

To whom it may concern.

I email you as a day nursery provider. We have a term-time nursery in Camden, and a day nursery in Cirencester, Gloucestershire.

We are at the end of our tether regarding the funding. The haphazard system, which requires endless administrative hours, the ever-changing goal-posts, the fact that we are businesses that are not now able to charge our customers for anything not covered by the funding (which is a great deal) that is a 'business cost', and of course, the chronic under-funding itself, which means providers are subsidising parents, and childminders are being forced to work for less than the minimum wage.

Funding is a thorny issue, with many layers of complexity. It is not enough to examine the charges that providers are making, without looking at why they are forced to do so. We applaud the fact that government are trying to make childcare more affordable for parents, but if they wish to make a certain number of hours 'free', then they need to cover the actual costs of delivering the childcare. If they do not wish to cover the costs, then it should be called a subsidy, which is in fact, what it is.

I request please, that you consider these factors, as well as the issue of maintained nurseries being treated differently from private providers (help with NI costs, no VAT payable on resources etc. In doing this, please widen the scope of your investigation, to look at the whole system and the root causes of providers charging for additional services, in order to remain sustainable.

The investigation should also take into account the role of the local authorities, and the many different directives that are coming from them to providers, some of which far over-reach the scope of government original guidelines. If there are rules for us to adhere to, they should all be the same.

My daily private rate is £85. For 9 month olds, I receive £10.80 for 2 yr olds £7.91 for 3/4 yr olds £5.64. 30 hours stretches to 22.8 hrs over the 50 weeks, so that would allow parents 2 full days in my setting. The cost of that is £170. For the 9 months olds, I would receive £216 (£46 profit) for the 2 yr olds £158.20 (£11.80 loss) and for the 3/4 yr olds £112.80 (£57.20 loss).

This totals a loss of £69 a week, and a gain of £46 - meaning a net loss of £23. If we average this out at 65 children (my setting takes 85) that is a loss of £1,495 a week.

This is obviously simplified, as it depends on numbers of children and their ages, and also at what point in the year we are as the funding is calculated different - do you begin to see how complex this is???

Also - this is just for the day nursery, where we operate 8-6 and provide food. The term time nursery is really limited in our wiggle room, and we are fast running out of ideas as to how to stay sustainable.

The bottom line, is that the current funding model is not fit for purpose, it is not good for

business growth; it is bad for profits (which we need in order to pay ourselves, staff and invest in the business), bad for sustainability, bad for morale amongst providers, bad for parents who are getting less flexibility as providers do all they can to survive, which often means limiting the number of funded hours offered.

In short - please widen the scope and look at the full picture. Please.

Thank you.

Kind Regards

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