



Annex 2

Provider Survey Summary Report Autumn 2022

Report by Nicola Sawyer, Education Support Service

The survey was undertaken in September 2022. 85 responses were received; however, one response was for a chain of nurseries, one response was for two nurseries, one was for a playgroup and out of school club and one was for a day nursery and out of school club.

Key Headlines

Response rate for each sector type:

| | <u>Number of Settings</u> | <u>This year</u> | <u>Last year</u> |
|-----------------------|---------------------------|------------------|------------------|
| Day nurseries | 38 | 42% | 69% |
| Pre-school playgroups | 27 | 56% | 67% |
| Childminders | 123 | 34% | 64% |
| Out of school clubs | 48 | 8% | 14% |
| School nurseries | 26 | 31% | 46% |
| Total | 262 | 32% | 50% |

There is a much lower response rate to the provider this year compared to last year which possibly reflects the current staffing issues that the sector is experiencing.

How the business / setting will perform this coming year:

- It was a very mixed response with regards to performance over the coming year.
- 12 settings (14%) expect to run at a loss (1 day nursery, 6 playgroups, 2 childminders and 3 school nurseries)
- 31 settings (36%) expect to break even (4 day nurseries, 4 playgroups, 19 childminders, 1 out of school club and 3 school nurseries)
- 18 settings (21%) expect to generate a surplus (5 day nurseries, 2 playgroups, 8 childminders, 2 out of school clubs and 1 school nursery)
- 27 settings (28%) were not sure of how they would perform.

This breakdown of responses broadly reflect those providers gave in last years survey.

Confidence in remaining financially sustainable:

- The majority of settings (74%) across all sectors thought they would remain financially sustainable for another year or longer.
- One playgroup indicated they would only be sustainable for a few more months
- Several settings (25%) were not sure.

Last year a similar percentage of providers expected to remain financially viable for another year or longer however 8 providers indicated they would only be sustainable for a few more months, four of which did then close, and another is still struggling to remain sustainable.

Measures taken over the last 12 months:

- Many providers, across all sector types, have increased their fees for non-funded hours and / or increased charges for consumables.
- Several providers, mainly childminders, have limited the number of funded and paid for places they offer (mainly due to financial and staffing reasons).
- Several providers, across all sectors, stated they have had to limit places to support children with SEND.

Again, this is a very similar picture to the responses received last year where providers were starting to pass some of the increased costs onto families either by increasing their hourly / daily rates or by introducing or increasing their charge for consumables (additional extras over and above the delivery of the funded entitlement such as lunch/snack charges, charges for nappies, sun cream etc).

Charging of additional costs for funded entitlement hours:

- The majority of day nurseries do a make a charge of between <£1 - £1.99 per hour.
- Most playgroups, out of school clubs and school nurseries do not make an additional charge.

- Childminder responses were split with just over half making a charge of between <£1 – 2.99 per hour.

Demand for places:

- Just over half of settings (52%) who responded to the survey indicated they could not meet demand, but the response did vary depending on sector type. This figure has increased since last years survey where the majority of providers were able to deliver enough places to meet demand and only 23% indicated they couldn't meet demand.
- The majority of play groups could meet demand however the majority of day nurseries could not deliver enough places to meet demand.
- Where providers could not meet demand, this was across all age ranges that the provider offered and for paid for place and funded entitlement places but most significantly for 0–5-year-old places. 10 day nurseries and 15 childminders did state that they could not meet demand for baby places
- For 2-, 3- and 4-year-old places – this is a mixed picture, the majority of providers did not see a change and there were roughly equal numbers who saw an increase or a decrease in demand.
- Baby, paid for and ad hoc places – most providers either saw no change or an increase in demand.
- This is a very similar to the responses received in last years survey

Responses from this survey have indicated that 52% of settings are not able to deliver enough places to meet the demand of their families, this is higher than last year where only 17% indicated that they were not able to meet need.

Delivery models:

- The majority of providers (72%) were not planning on changing their delivery model in the coming year.

- Those that are looking to change their delivery model are looking at a variety of changes such as increasing opening weeks from term time only to 50 weeks, offering places to different age groups to reflect demand, more structured planning to clearly show available places and offering different sessions.

Challenges currently being faced:

- 28% of providers, predominantly day nurseries stated that they were struggling to recruit and/or retain staff.
- 35% of providers, mainly childminders and playgroups identified low numbers and lack of demand for paid for childcare as a challenge.
- 16% of settings, predominantly childminders, identified having low bank reserves.
- Low staff morale was also identified as a challenge for most sectors.

Biggest threat to sustainability:

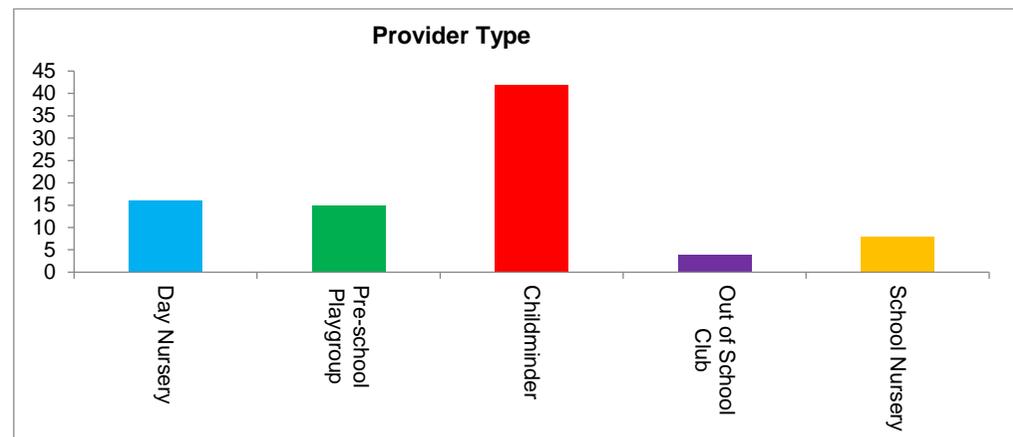
- Rising utility costs were identified as the biggest threat to sustainability for 36% of providers, with 16% stating staffing recruitment and retention as their biggest concern.

Additional Support:

- 28% of providers across all sectors indicated they would benefit from additional support, and this was mainly for financial support to help with rising energy costs, higher funding rate, recruitment of staff and support with SEND (financial and training).

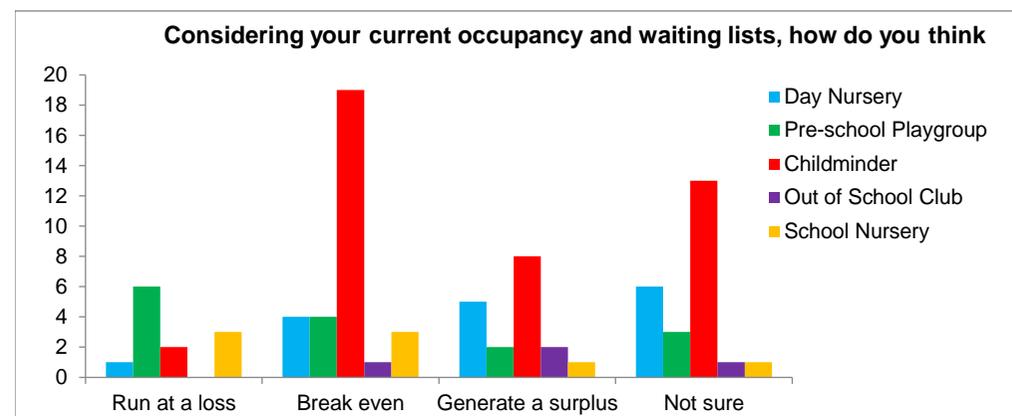
Question 1 – Provider Type for responses received

| | Total number | % of total responses received |
|----------------------|--------------|-------------------------------|
| Day Nursery | 16 | 19% |
| Pre-school Playgroup | 15 | 18% |
| Childminder | 42 | 49% |
| Out of School Club | 4 | 5% |
| School Nursery | 8 | 9% |



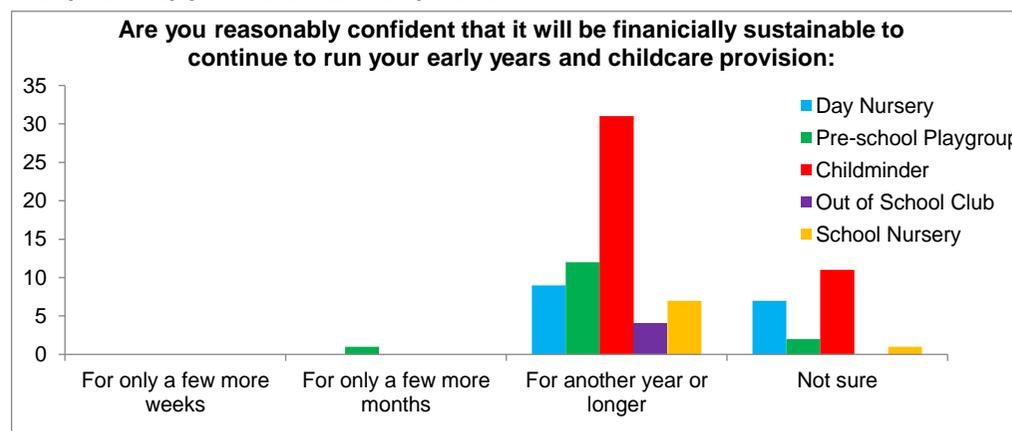
Question 2 – Whilst there are still a lot of unknowns for the coming months regards covid-19, energy prices and staffing issues, considering your current occupancy and waiting lists, how do you think your business / setting will perform this year?

| | Run at a loss | Break even | Generate a surplus | Not sure |
|----------------------|---------------|------------|--------------------|----------|
| Day Nursery | 1 | 4 | 5 | 6 |
| Pre-school Playgroup | 6 | 4 | 2 | 3 |
| Childminder | 2 | 19 | 8 | 13 |
| Out of School Club | 0 | 1 | 2 | 1 |
| School Nursery | 3 | 3 | 1 | 1 |



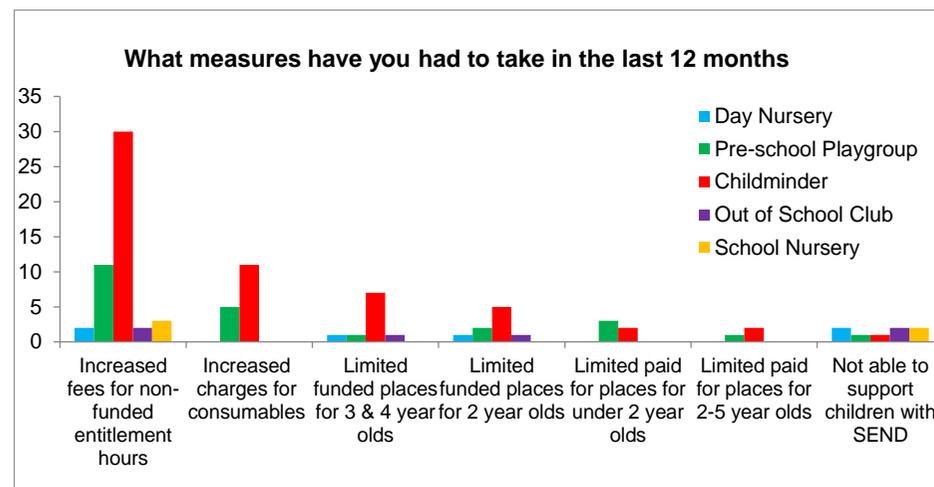
Question 3 – Are you reasonably confident that it will be financially sustainable to continue to run your early years and childcare provision?

| | For only a few more weeks | For only a few more months | For another year or longer | Not sure |
|----------------------|---------------------------|----------------------------|----------------------------|----------|
| Day Nursery | 0 | 0 | 9 | 7 |
| Pre-school Playgroup | 0 | 1 | 12 | 2 |
| Childminder | 0 | 0 | 31 | 11 |
| Out of School Club | 0 | 0 | 4 | 0 |
| School Nursery | 0 | 0 | 7 | 1 |



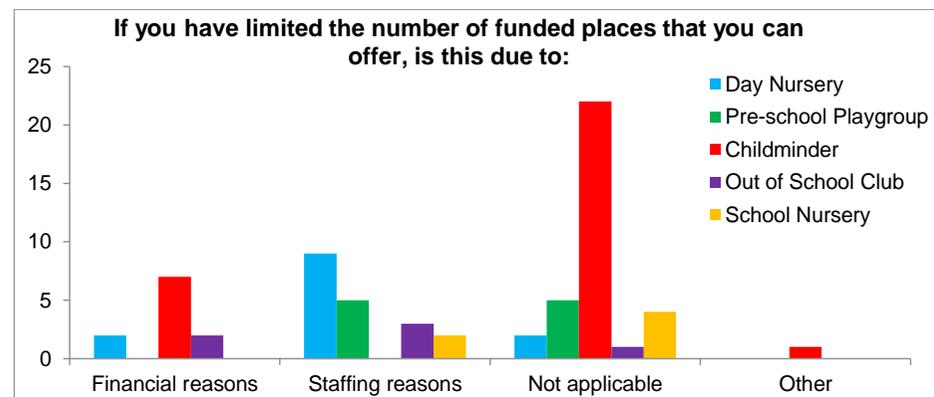
Question 4 – What measures have you had to take in the last 12 months?

| | Increased fees for non-funded entitlement hours | Increased charges for consumables | Limited funded places for 3- & 4-year-olds | Limited funded places for 2-year-olds | Limited paid for places for under 2-year-olds | Limited paid for places for 2-5-year-olds | Not able to support children with SEND |
|----------------------|---|-----------------------------------|--|---------------------------------------|---|---|--|
| Day Nursery | 2 | 0 | 1 | 1 | 0 | 0 | 2 |
| Pre-school Playgroup | 11 | 5 | 1 | 2 | 3 | 1 | 1 |
| Childminder | 30 | 11 | 7 | 5 | 2 | 2 | 1 |
| Out of School Club | 2 | 0 | 1 | 1 | 0 | 0 | 2 |
| School Nursery | 3 | 0 | 0 | 0 | 0 | 0 | 2 |



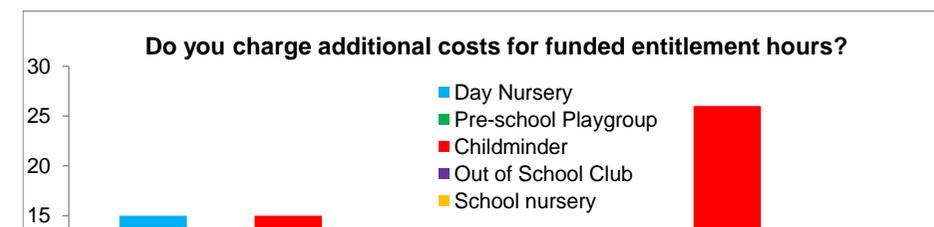
Question 5 - If you have limited the number of funded places you can offer, is this due to:

| | Financial reasons | Staffing reasons | Not applicable | Other |
|----------------------|-------------------|------------------|----------------|-------|
| Day Nursery | 2 | 9 | 2 | 0 |
| Pre-school Playgroup | 0 | 5 | 5 | 0 |
| Childminder | 7 | 0 | 22 | 1 |
| Out of School Club | 2 | 3 | 1 | 0 |
| School Nursery | 0 | 2 | 4 | 0 |

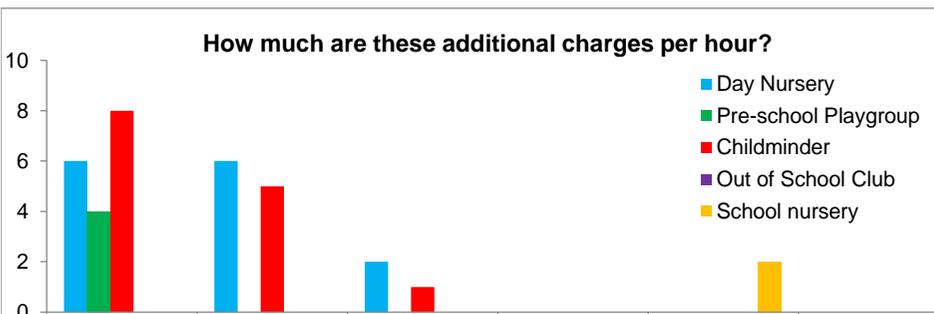


Question 6 - Do you charge additional costs for funded entitlement hours (e.g., for consumables)?

| | Yes | No |
|----------------------|-----|----|
| Day Nursery | 15 | 1 |
| Pre-school Playgroup | 4 | 11 |
| Childminder | 15 | 26 |
| Out of School Club | 0 | 4 |
| School nursery | 2 | 6 |



Question 7 - If yes, how much are the additional charges per hour?



| | < £1 | £1-£1.99 | £2-2.99 | £3-£3.99 | £4-£4.99 | >£5 |
|----------------------|------|----------|---------|----------|----------|-----|
| Day Nursery | 6 | 6 | 2 | 0 | 0 | 0 |
| Pre-school Playgroup | 4 | 0 | 0 | 0 | 0 | 0 |
| Childminder | 8 | 5 | 1 | 0 | 0 | 0 |
| Out of School Club | 0 | 0 | 0 | 0 | 0 | 0 |
| School nursery | 0 | 0 | 0 | 0 | 2 | 0 |

Question 8 - Are you able to deliver enough places to meet demand?

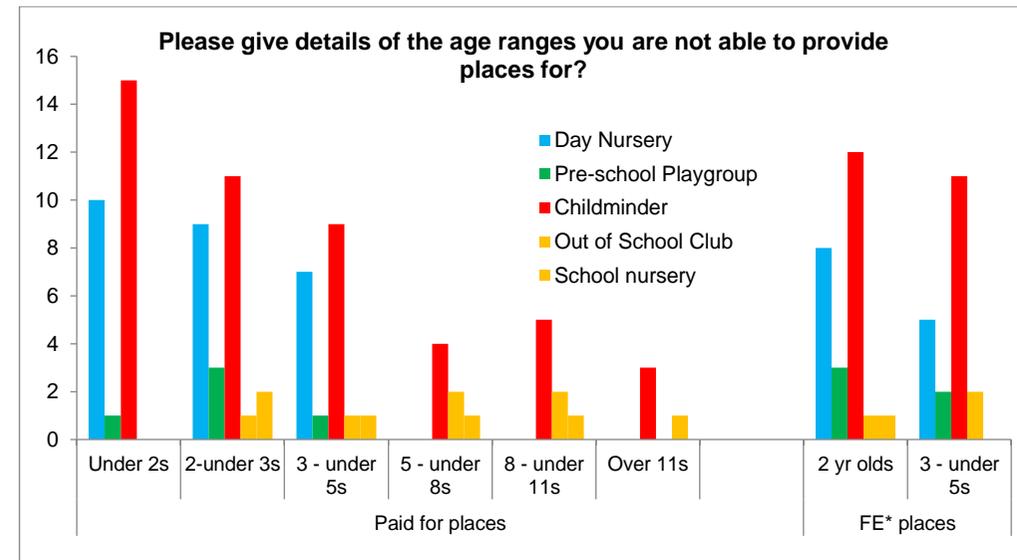
| | Yes | No |
|----------------------|-----|----|
| Day Nursery | 4 | 12 |
| Pre-school Playgroup | 10 | 5 |
| Childminder | 21 | 21 |
| Out of School Club | 1 | 3 |
| School nursery | 5 | 3 |

Question 9 – If not able to deliver enough places to meet demand, which age ranges is this for?

| | Paid for places | | | | | | FE* places | |
|----------------------|-----------------|------------|------------|------------|-------------|----------|------------|------------|
| | Under 2s | 2-under 3s | 3-under 5s | 5-under 8s | 8-under 11s | Over 11s | 2 yr olds | 3-under 5s |
| Day Nursery | 10 | 9 | 7 | 0 | 0 | 0 | 8 | 5 |
| Pre-school Playgroup | 1 | 3 | 1 | 0 | 0 | 0 | 3 | 2 |
| Childminder | 15 | 11 | 9 | 4 | 5 | 3 | 12 | 11 |
| Out of School Club | 0 | 1 | 1 | 2 | 2 | 0 | 1 | 2 |
| School nursery | 0 | 2 | 1 | 1 | 1 | 1 | 1 | 0 |

*FE = Funded Entitlement

Question 10 - How has parental demand changed over the past 12 months?

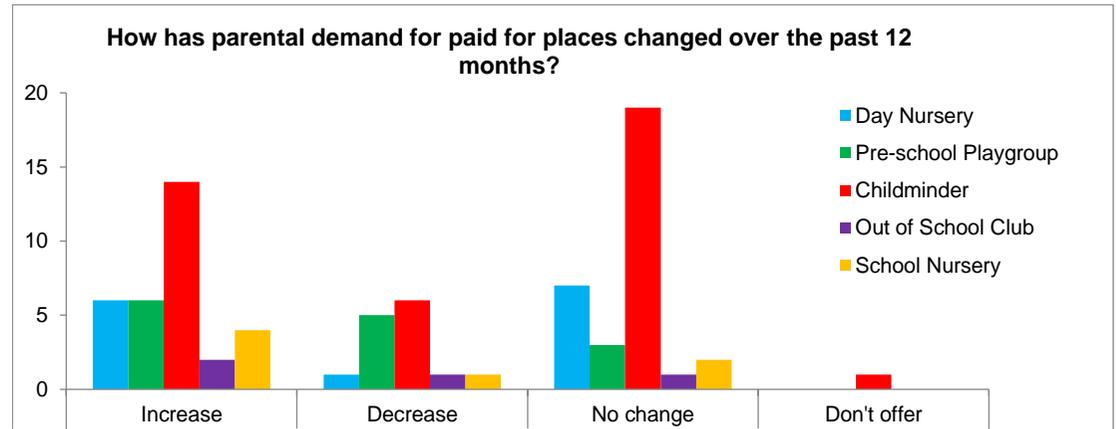


| | 2-year-old places | | | |
|----------------------|-------------------|----------|-----------|-------------|
| | Increase | Decrease | No change | Don't offer |
| Day Nursery | 4 | 3 | 7 | 0 |
| Pre-school Playgroup | 6 | 2 | 5 | 0 |
| Childminder | 8 | 10 | 19 | 3 |
| Out of School Club | 1 | 0 | 0 | 2 |
| School Nursery | 1 | 1 | 0 | 4 |

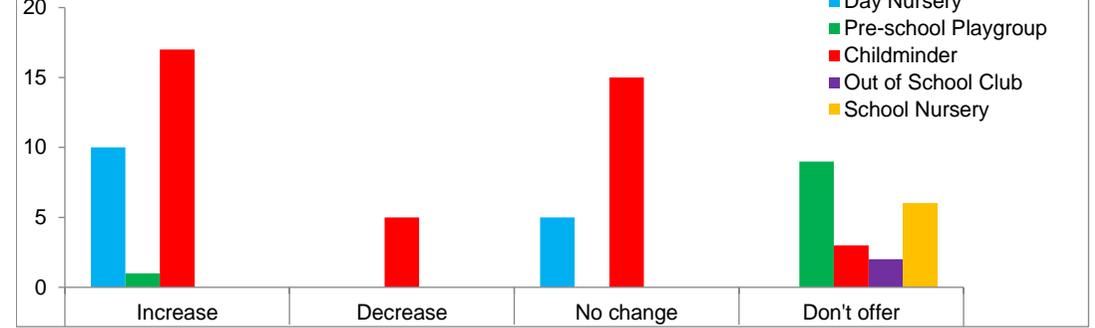
| | 3- & 4-year-old places | | | |
|----------------------|------------------------|----------|-----------|-------------|
| | Increase | Decrease | No change | Don't offer |
| Day Nursery | 1 | 3 | 11 | 0 |
| Pre-school Playgroup | 5 | 6 | 4 | 0 |
| Childminder | 11 | 10 | 16 | 3 |
| Out of School Club | 2 | 0 | 1 | 1 |
| School Nursery | 4 | 2 | 1 | 0 |

| | Paid for places | | | |
|----------------------|-----------------|----------|-----------|-------------|
| | Increase | Decrease | No change | Don't offer |
| Day Nursery | 6 | 1 | 7 | 0 |
| Pre-school Playgroup | 6 | 5 | 3 | 0 |
| Childminder | 14 | 6 | 19 | 1 |
| Out of School Club | 2 | 1 | 1 | 0 |
| School Nursery | 4 | 1 | 2 | 0 |

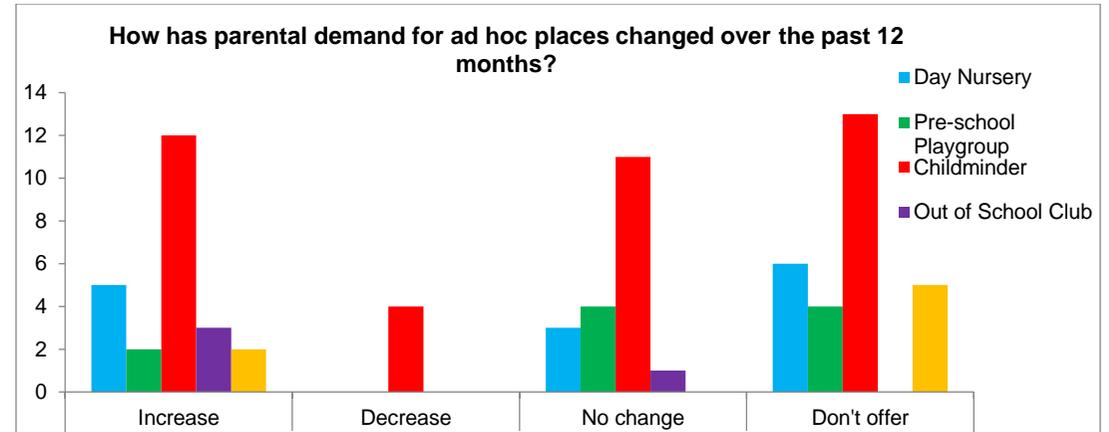
| | Baby places | | | |
|--|-------------|----------|-----------|-------------|
| | Increase | Decrease | No change | Don't offer |



| | | | | |
|----------------------|----|---|----|---|
| Day Nursery | 10 | 0 | 5 | 0 |
| Pre-school Playgroup | 1 | 0 | 0 | 9 |
| Childminder | 17 | 5 | 15 | 3 |
| Out of School Club | 0 | 0 | 0 | 2 |
| School Nursery | 0 | 0 | 0 | 6 |

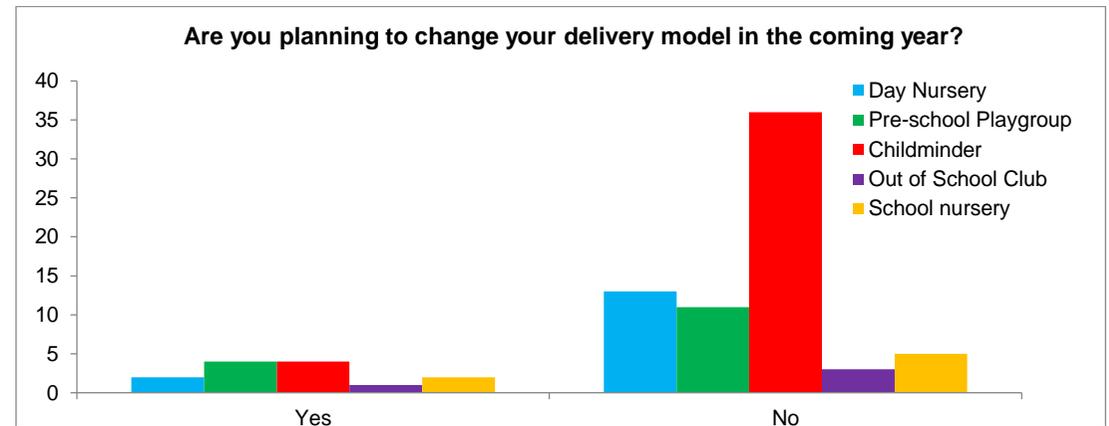


| | Ad-hoc places | | | |
|----------------------|---------------|----------|-----------|-------------|
| | Increase | Decrease | No change | Don't offer |
| Day Nursery | 5 | 0 | 3 | 6 |
| Pre-school Playgroup | 2 | 0 | 4 | 4 |
| Childminder | 12 | 4 | 11 | 13 |
| Out of School Club | 3 | 0 | 1 | 0 |
| School Nursery | 2 | 0 | 0 | 5 |

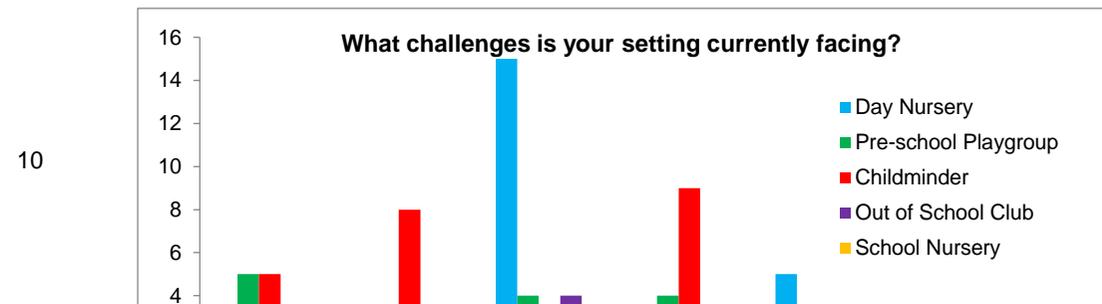


Question 11 - Are you planning to change your delivery model in the coming year?

| | Yes | No |
|----------------------|-----|----|
| Day Nursery | 2 | 13 |
| Pre-school Playgroup | 4 | 11 |
| Childminder | 4 | 36 |
| Out of School Club | 1 | 3 |
| School nursery | 2 | 5 |



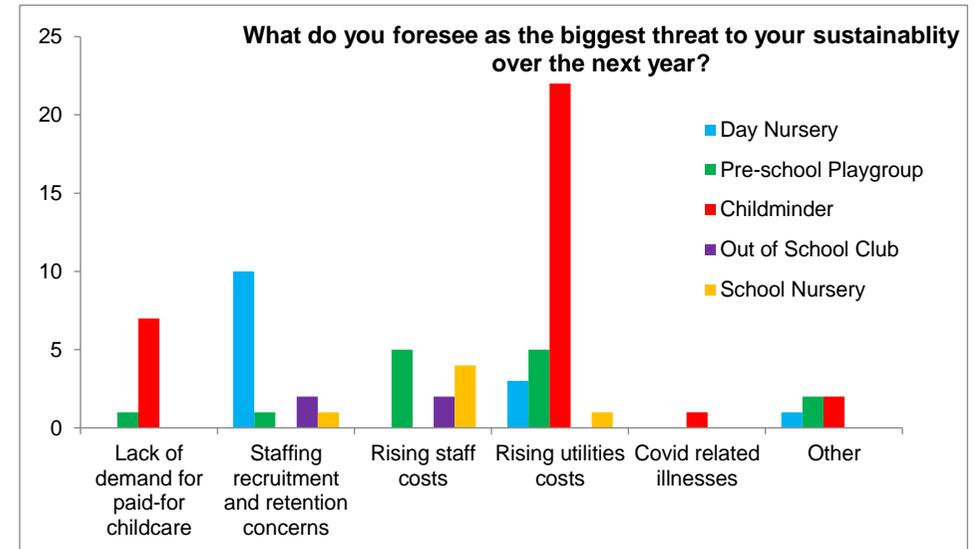
Question 12 - What challenges is your setting currently facing?



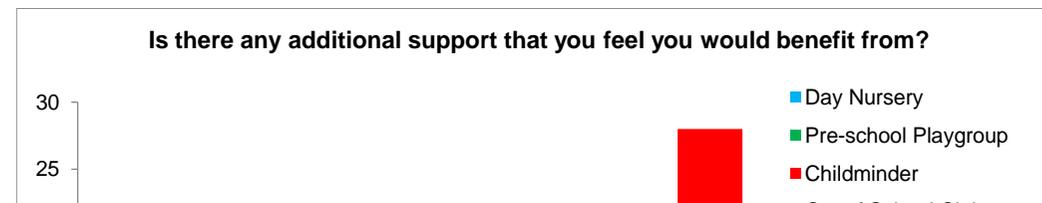
| | Low occupancy | Lack of demand for paid-for childcare | Struggling to recruit and/or retain staff | Low bank reserves | Low staff morale | Covid related illnesses |
|----------------------|---------------|---------------------------------------|---|-------------------|------------------|-------------------------|
| Day Nursery | 2 | 1 | 15 | 1 | 5 | 2 |
| Pre-school Playgroup | 5 | 3 | 4 | 4 | 2 | 1 |
| Childminder | 5 | 8 | 0 | 9 | 3 | 1 |
| Out of School Club | 1 | 1 | 4 | 0 | 1 | 0 |
| School Nursery | 3 | 1 | 1 | 0 | 1 | 1 |

Question 13 - What do you foresee as the biggest threat to your sustainability over the next year?

| | Lack of demand for paid-for childcare | Staffing recruitment and retention concerns | Rising staff costs | Rising utilities costs | Covid related illnesses | Other |
|----------------------|---------------------------------------|---|--------------------|------------------------|-------------------------|-------|
| Day Nursery | 0 | 10 | 0 | 3 | 0 | 1 |
| Pre-school Playgroup | 1 | 1 | 5 | 5 | 0 | 2 |
| Childminder | 7 | 0 | 0 | 22 | 1 | 2 |
| Out of School Club | 0 | 2 | 2 | 0 | 0 | 0 |
| School Nursery | 0 | 1 | 4 | 1 | 0 | 0 |



Question 14 - Is there any additional support that you feel you would benefit from?



| | Yes | No |
|----------------------|-----|----|
| Day Nursery | 8 | 7 |
| Pre-school Playgroup | 5 | 10 |
| Childminder | 8 | 28 |
| Out of School Club | 1 | 3 |
| School Nursery | 2 | 3 |