Dear X, [You can find details of your local MP/MS by entering your postcode here - <https://www.writetothem.com/>]

I am [job title] of [name of setting] in [area/town/village] in your constituency and we currently have [xx] children aged between X to X attend our setting. We provide high quality early education and childcare which gives children an excellent start in life while also supporting working families and offer employment to xx staff members.

[You may want to add some information here about what you think makes your nursery special]

I am writing to you because of the concerns I have about the disproportionate impact of the UK Government’s National Insurance Contributions (NICs) increase on early years and childcare providers. I am asking you to write to the Chancellor and the Welsh Government to ensure our crucial sector has the support we need.

We know the Government has had to make difficult decisions to balance public spending commitments, however, there are serious consequences of the measures announced in the Budget for the early years and childcare sector.

Firstly, early years is a very staff-intensive sector. This is because the adults in settings are crucial to keeping children safe and giving them the best start in life. Nationally, around 75% of an average private or voluntary nurseries’ running costs are staffing. We are also bound by strict ratios so we are not able to adjust our staffing levels without reducing the number of children and families we offer places to. This means we are more exposed to any measure which increases staff costs than other businesses.

The National Day Nurseries Association (NDNA) estimates that for the average full daycare providerwith 9 members of staff, the increase in NICs and statutory minimum wages alone will add on average an additional £2,633 a year per employee and £23,700 in total. I have looked at my staffing situation and believe it will add an extra £XXXXX to my operating costs. [add if calculated].

On 11 December the Welsh Government published the new Childcare Offer funding rates which will increase from April by 20% from £5 per hour to £6 <https://ndna.org.uk/news/wales-funding-rates-revealed-but-20-increase-will-not-cover-all-costs/> We don’t know if the Welsh Government will reimburse private and voluntary nurseries for NIC payments but we don’t believe this increase has been factored into the funding rate amounts.

Secondly, due to the amount of income which is dictated by Welsh Government funding decisions, through the Childcare Offer, nursery education places and Flying Start, we cannot pass on increased staffing costs to customers in the same way as a shop, restaurant or manufacturer. This has been repeatedly recognised by the Low Pay Commission.

As a consequence, we have a real concern that parents could face higher fees, more providers will close and the Welsh Government’s plans to expand the number of two-year old funded childcare places could be affected.

While we welcome the Welsh Government’s support through a commitment to annual reviews of funding rates and making the business rates relief for childcare settings permanent, we are now facing increased costs for 2025/26 as a result of the Budget announcement. If we are to be able to offer the places families need in a sustainable way we need support.

I am asking you if you will do any of the following things to help my nursery and others like me: (Delete as appropriate)

* Please write to the Chancellor to ask her to ensure nurseries are protected from the increase in National Insurance Contributions in the same way schools are. Funded early education and childcare is a public good and should be protected from this impact in the same way that schools and hospitals are.
* Please urge the Welsh Government Minister for Children and Social Care to ensure future funding rates increase in line with the true cost of staffing a nursery as well as inflation. This means taking into account the new National Living and Minimum Wage increases and the NICs costs on top of inflation and average earnings increases. If funding rates do not cover costs then it will be more difficult for us to offer the places that we want to, at the quality our children deserve.

I really hope you will be able to speak up for nurseries like mine and the children and families across [constituency] who rely on us. If you aren’t able to do any of the actions above but would like to support us in other ways, please let me know what you will be able to do as any support would be greatly appreciated.

Sign off