

# Key data

## The health of childcare settings in England

### SETTINGS CLOSING

Research by the National Day Nurseries Association (NDNA) shows that in the 12 months to September 2023 the number of settings to close had risen **50%** compared with the previous year - from 144 in 2021/22 to 216 in 2022/23. Ofsted data shows there was a net loss of 651 registered settings in the year to March 2023, mostly childminders.



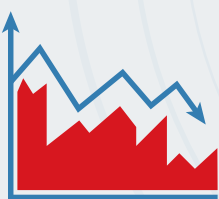
### DEPRIVATION LINK

While closures affected all areas, the NDNA analysis of the data showed that they are more likely to take place in the areas of greatest deprivation. In the 2022/23 academic year, **14.5%** of nursery closures were in the **10%** most deprived areas of England. In the previous academic year, **12.7%** of closures occurred in the most deprived areas. Closure hotspots include Newcastle, Leeds, Bradford, Manchester, Birmingham and London.



### PROVIDER LOSSES

Providers told a recent parliamentary inquiry that they lose on average **£1-2 an hour** for delivering funded places. A 2022 research report for the Department for Education found that for all childcare provider types, and for all age groups within those providers, the mean hourly funding rate for the funded entitlements was lower than hourly parent-paid fees in 2019.



### RISING COSTS

NDNA members that responded to a survey reported their staffing bills had risen **14%** in the past year due to increases in the national minimum wage and recruitment costs and coincides with energy and food bills rising at **15%** according to the IFS, faster than the **9%** for households. Meanwhile, over the past year, rates for government-funded childcare rose just **3.4%** on average.



### AVAILABLE PLACES

Coram's 2023 Childcare Survey reported a seven percentage point fall in the availability of places for two-year-olds and three- and four-year-olds through the funded childcare scheme. The survey also found that **43%** of local authorities, which are responsible for administering the scheme, reported fewer education entitlement places. It is estimated that the expansion of the scheme in 2024 will increase demand for places further.



### WORKFORCE CRISIS

Research by the NDNA found that staff turnover is at **24%**, compared with the UK average of **15-18%**. According to Coram's 2023 annual Childcare Survey, **71%** of local authorities say settings are finding it "very difficult" to recruit staff. An Early Years Alliance survey found **84%** of providers were finding it difficult to recruit suitable staff.



Source: Ready for the Future, Careers and Enterprise Company, May 2023 Picture: Synthex/Adobe Stock