

What effects have the rising cost of living had on your organisation and sector so far?

Organisation

Increases in general costs which, as a full cost recovery charity, means that funding received does not stretch as far.

Higher petrol costs may result in fewer face to face visits to Out of School Childcare Clubs. These face-to-face visits are useful in supporting us to identify issues that clubs require our support with.

Vacancies in some cases, which may be resulting from some people needing a higher number of hours / higher wages than the organisation is able to afford (wages tend to be lower in third sector organisations and we are unable to increase wages at the same rate as cost of living increases).

Increased difficulty in budget planning and workforce planning for the next few years due to high inflation and increasing uncertainty over costs and potential income.

Sector

Out of School Childcare Clubs are facing similar challenges in meeting increased core costs (minimum wage increases, rental increases, increases in food and utility costs). Many clubs were already in a precarious position due to lower income (decreased place uptake – see below) and so these increases in expenditure are in some cases adding to the likelihood of club closures.

A high number of vacancies and difficulty in recruiting suitably qualified staff – clubs are not able to increase wages with current income levels and many have lost staff to other industries over the past couple of years. It is difficult to retain staff due to low wages, and difficult to recruit new staff for the same reason. In some cases, staff hours have had to be reduced due to lower uptake of places, which again impacts the take home pay of staff and increases the chance that they will look for employment elsewhere.

Voluntary Managed Committees are struggling to recruit volunteers for their Board / Committee, with many parents/carers and professionals needing to prioritise paid employment.

Decrease in places take up – parents/carers are struggling themselves with the rise in the cost of living (and anticipated continued rise) which is leading to many having to re-evaluate their childcare choices and look for cheaper alternatives. This impact on Out of School Childcare Club places take up is compounded by many parents/carers continuing to work from home. These

factors are leading to parents/carers reducing the number of days they use after school / holiday provision, or, in some cases, ceasing use entirely and opting either for unregulated (and cheaper) childcare alternatives, or care within the home whilst working from home.

What effects do you foresee rising costs having on your organisation and sector? To what extent will these effects be reversible (e.g. venues closing, rather than just a temporary restriction on activities)?

Organisation

A need to secure additional funding to cover core costs and retain our staff. This will reduce the amount of time we have to focus on our strategy, aims and mission. Additionally, few funders will fund core costs.

A potential need to reflect on and cut back on some expenditure elements in the short term

In the longer term if economic pressures continue (particularly if this translates into reduced income received from other bodies, which are also struggling to balance the rising cost of living), this could lead to redundancies and loss of valuable staff (and thus valuable support to the sector).

Sector

A loss of reserves

A decrease in success of fundraising activities, which could lead to closure of settings

A reduction in services (e.g. some services may reduce opening days/ hours / weeks or limit numbers of children in their care to avoid using as many rooms) which will impact the employment prospects of the local community. This could be a reversible impact, however if it results in loss of qualified staff, this could continue to impact the quality and/or sustainability of the provision going forward.

Permanent closure of clubs, leading to a rise use of unregulated alternatives which may not offer the same level of safeguarding or quality.

Potentially fewer schools will be able and willing to accommodate childcare, especially through the school holidays, to cut back on utility costs.

What interventions would you like to see from the Welsh Government and the UK Government?

Support for small businesses (like Out of School Childcare Clubs) to help cover gas/electricity costs

Support to parents/carers to cover rising living costs, freeing up income to access childcare

Annual increases in rates for funding (Childcare Offer, early education etc) to ensure rates cover the costs to the setting

A continued/increased focus on supporting the challenges facing the sector that have been exacerbated by the rising cost of living (e.g. recruitment, staff qualifications, competition from unregulated provision).

To what extent are the effects described different for people with protected characteristics and people of lower socio-economic status?

Rising costs of living are likely to have a greater impact on those already vulnerable (e.g. those with protected characteristics such as those from Black, Asian and Minority Ethnic communities; and those of a lower socio-economic status). Consequently, it is essential that these groups are considered within all aid and support that is put in place.

Out of School Childcare Clubs are more difficult to establish and sustain in disadvantaged areas and the availability of childcare will be condensed in the less deprived areas.