



## An early years place for all: NAHT survey on extending childcare provision in schools



September 2015

## **Foreword**

NAHT is a trade union and professional association with over 29,000 members who are school leaders across all sectors of the education sector. Many of our members run nursery schools, have nursery classes in their school or run private nurseries alongside the school.

As such, we broadly welcomed the new government's announcement, in the Childcare Bill, that working parents would be entitled to 30 hours of free childcare from September 2017. We're keen to work with the government to ensure that the policy becomes one that schools can actually deliver.

Nursery provision linked to a school generally provides high quality early education, especially for children from disadvantaged backgrounds. Her Majesty's Chief Inspector, Michael Wilshaw, has stated that "Schools have the unique advantage of being able to offer continuity across the transition to Reception, which is a critical time when some children's learning suffers if not managed well. Schools are also most likely to have established access to support for special educational needs such as special educational needs coordinators (SENCOs) and speech and language therapists."

Schools crucially offer access to excellent early years teachers, and it is our view that all early years settings should have at least one qualified teacher.

However, many of our members have been telling us for some time that they are running nurseries at a loss, subsidising the nursery budget from the rest of the school budget at a level that is not sustainable in the long term. We wanted to understand how much of an issue funding was, and what capacity there was for schools to increase the places they offer to meet the demand from working parents.

We decided to survey our members and were pleased to receive nearly 800 replies, a testament to the importance of the issue for our early years leaders. This report outlines what we found and what the government must consider if we are to provide an early years place for all the children who need one.

**Russell Hobby**  
General Secretary

## Key recommendations

The survey of 791 NAHT members conducted in July 2015 highlighted a number of key findings that point to the issues that must be addressed in developing the policy and regulations to extend the provision of 30 hours of free childcare:

1. We found that the majority of providers of nursery education in schools are not receiving enough funding to cover the cost of provision. Most commonly, they fund this deficit from the rest of the school budget, something that will become increasingly difficult with the other growing pressures on school budgets. **It is therefore imperative that the DfE develop a national fair funding formula for nursery education**
2. Without this, there is a risk that schools will increasingly move away from providing nursery education at the time when the government's commitment to extend free childcare for working parents needs to see more quality providers. 40% of respondents to the survey thought that extending the level of free childcare would make their nursery even less sustainable, and another 45% weren't sure
3. Over two thirds of our respondents thought that the impact of the policy would be a reduction in the number of children they could accommodate as children currently attending for half a day moved to a full day. And over two thirds of those thought that they would be able to accommodate between 25-50% fewer children
4. **The government need to work with the sector to understand the issue of capacity and consider how to ensure that there is enough provision to meet demand**
5. Over half of respondents to NAHT's survey reported that they did not have the capacity to take on more children but of those, nearly half thought that they would be able to increase capacity if capital funding was made available. **The provision of capital funding is therefore key to the success of this policy**
6. **Crucially, schools will need time to implement the policy, and certainty about how it will be implemented well in advance, particularly if it means that they will have to reduce the number of children that they currently support.** In some schools, parents may have to find an alternative nursery provision for their small children and this needs to be handled carefully to ensure a smooth transition for both parents and children

## Overview

The government has announced its intention to increase the provision of free childcare to working parents to 30 hours a week over 38 weeks a year. NAHT are broadly supportive of the proposal that recognises the value of good early years education and provides greater support for working parents. However, some members raised concerns about the funding of nursery provision, with wide local variation and many providers not covering their costs. In order to explore these issues further, NAHT conducted a survey of its members in England with nursery provision.

The survey was conducted over the two week period between 16<sup>th</sup> and 30<sup>th</sup> July. A total of 791 responses were received, however the majority of questions were answered by approximately 500 respondents. Questions on places for two year olds were answered by approximately 120 respondents as fewer respondents offered these places.

Full data tables are available as an appendix to this report.

## Report findings

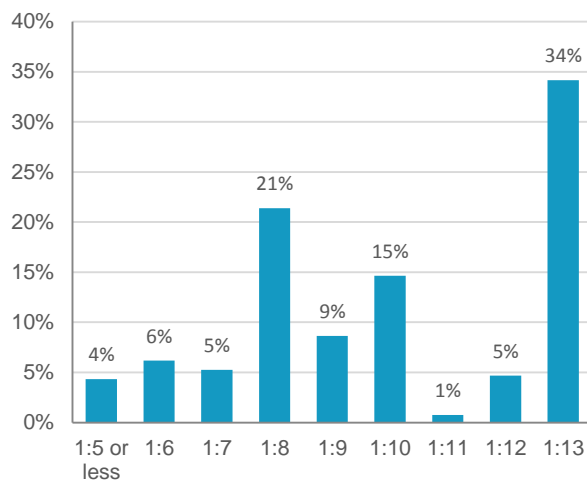
The majority of responses (72.17%) were received from head teachers, with the remaining responses from a range of other senior leadership roles, including 7.12% from school business managers. (Table 1)

The overwhelming majority of respondents (84.75%) ran a nursery setting in a primary or infant school. One in ten (9.91%) ran a state nursery school and the remaining minority (5.34%) ran private nursery settings (Table 2). The number of private settings (42) was too small to produce any meaningful breakdown between state and private settings in this report.

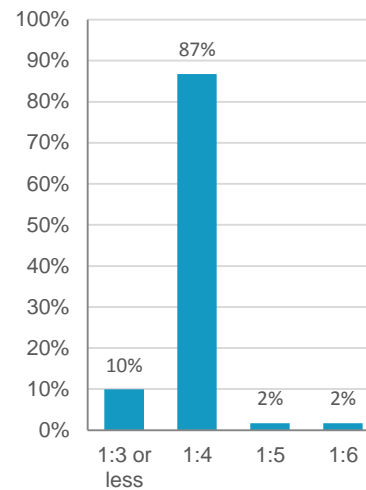
The overwhelming majority of settings (93.28%) were open term time only. A small minority (4.18%) were open all year round, and the remaining 2.53% were open term time and some holidays. (Table 3)

For three and four year old classes there was a fairly wide spread of staff to pupil ratios in the settings, although the highest ratio was clearly the most common, used by one third (34.15%) (Table 4). For two year olds the overwhelming majority (86.78%) used a 1:4 ratio. (Table 5) The data is illustrated in the graphs below.

### Three and four year olds



### Two year olds

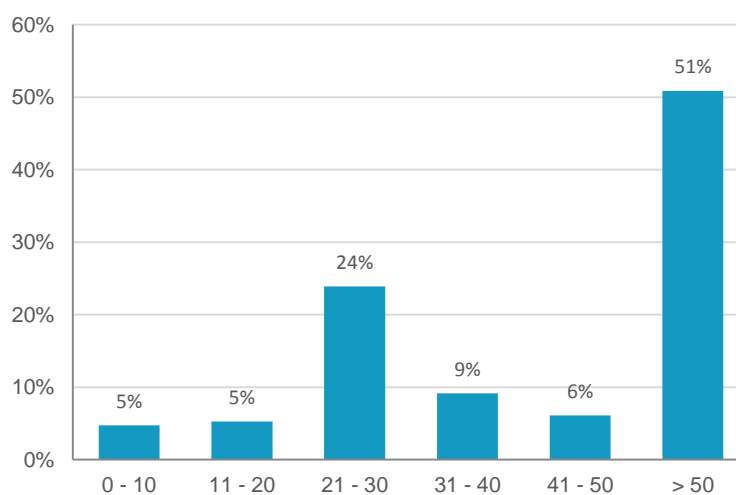


## Free places for three and four year olds

### How many places were nurseries offering?

Over half of respondents (50.51%) were offering more than 50 free places for three and four year olds. The next largest category was 21 – 30 places, with almost quarter (24.14%) offering this number. Only one in ten (10.1%) offered fewer than 20 places. The full range of answers is illustrated in the graph below. (Table 6)

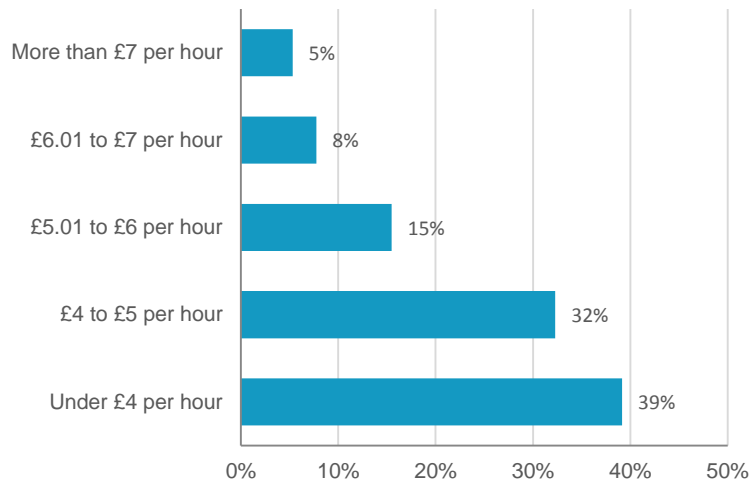
### Free places for 3 and 4 year olds



### How much funding do nurseries receive?

Two in five respondents (39.16%) said that they received less than £4 per hour to fund places for three and four year olds. The next largest category was £4 - £5 per hour (32.30%); therefore the large majority (71.46%) received less than £5 per hour. Only a little more than one in ten (13.05%) received more than £6 per hour. (Table 7)

### Funding per place for 3 and 4 year olds

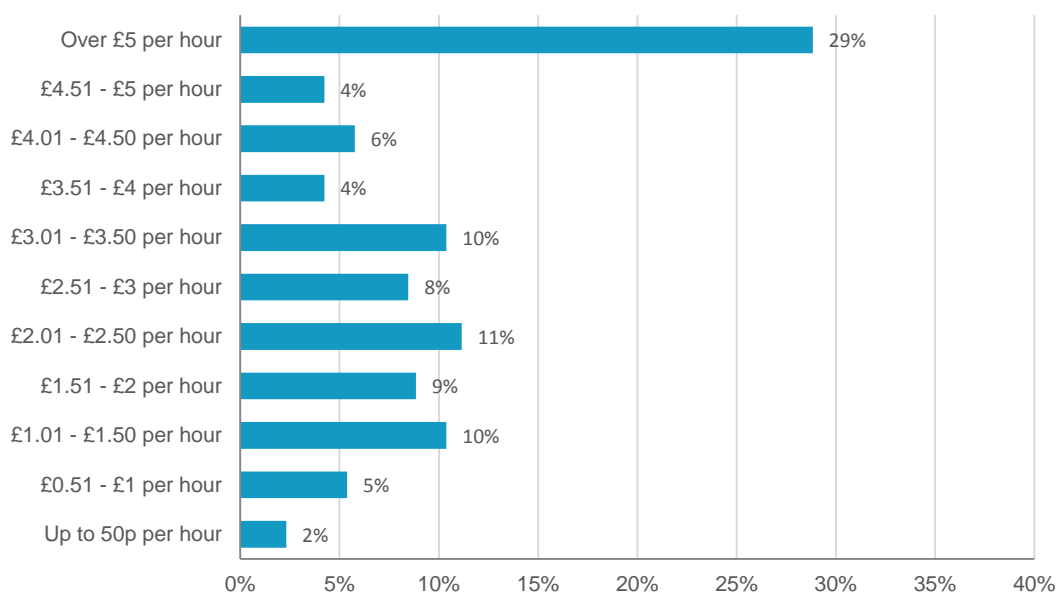


The majority of respondents (58.50%) said they did not receive enough funding to cover the cost of places for three and four year olds. For those funded at less than £4 per hour this was slightly higher at 70.06%. A further 20.75% of all respondents were not sure whether their funding covered their costs. (Table 8)

Low funding did not appear to result in a decision to use the highest pupil to staff ratio. In fact the percentage of respondents using the 1:13 ratio was slightly lower (25.15%) for those who received less than £4 per hour, compared with all other respondents (35.80%). (Table 4)

Of those who said that their funding did not cover their costs, almost one third (28.85%), said that they would require an additional £5 per hour. Over half (53.46%) said they would need more than £3 per hour in additional funding. (Table 9)

### Additional funding needed per place for 3 and 4 year olds



### How do underfunded nurseries cover the funding gap?

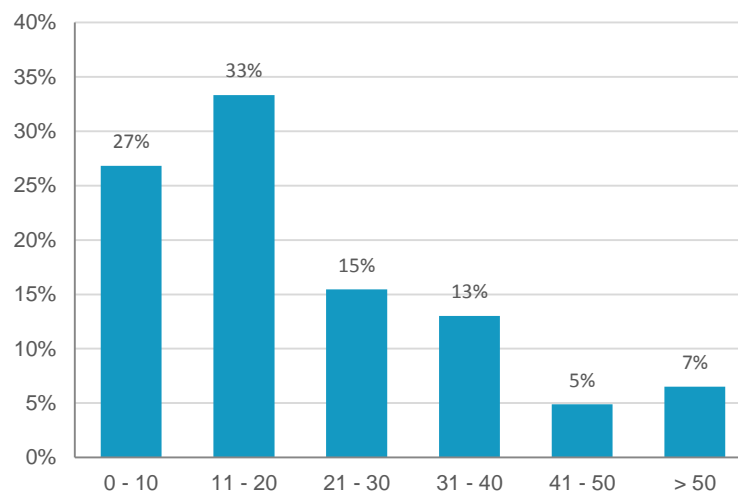
The overwhelming majority of respondents (79.80%) were cross-subsidising their funding from the rest of the school budget. A further 12.12% were cross-subsidising from paid-for nursery funding. The small minority of remaining respondents used a combination of these methods, had received additional lump-sums from their LA, or used fund-raising events to raise the cover the extra cost. (Table 10)

### Free places for two year olds

#### How many places were nurseries offering?

A little less than a quarter of respondents (23.42%) offered places for two year olds (Table 11). Almost two thirds of these respondents (60.16%) were offering fewer than 20 free places for two year olds. The most common range was 11–20 places offered by one third (33.33%) of respondents. Only a little more than one in ten (11.38%) offered more than 40 places. (Table 12)

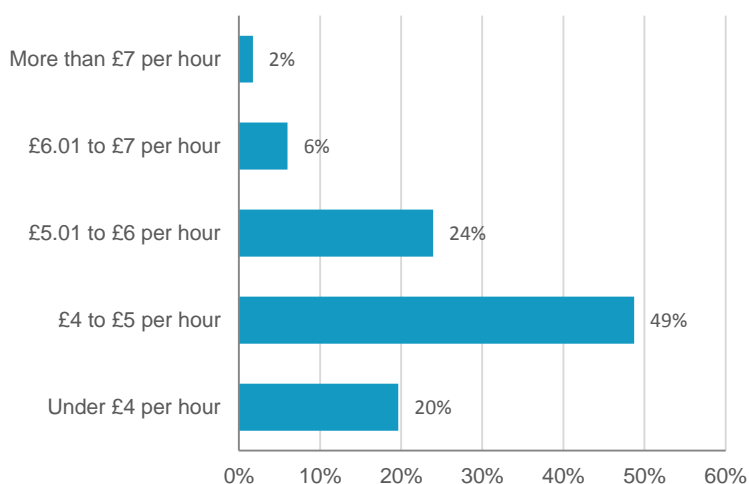
#### Free places for two year olds



#### How much funding do nurseries receive for two year olds?

The most common funding bracket was £4 - £5 per hour, received by almost half (48.72%) of respondents. The majority (68.38%) received less than £5 per hour. Fewer than one in ten (7.69%) received more than £6 per hour. (Table 13)

### Funding per place for two year olds



The majority of respondents (64.23%) said they did not receive enough funding to cover the cost of places for two year olds. A further 13.82% of respondents were not sure whether their funding covered their costs. (Table 14)

Of those who said that their funding did not cover their costs, one in five (20.55%), said that they would require more than £5 per hour in additional funding. Almost half (46.58%) said they would need more than £3 per hour in additional funding. (Table 15)

#### How do underfunded nurseries cover the funding gap?

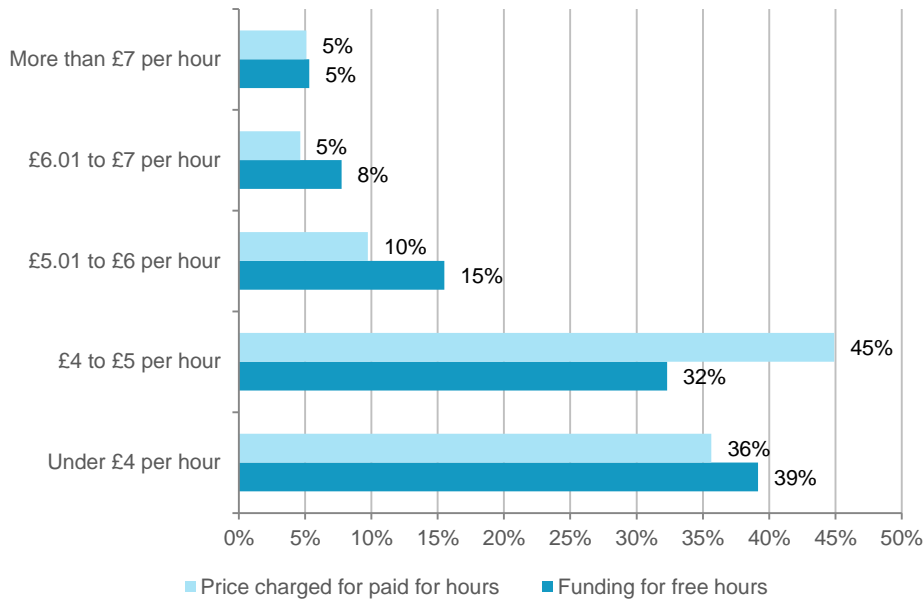
The majority of respondents (53.25%) were cross-subsidising their funding from the rest of the school budget. Almost one third (29.87%) were cross-subsidising from paid-for nursery funding. Of the remaining respondents (16.88%) most used a combination of these methods.

#### Paid childcare hours

Over half of respondents (53.23%) said that the parents of children who receive free child care hours do not extend these hours with paid for childcare at their setting. Two in five (38.78%) said that a minority of parents extended their hours, and fewer than one in ten (7.98%) said the majority of parents did this. (Table 16)

When asked how much they charged for paid for childcare hours, the distribution of results was similar to that for the funding received for free hours; despite most settings saying their funding did not cover their costs (Table 17). A comparison is illustrated in the graph below, however it should be noted that the data for paid for hours is from a much smaller sample.





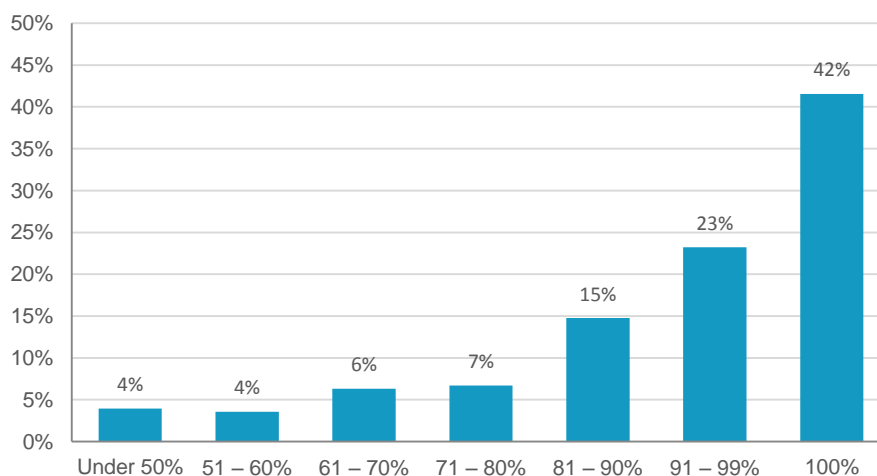
Of those who received less than £4 per hour to offer free hours, over half (55.17%) also offered paid for hours at under £4 per hour, and almost all of this group (91.95%) offered paid for hours at £5 or less. (Table 17)

### The proposal to extend the number of free childcare hours

When asked if increasing the number of free childcare hours to 30 would make their provision more or less sustainable, two in five respondents (40.00%) said less sustainable. A further 45% of respondents were not sure whether it would make their funding more or less sustainable. Only 15% thought it would make their funding more sustainable. (Table 18)

Two in five respondents (41.54%) said they were already at full occupancy for their provision. Four out of five (79.53%) said that they were at more than 80% of their occupancy level. Only a very small minority (3.94%) were under 50% occupancy. (Table 19)

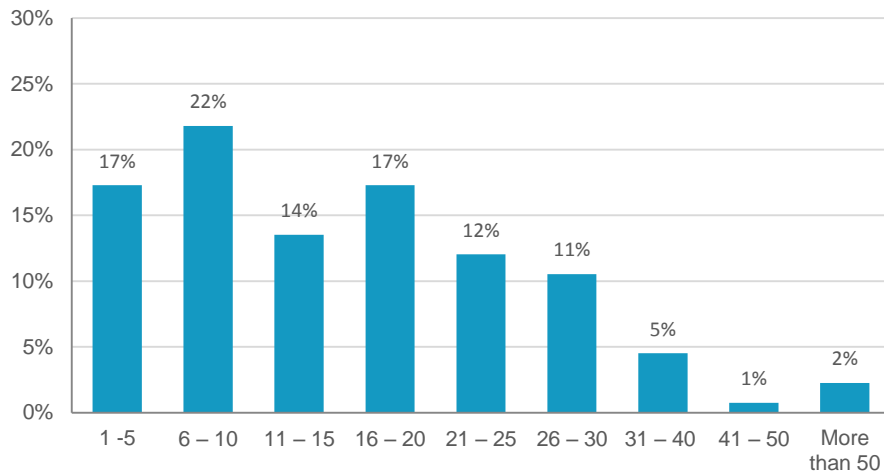
### Occupancy level



Half of respondents (53.73%) said that they did not have the capacity to increase the number of nursery education hours they offered. Less than one third (27.45%) felt that they could increase their capacity, and the remaining respondents were unsure. (Table 20)

Those who felt that they could increase their capacity were asked how many more children they could accept. The most common range was 6 – 10 additional children (21.80% of respondents gave this answer). Over half of respondents (52.62%) thought that they could only increase capacity by 15 children or fewer. Fewer than one in ten (7.52%) said that they could increase capacity by more than 30 places. (Table 21)

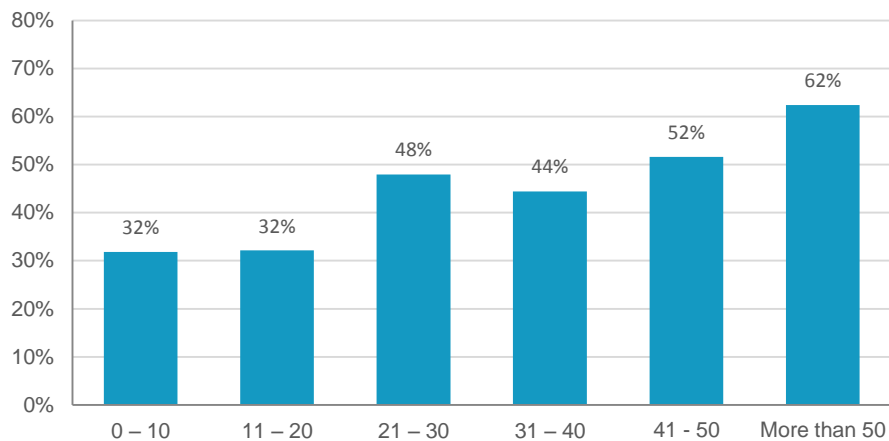
**How many more children could you accept**



Of those who did not feel that they could increase capacity, nearly half (47.64%) believed that they could increase capacity if capital funding was made available to them. One third (32.36%) believed that even with capital funding they could not increase capacity. A further 20% were unsure. (Table 22)

Those who already offered a higher number of free places were less likely to believe they could increase their capacity. The graph below shows the percentage of those who said they could not increase their capacity, against number of free places they currently offer (however some groups deal with small samples, see table 23):

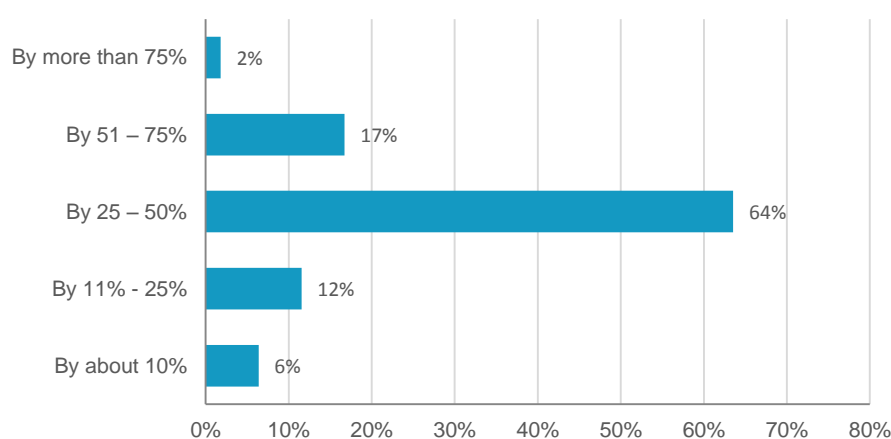
**No capacity to increase occupancy  
(by current number of free places offered)**



If the increased entitlement of 30 hours was applied to children currently in their setting, the majority of respondents (65.94%) thought that it would reduce the number of children that they could accommodate. One in five (20.40%) did not think that this change would reduce the number of children they could accommodate, and a further 13.66% weren't sure.

Those who thought the change would reduce the number of children they could accommodate were asked to estimate the likely fall in capacity. The majority (63.53%) thought there would be a 25 – 50% reduction in the number of children they could accommodate. The remaining responses were distributed fairly evenly either side of this bracket. (Table 24)

**Estimated fall in the number of children that could be accommodated**



When asked whether the anticipated reduction in the number of children they could accommodate would have an impact on the number of children applying for their reception class, half of respondents (51.10%) thought that it would reduce the number applying. The remaining respondents were split fairly evenly between those who thought it wouldn't and those who weren't sure. (Table 25)

## Appendix: data tables

Table 1: Please indicate your role

	No.	%
Executive head teacher / principal	53	6.73%
Head teachers / principal	568	72.17%
Deputy head teachers / principal	68	8.64%
Assistant head teacher / principal	26	3.30%
School business manager	56	7.12%
Other	16	2.03%
<b>TOTAL</b>	<b>787</b>	

Table 2: What kind of nursery environment do you run?

	No.	%
Nursery class/es in a primary/infant school	667	84.75%
State nursery school	78	9.91%
Own private nursery on school grounds	35	4.45%
Own private nursery in different location	4	0.51%
Private nursery in partnership with a third party	3	0.38%
<b>TOTAL</b>	<b>787</b>	

Table 3: How many weeks per year are you open?

	No.	%
Term time only	736	93.28%
Term time and some holidays	20	2.53%
All year round	33	4.18%
<b>TOTAL</b>	<b>789</b>	

Table 4: What is your staff to pupil ratio for three and four year olds?

	All		Funded at less than £4 p/h		Funded at £4 p/h or higher	
	No.	%	No.	%	No.	%
1:5 or less	23	4.32%	9	5.39%	13	5.06%
1:6	33	6.19%	16	9.58%	17	6.61%
1:7	28	5.25%	13	7.78%	12	4.67%
1:8	114	21.39%	50	29.94%	49	19.07%
1:9	46	8.63%	14	8.38%	20	7.78%
1:10	78	14.63%	16	9.58%	41	15.95%
1:11	4	0.75%	1	0.60%	2	0.78%
1:12	25	4.69%	6	3.59%	11	4.28%
1:13	182	34.15%	42	25.15%	92	35.80%
<b>TOTAL</b>	<b>533</b>		<b>167</b>		<b>257</b>	

Table 5: What is your staff to pupil ratio for two-year-olds?

	No.	%
1:3 or less	12	9.92%
1:4	105	86.78%
1:5	2	1.65%
1:6	2	1.65%
<b>TOTAL</b>	<b>121</b>	

Table 6: How many free places do you offer for three and four year olds?

	No.	%
0 – 10	28	4.75%
11 – 20	31	5.25%
21 – 30	141	23.90%
31 – 40	54	9.15%
41 - 50	36	6.10%
More than 50	300	50.85%
<b>TOTAL</b>	<b>590</b>	

Table 7: How much funding per hour do you receive for three and four year olds?

	No.	%
Under £4 per hour	177	39.16%
£4 to £5 per hour	146	32.30%
£5.01 to £6 per hour	70	15.49%
£6.01 to £7 per hour	35	7.74%
More than £7 per hour	24	5.31%
<b>TOTAL</b>	<b>452</b>	

Table 8: Does the funding you receive for three and four olds cover your costs?

	All		Funded at less than £4 p/h		Funded at £4 p/h or higher	
	No.	%	No.	%	No.	%
Yes	116	20.75%	28	15.82%	66	24.09%
No	327	58.50%	124	70.06%	160	58.39%
Not sure	116	20.75%	25	14.12%	48	17.52%
<b>TOTAL</b>	<b>559</b>		<b>177</b>		<b>274</b>	

Table 9: How much more funding per hour would you require for each child, in order to cover your costs?

	All		Funded at less than £4 p/h		Funded at £4 p/h or higher	
	No.	%	No.	%	No.	%
Over £5 per hour	75	28.85%	17	15.04%	50	36.50%
£4.51 to £5 per hour	11	4.23%	5	4.42%	6	4.38%
£4.01 to £4.50 per hour	15	5.77%	6	5.31%	9	6.57%
£3.51 to £4 per hour	11	4.23%	8	7.08%	3	2.19%
£3.01 to £3.50 per hour	27	10.38%	11	9.73%	15	10.95%
£2.51 to £3 per hour	22	8.46%	6	5.31%	16	11.68%
£2.01 to £2.50 per hour	29	11.15%	16	14.16%	12	8.76%
£1.51 to £2 per hour	23	8.85%	15	13.27%	8	5.84%
£1.01 to £1.50 per hour	27	10.38%	15	13.27%	12	8.76%
£0.50 to £1 per hour	14	5.38%	9	7.96%	5	3.65%
Up to 50p per hour	6	2.31%	5	4.42%	1	0.73%
<b>TOTAL</b>	<b>559</b>		<b>113</b>		<b>137</b>	

Table 10: How do you currently cover this funding gap?

	No.	%
Cross-subsidise from paid-for nursery funding	36	12.12%
Cross-subsidise from rest of school budget	237	79.80%
Other	24	8.08%
<b>TOTAL</b>	<b>297</b>	

Table 11: Are you offering free nursery places for two-year-olds?

	No.	%
Yes	126	23.42%
No	412	76.58%
<b>TOTAL</b>	<b>538</b>	

Table 12: How many free places do you offer for two year olds?

	No.	%
0 – 10	33	26.83%
11 – 20	41	33.33%
21 – 30	19	15.45%
31 – 40	16	13.01%
41 – 50	6	4.88%
More than 50	8	6.50%
<b>TOTAL</b>	<b>123</b>	

Table 13: How much funding per hour do you receive for two-year olds?

	No.	%
Under £4 per hour	23	19.66%
£4 to £5 per hour	57	48.72%
£5.01 to £6 per hour	28	23.93%
£6.01 to £7 per hour	7	5.98%
More than £7 per hour	2	1.71%
<b>TOTAL</b>	<b>117</b>	

Table 14: Does the funding you receive for two-year-olds cover your costs?

	No.	%
Yes	27	21.95%
No	79	64.23%
Not sure	17	13.82%
<b>TOTAL</b>	<b>123</b>	

Table 15: How much more funding per hour would you require for each child, in order to cover your costs?

	No.	%
Over £5 per hour	15	20.55%
£4.51 to £5 per hour	8	10.96%
£4.01 to £4.50 per hour	2	2.74%
£3.51 to £4 per hour	4	5.48%
£3.01 to £3.50 per hour	5	6.85%
£2.51 to £3 per hour	7	9.59%
£2.01 to £2.50 per hour	7	9.59%
£1.51 to £2 per hour	6	8.22%
£1.01 to £1.50 per hour	8	10.96%
£0.50 to £1 per hour	10	13.70%
Up to 50p per hour	1	1.37%
<b>TOTAL</b>	<b>73</b>	

Table 16: Do the parents of children in your school who receive free childcare hours also extend this with paid childcare hours?

	No.	%
Yes a majority of them	42	7.98%
Yes a minority of them	204	38.78%
No	280	53.23%
<b>TOTAL</b>	<b>123</b>	

Table 17: How much do you charge parents for additional paid childcare hours?

	All		Funded at less than £4 p/h		Funded at £4 p/h or higher	
	No.	%	No.	%	No.	%
Under £4 an hour	77	35.65%	48	55.17%	22	20.18%
£4 to £5 an hour	97	44.91%	32	36.78%	57	52.29%
£5.01 to £6 an hour	21	9.72%	5	5.75%	14	12.84%
£6.01 to £7 an hour	10	4.63%	1	1.15%	9	8.26%
£7.01 to £8 an hour	6	2.78%	0	0%	4	3.67%
£8.01 to £9 an hour	3	1.39%	0	0%	3	2.75%
£9.01 - £10 an hour	0	0%	0	0%	0	0%
More than £10 hour	2	0.93%	1	1.15%	0	0%
<b>TOTAL</b>	<b>216</b>		<b>87</b>		<b>109</b>	

Table 18: If the number of free childcare hours per child was extended to 30 for children of working parents, would this make the funding of your childcare provision:

	No.	%
Less sustainable	200	40.00%
More sustainable	75	15.00%
Not sure	225	45.00%
<b>TOTAL</b>	<b>500</b>	

Table 19: What occupancy level do you currently have for your nursery provision?

	No.	%
Under 50%	20	3.94%
51 – 60%	18	3.54%
61 – 70%	32	6.30%
71 – 80%	34	6.69%
81 – 90%	75	14.76%
91 – 99%	118	23.23%
100%	211	41.54%
<b>TOTAL</b>	<b>508</b>	

Table 20: Would you have the capacity to increase the number of hours of nursery education you offer

	No.	%
Yes	140	27.45%
No	274	53.73%
Not sure	96	18.82%
<b>TOTAL</b>	<b>510</b>	



Table 21: Approximately how many more children could you accept?

	No.	%
1 - 5	23	17.29%
6 – 10	29	21.80%
11 – 15	18	13.53%
16 – 20	23	17.29%
21 – 25	16	12.03%
26 – 30	14	10.53%
31 – 40	6	4.51%
41 – 50	1	0.75%
More than 50	3	2.26%
<b>TOTAL</b>	<b>133</b>	

Table 22: Could you increase capacity if capital funding was made available to you?

	No.	%
Yes	131	47.64%
No	89	32.36%
Not sure	55	20.00%
<b>TOTAL</b>	<b>275</b>	

Table 23: Would you have the capacity to increase the number of hours of nursery education you offer? (Presented against current number of places offered)

Places offered	Yes		No		Not sure		TOTAL
	No.	%	No.	%	No.	%	
0 – 10	8	36.36%	7	31.82%	7	31.82%	22
11 – 20	9	32.14%	9	32.14%	10	35.71%	28
21 – 30	37	30.08%	59	47.97%	27	21.95%	123
31 – 40	16	35.56%	20	44.44%	9	20.00%	45
41 - 50	10	32.26%	16	51.61%	5	16.13%	31
More than 50	59	22.87%	161	62.40%	38	14.73%	258
<b>TOTAL</b>	<b>139</b>		<b>272</b>		<b>96</b>		<b>507</b>

Table 24: What would be the estimated fall in the number of children you could accommodate?

	No.	%
By about 10%	21	6.38%
By 11% - 25%	38	11.55%
By 25 – 50%	209	63.53%
By 51 – 75%	55	16.72%
By more than 75%	6	1.82%
<b>TOTAL</b>	<b>329</b>	

Table 25: Do you think this would have an impact on the number of children applying for your reception class?

	No.	%
Yes, it would reduce it	163	51.10%
No	82	25.71%
Not sure	74	23.20%
<b>TOTAL</b>	<b>319</b>	