whole year means families get just over 11 or 22 hours of funded childcare a week
- From September 2025 all children of working parents will be eligible for funded childcare from nine months old
- The OBR estimates 60,000 more people into employment by 2027/28 through the increase in funded hours
- The IFS estimates government bought childcare will go from 50% to 80% of hours
- NDNA spoke to providers after the expansion announcement:
 - 74.9% currently have a waiting list for one & two-year-olds
 - 73.5% would be able to take on more children if they could recruit more staff
 - 67% would need to expand their setting to take on more one and two-year-olds but 10% aren’t able to expand.
 - The number one issue is recruitment and retention of staff.



74.9% of providers currently have a **waiting list** for one and two-year-olds.

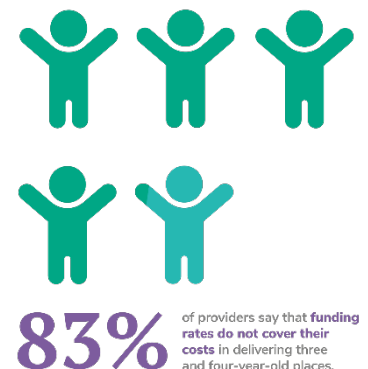
A shrinking sector at a time of expansion:

- Between 2018 and 2022, the number of providers have fallen by 7,100 (11%)
- Ofsted data revealed a net loss of 651 nurseries and pre-schools last year alone
- NDNA research has shown a 50% increase in nursery closures in the academic year 2022-23 compared with the year before
- This tracked 216 nursery closures in England In the academic year 2022-23 compared with 144 during 2021-22
- Closures are more likely to happen in areas of deprivation - 14.5% of nursery closures were in the 10% most deprived areas of England
- DfE survey of providers found that 2% were planning to close in the coming six months & 15% of nurseries felt they were likely to have to close – over 3,000 nurseries.



Funding shortfalls:

- 83% of providers told NDNA that funding rates do not cover their costs in delivering three & four-year-old places
- In April 2024 funding rates increased by 3.4% compared to the previous year
- Providers estimate the shortfall in funding is £2.31 per hour
- The IFS found that hourly rates for three and four-year-olds was more than 17% lower in 2023 than in 2013
- 73% of providers expect to operate at a loss or break even this year
- 35% of providers say they expect to operate at a loss this year rising to 50% in areas of deprivation
- NDNA's FOI 2022-23 found that £70m of early years entitlement funding was underspent in 104 council budgets and a £300m underspend over five years.



Rising costs:

- Nurseries told NDNA that their staffing costs increased by 14.4% on average this financial year
- The average increase in parent fees was 8.5%
- Inflation at its peak was over 11% and food inflation affecting meals which settings provide peaked at 19%
- Since 2017 the National Minimum and Living Wage rates have increased by between 58% to 62%. In the same period the funding rates paid by Government have increased by 21%
- The average business rates bill for nurseries is now £21,034 a 40% increase on previously reported rates.



A workforce crisis:

- The DfE estimates the early years sector will need 40,000 more staff to meet demand by September 2025
- The same study found that the sector has lost 3% of the workforce since 2019
- The pay of early years professionals is more comparable with those working in retail than other education professions such as primary school teaching
- NDNA's last workforce survey found a turnover rate of 24% with the number one reason to leave being pay
- Our workforce surveys have tracked a downward trend in the proportion of early years staff holding a Level 3 Qualification. This decreased from 83% in 2015/16 to 57% in 2021 when our joint research with EPI was published
- In our 2021 survey 96% of respondents were trying to recruit Level 3 staff
- When nurseries tried to recruit 90% said finding Level 3 staff was 'difficult' or 'very difficult'. Even taking on apprentices was 'difficult' or 'very difficult' according to 52% of employers
- Research into staff well-being in early years found that 52% report workload as a source of stress, 39% report paperwork stress, 33% were worried about their employers' sustainability and 27% were worried about Ofsted
- The Centre for Progressive Policy (CPP) reports that demand for childcare will rise by 52% by late 2025, requiring 27,800 additional full-time early years professionals
- CPP analysis found that Poorer urban areas across England (the cities of the Midlands, Hull, and outer London's poorer boroughs) face the biggest challenges, and will have to expand their childcare workforce by over 20% in little more than a year.



24% Average staff turnover rate with the number one reasons to leave being pay.

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National Day Nurseries Association is the national charity representing children's nurseries across the UK. At NDNA we don't just provide nursery membership, lobby government and offer training, we are dedicated to making a difference. Get involved:



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