Owlets Preschool

A cartoon of a brown owl sitting on a red book

Description automatically generated Methodist Chapel Hall

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Charity Number: 1030866

URN: EY24475

25th March 2024

Dear parents/carers,

Re: Changes to Pre-School Fees + Consumables

I am writing to inform you of our fees for the academic year 2023/2024. As you may be aware, early years settings like ours across the country are facing a wide range of significant increases in our costs.As a direct result of these financial pressures, we have had to take the difficult decision to increase our fees. We fully recognise this is already a challenging time for many of our families, and so we have endeavoured to keep these increases to the minimum level needed to ensure that we are able to continue delivering high-quality care and education to you and your family.

New Fee-Paying Amounts:

As from April 2024 September 2024

2-year-olds £7.50p per hour £8.00 per hour

3–4-year-olds £5.75p per hour £6.00 per hour

The decision to increase our fees is in line with other childcare settings in our local area, unfortunately some settings are having to reduce the days and hours they are operating or are having to close permanently. This is a reality for our setting too if we do not increase our fees for fee paying children and charge a Consumable fee for government funded children.

Consumable Fee - We will be introducing the Consumable Fee from September 2024; this is necessary as the government under-funding of early years settings and the current economic climate meaning it is not financially viable for settings to provide the pre-school places for ‘free’.

We will be charging 50p per child per hour.

15 hours funded = £7.50p per week 30 hours funded = £15.00 per week

Consumable fees will be invoiced separately for all funded hours in the same way we invoice for sessions and will be payable each half term. Please speak to Joanne and Michelle if you have any concerns or further questions or if you would like to discuss a payment plan.

The Government funding we receive is unfortunately insufficient to cover all our costs. The Consumable charge will fund snacks, malleable materials, cooking ingredients and all other activities and resources we use to support your child in the setting.

Please be aware that should we find that we are unable to provide the exceptional curriculum experiences we pride ourselves on, due to the financial constraints, then we may need to review the sustainability of accepting early years funding as a payment method and have to restrict numbers of funded places.

If you feel you are unable to pay the Consumables Fee we kindly ask that you provide all consumables for you child while they attend the preschool.

For many years two-year-old funded and three to four-year-olds have been able to access 15 hours of government funded childcare and early education per week (for 38 weeks of the year). However, the money the government provides has never covered the cost of delivering the pre-school places. We have been fortunate that historically we have been able to subsidise children’s places at pre-school.

In 2017, the government increased the childcare offer to 30 hours per week for working families, but again the funding from government has remained low and settings have covered the ‘gap’ between the funding and the true cost of providing the childcare places for the children in receipt of 30 hours funding as well as those in receipt of 15 hours funding.

Over the last academic year, with the increase in all costs involved in running the setting, the pre-school has found itself in a difficult financial position. As a small charitable organisation, it is no longer viable to continue to subsidise the childcare places without implementing the consumable fee from all our families.

The government has recently announced a further offer of 'free' childcare for all two-year-olds (all children from nine months old will eventually receive 15 hours funded childcare) this will also have an impact on our financial situation because the government funding continues to be significantly less than what it costs to offer the pre-school places.

Underfunding of the early years sector

In July 2021, data obtained by the Alliance via Freedom of Information requests showed that the funding rates paid to local authorities as part of the ‘free childcare’ offer are just two-thirds of what the government estimated would be needed to fully fund the scheme,

The data revealed that civil servants estimated that a government-funded early years place for three- and four-year-olds would cost an average of £7.49 per hour by 2020/21. This has increased for 2022/2023 and will increase again by 2023/2024. By contrast, the hourly rate paid to early years settings in our area was only £4.39 per hour in 2020/2021.

In 2020/2021 this reflected a shortfall of £3.10 per child, per hour for every 15 and 30-hours place – or £1767.00 over the course of the year per child in receipt of 15 hours funding or £3534.00 over the course of a year per child in receipt of 30 hours funding. The shortfall will be more for 2022/2023 and 2023/2024 due to the current economic climate.

The below link gives parents/carers further insight into this nationwide issue and why settings, like ours cannot offer ‘free’ hours for pre-school places.

https://www.eyalliance.org.uk/problem-free-childcare-interactive-explainer-parents-and-carers

We would like to take this opportunity to thank you for your continued support and understanding.

Owlets Preschool Committee