

Woodpeckers Nursery:- financial update April 2017



There are many changes happening in the childcare sector. The main two are:

- Tax Free Education
- 30 Hours Free Childcare

From September 2017 both will be available to parents who qualify, and settings that sign up.

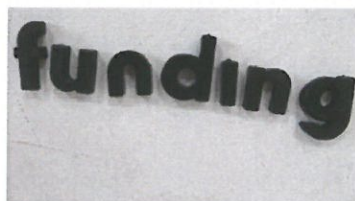
Tax Free Childcare offers up to £2000 per year as a top up to what you pay. Working like a bank account you put money in and the government tops this up by 20% and then makes payments to us. You can check online for further details at **Tax-Free Childcare: 10 things parents should know**. This is potentially very good for parents, but you need to check carefully if you receive other benefits as these may be affected, and make you a loss.

30 hours Free Childcare for 3 and 4 year olds is for those who qualify, and you have to register with HRMC to claim the additional 15 hours above what is already on offer. You are then given details of your claim to pass on to us. You also need to check you are eligible online every 3 months. Again details are online at **30 hours free childcare**.



However in Suffolk with the funding of these hours, questions arise as to sustainability. At present we receive **£4.24** per hour. As from this April, the funding rate has been cut to **£3.87** per hour. This represents a 9.1% drop in income, and only a 1% rise yearly for the last 16 years we have been open. In September this will potentially double to 18.2% when the 30 hours kicks in. This is due to Government reducing the funds available to Suffolk by £1.4 million this year, and £1.3 million next year.

For many settings this looks unsustainable, and right across the country settings are looking at ways this shortfall can be overcome. Others are now closing as a result. Services such as providing food, and consumable items, such as plain paper, pencils crayons toilet rolls baby wipes etc. are not included in the funding. Now charges for food are being introduced. Other activities will also have to be charged for, to help cover the expense of trips out, Forest School and Devonshire House as well as visiting specialists, e.g. music and french which all make your child's education richer. Some settings have decided not to offer these any more.



1. Children who attend for funded sessions only, will have to be charged for breakfasts, snacks, lunch and teas if taken. Breakfast @ £2 and snack @ £1, lunch @ £2.98, and Tea @ £1.73. These charges will be introduced from April onwards.
2. Children attending for more than the funded hours are already paying for lunches and teas, and now snacks and breakfast will be included, but your daily rate will still be capped at the present full day rate. Many will not see much change in the invoices.



3. In September we will be looking at increasing our fees across the nursery to compensate for the next reduction in funding. This could be in the region of a 4% rise. Normally we wait until January to revise our fees, but we have no option but to do so earlier.

The government have offered parents 30 funded hours, but not supported it in Suffolk maintaining the funding rate. It is going to be tough. **Payment of fees by the due date will be essential.** We cannot give credit as expenses have to be met. In the light of this we can no longer offer replacement days for ones your child misses through illness. No other setting does this, as it is not viable.



4. Fund raising initiatives are being looked into, and as well as the regular cake stalls, you will find each room organising events to raise funds for their rooms. Please

support these to benefit your children. We also have a Curry and Quiz Night (rescheduled for June) at The Angel in Sudbury with a raffle. Tickets available in the rooms and office.



5. Parents with babies or young children in nappies will now be asked to provide wipes along with their child's nappies. Not a big expense for parents, but a quite a saving for us.

You may ask why Nursery costs are so high in the first place. Well there are many overheads which continually rise. In particular:

- We pride ourselves in providing a quality provision, with Early years Teachers, and well trained and experienced staff. This is expensive.
- We have the minimum wage going up several times recently (again this April), and the need to keep some differential for those with more responsibility.
 - Nurseries now have to contribute to Pensions.
 - Statutory sick pay is not now reclaimable for small businesses
 - Rates and rents are going up, and rent reviews are costly.
- Services such as waste collection and nappy disposal (known as clinical waste) costing more.
 - Daily cleaning of the nursery.
- Buildings maintenance, and there is a lot we still need here, carpets, a fire door to comply with new regulations etc.
 - Most food prices never go down much, but continue to rise.
 - And much more.



We are in consultation with other settings in Sudbury and the surrounding area to get a picture of what is happening, and we already know some will not offer the 30 hours. We will give you more details we receive them. Please also feel free to discuss them with us. We would like to know your thoughts and ideas.

