

## Written evidence submitted by Holy Family Playgroup with Out of School Clubs

We are a non-profit making community playgroup that started 1971. We offer childcare for children, age 2 to 5 years, as well as providing afterschool and holiday care for children, age 3 to 11 years. We are based in the Holy Family Church Hall and rent the building from the church. The evidence used in this document relates to the nursery element of our business.

The challenges we face today are that 80% of our income comes from the 15- and 30-hour grants. Therefore, we would need a minimum increase of 9.4% on the grant, to enable us to give the same level of service, due to an increase in wages and other costs. To give an example I have based my comparisons on the Tax year, 2017/18, and last year, 2021/22.

### **Income**

Last year the grants were down by around 4% on 2017, but in 2021 we did have a small grant from the local authority to support a child with additional needs, which did help with staffing.

The main reason the grant funding was down, was because we had less children on the 2-year grant. Many two parent families on a low income are unable to get the 2-year grant. Some parents may pay for 2 sessions, as they see the benefit of social interaction, something that has been highlighted after Covid.

The second group of children who are not getting the support they need are the children who are not meeting their milestones. This is often picked up at a child's 2-year check by the Health visitor, but they are unable to get a 2-year grant, because they do not have a EHC Plan in place and the local authority will not start process this until a child is in their preschool year. This means that the child can miss out on a full year of intervention. If the health visitor's 2-year check was used to assess children fully, then more children may get the help they need.

The third group of families that are unable to access the 2-year grant, is where a parent is a carer for another child, or relative, but they are classed above the earning limit. However, when it comes to claiming the 30-hour grant, they are below the limit, so when a parent is a carer, any other children are losing out. This is an area which effects a small number of families, but has a big impact on their children.

When we advise parents to look at Children Choices there are several issues. It is very difficult to use, anyone on a zero-hour contract is unable to benefit, and there is a gap between being able to claim Universal Credit and those whose earnings are high enough to claim the 30-hour grant.

From 2017 to 2021 our fees were up by around 3%. This will not cover the increase in the cost of living over those 4 years. We did raise fees last year, but not in line with the cost-of-living increases and we would have to think carefully about any new rises.

## Expenses

Our wage bill is 77% of our income, and was the same in 2021 as it was in 2017, this was achieved, by reducing the amount paid above the minimum wage and by reducing some hours. In 2017, staff wages were around 10% above the national minimum wage and in 2021 they were 1.5% above, with some staff on minimum wage. This means that staff are not benefitting from an increase in the minimum wage.

We are very lucky as the church has continued to support us with a reasonable rent, although this has gone up by 10%, and we are expecting another rise next year. The cost of cleaning has gone up after Covid, and we have taken over responsibility from the church for the cleaning, to ensure it meets our standards, and this has added 4%. We understand that a good cleaning routine which help with Covid also helps prevent the spread of colds, flu, and other childhood illnesses, but it is not allowed for in the grants.

Cleaning products have gone up by 70%, and now take 2% of our budget.

Food is up by 12% on 2017 to 2021, and this is not taking into account the present rises.

Insurance was up by 20% over the same period and we changed our provider to get a better deal.

The way the grants are worked out does not give sufficient weight for these costs, eg cleaning, administration, food, resources, and insurance. At present it is around 10%, but it needs to be a minimum of 23%.

The other issue is the Early Years Pupil Premium. It is impossible to work out when a child is going to receive it and why, and many in very low-income families do not get it. This needs to be linked to the already agreed deprivation supplement, and given as a lump sum.

We have a very strong staff team, who are highly qualified and motivated, and we provide good quality childcare, at a reason price. Our biggest threat is from schools, who are creaming off part of the business, but are not able to offer the all-round care and support for family that we offer, as a community playgroup.

Although we have 4 staff who are at degree level, there is not a fair payment structure which reflects the work and qualifications that staff do in nurseries. There is no funding within the grants for staff personal development, or essential training. These issues should be addressed as an effective foundation stage depends on qualified, experienced staff who keep up to date with their knowledge.

Therefore, we are facing a very big increase in spending, and if the grants do not rise by a decent amount, then we are in danger of closing the business after over 50 years.

## January 2023