



20 July 2022

Dear parents and carers

**Subject- Childcare staffing ratios and costs**

Stars Day Nurseries share the concerns of the National Day Nurseries Association (NDNA) regarding the Government's current consultation on childcare regulation and especially the proposals to change ratios of adults to children for two-year-olds. As this is a consultation which could affect the way your child is cared for, we are encouraging you to have your say as well.

You may have seen media coverage of this consultation which stressed that it was being done to 'drive down costs'. The Government has also suggested that they think the change in ratios could result in childcare costs dropping. We wanted to explain a bit more about the proposed changes and why we, along with many other childcare providers and parent groups, feel like this will not achieve this aim and will have a potentially damaging impact on children's early education and care.

Stars Day Nurseries have been working in the Early Years sector for almost 20 years, and we are committed to providing the best possible care for our children. The first five years of a child's life are crucial in their learning and development, and we invest heavily in our staffs' continuous professional development to ensure they have all the skills and knowledge needed to support and educate every child in our care.

When he introduced the proposed changes to ratios, the childcare Minister himself admitted this would not be a silver bullet to reducing childcare costs to parents. We would like to set out some of the increases in costs we have faced in recent years and why changing the staff to child ratios for one group of children will not change this situation.

**Cost increases:**

Inflation is going towards 10% - this means that for every £10 we spent on food, supplies, resources and energy last year we are spending £11 this year. Across our nursery group that means we are spending £5,000 more a month.

Staffing costs have increased due to minimum and living wage rises which were 9.8% and 6.6%. Data from the National Day Nurseries Association shows that in the past five years Government funding for childcare places has increased by 3.3% and the statutory wages have increased by around 19% over the same period. The National Insurance contributions have also been increased by 1.25%. We recognise that our staff have incredibly important roles to play in your children's care and education and have benchmarked our Level 3 qualified staff to at least Real Living Wage. As a result, our employee costs have increased by 33%.

**Changes to ratios won't automatically mean fewer staff:**

As you know, we prioritise children's learning and experiences at Stars Day Nurseries and we would not want to change the level of adult to child support that our staff give. Nurseries in Scotland have spoken to the media to state that they do not always work to the highest end of the ratios because it is an upper limit, like the speed limit, not a target.

As well as the child to adult ratios the EYFS regulations set out that we must have a certain amount of floor space for each child. Our rooms and buildings are carefully managed so we can give children



the space they need to learn, play and grow. This means we might not automatically be able to just take more children in each room.

The Government's savings announced in the media assume that all nurseries move immediately to working at the most relaxed end of the adult to child ratio possible. This will not happen because it will not be possible everywhere, even if parents wanted to see it and we wanted to do it.

**Government underfunding:**

Through the funded childcare offer the Government is the biggest purchaser of childcare in the country, but they do not pay a fair price. 95% of nurseries told the National Day Nursery Association that the funding rates the Government pays, do not meet the real costs of those places. This amounts to a shortfall of over £2,000 a year for each funded child's place – which is money that must be found in other parts of the nursery.

The Government has compared the ratios in England to those in Scotland, but the hourly funding rates that are paid there are higher than in England and nurseries are exempt from business rates in Scotland. Our latest bill for business rates was £57,000, which is money that goes onto the cost of childcare.

If the Government was truly committed to reducing your childcare costs they would:

- Pay a rate that covered the costs of providing a place at our nursery and not leave us with a shortfall to find
- Remove nurseries from paying business rates – in the same way that schools are
- Make nurseries VAT exempt – in the same way that schools are

**Have your say:**

As a parent or carer whose child may be affected by these changes, we are encouraging you to have your own say on the consultation. You can answer the short consultation survey here - <https://consult.education.gov.uk/childcare-futures-unit/childcare-regulatory-changes/consultation/subpage.2022-06-27.0639024890/>

We hope that you will support our crucial early years sector by urging the Government to take genuine action on the underfunding and the unfair costs it imposes on childcare providers, rather than taking steps to reduce the amount of support and adult contact children get in our nurseries at this crucial time for them.

Yours sincerely

Mohammed Younis  
CEO

In association with



National Day Nurseries Association