

Dear Parents & Carers,

Coronavirus - Business Update

I trust you are well and hope this letter once again reaches you and your family in good health and you were all able to have a pleasant festive break.

As many of you will have seen and heard, following the Prime Ministers announcement on 4th January at 8pm, England has now moved into full Lockdown (Tier 4) as the coronavirus pandemic is moved to level 5 (red) as a 'material risk of healthcare services being overwhelmed', opposed to level 4 which is 'high or rising exponentially'.

Unlike the first full lockdown last year where nurseries across the UK were instructed to close, the PM confirmed that childcare provisions *can* remain open. Our nurseries will therefore remain **open to everyone** and not just [key workers](#), subject to further government instruction. Additionally, it is important to remind everyone that parents and/or carers are expressly permitted to leave home to access/attend childcare. ([See updated guidance](#))

We were pleased with the announcement and the decision to allow nurseries to remain open, as the alternative would certainly have been detrimental for families and providers. We intend on remaining open across England settings, not just because of the need for access by parents and carers, but also for the welfare of children who benefit from being at nursery during these unusual times. I would however like to draw your attention to the document attached to this letter which has been prepared to provide you with some essential background information and context to the very real challenges the sector faces, as we continue through this difficult period. I believe it is crucially important we share some of the issues behind the scenes that impact the decisions we are having to make.

We appreciate not everyone agrees with nurseries remaining open due to the increasing risk of transmission, and also when the decision to close schools has been made. The government has therefore provided a [rationale](#) for keeping nurseries open which we trust will provide some comfort: -

- *The reason schools have been restricted is not that they are unsafe but because additional measures are needed to contain the spread of the virus. The wider restrictions in place as part of the national lockdown to contain the spread of the virus in the community enable us to continue prioritising keeping nurseries and childminders open, supporting parents and delivering the crucial care and education needed for our youngest children.*
- *Early years settings remain low risk environments for children and staff. 0-5 year olds continue to have the lowest confirmed rates of coronavirus of all age groups, and there is no evidence that the new variant of coronavirus disproportionately affects young children. Evidence shows that pre-school children are less susceptible to infection and are not playing a driving role in transmission. There is no evidence the new strain of the virus causes more serious illness in either children or adults and there continues to be strong evidence that children are much less susceptible to severe clinical disease than older people.*
- *PHE advice remains that the risk of transmission and infection is low if early years settings follow the system of controls, which reduce risks and create inherently safer environments.*
- *Early years settings have been open to all children since 1 June and there is no evidence that the early years sector has contributed to a rise in virus cases within the community. Early evidence from SAGE showed that early years*



provision had a smaller relative impact on transmission rate than primary schools, which in turn had a smaller relative impact than secondary schools.

- *Early years childcare providers were one of the first sectors to have restrictions lifted last summer, in recognition of the key role they play in society. Childminders and nursery staff across the country have worked hard to keep settings open through the pandemic so that young children can be educated, and parents can work. The earliest years are the most crucial point of child development and attending early education lays the foundation for lifelong learning and supports children's social and emotional development. We continue to prioritise keeping early years settings open in full because of the clear benefits to children's education and wellbeing and to support working parents. Caring for the youngest age group is not something that can be done remotely.*

I share the view that it is right to remain open. Bertram can and will continue to provide safe care and education to children across our estate. With your continued trust, confidence and use of the nursery, we will endeavor to keep all our sites operational through the weeks and months ahead.

Naturally, given the nervousness created by the new strain of Covid-19 driving up transmission rates, we want to approach any decisions for operational change both sensitively and considerately. In the event your child's attendance at nursery is affected by members of the immediate family shielding, we will of course be happy to bill by exception subject to receiving a copy of the official shielding letter.

Once again thank you for your continued support and patience.

Kind regards

Cary Rankin
CEO

Sector Challenges

Funding

It has been well [documented](#) and lobbied within central government for a number of years that 3 & 4 year old funding rates fall significantly below the costs of delivery. As operating costs continue to rise annually, this has unfortunately not been matched by funding rates received. Due to the Pandemic, where access to nurseries decreased as a direct consequence, providers were partially supported for short period of time by receiving funding based on the previous terms payment. This was however short lived and providers are now only in receipt of funding for actual attendance, which has significantly reduced. With lower funded and private places being accessed, many providers across the UK continue to suffer significant financial loss which is sustainable for a finite period of time before difficult decisions must be made. For some it is too late and we have already seen a high volume of permanent closures across the sector.

Schools

There has long been a view that government often 'lump' Early Years providers in with schools policy, when in fact private nursery provision and maintained school nurseries do not operate on a level playing field. Early last year at the start of the pandemic, grants and funds were made available to schools and maintained nurseries for additional costs incurred to make them ready for opening and essentially be 'Covid-19 Safe'. This includes but not limited to, additional costs of increasing cleaning regimes, deep cleans following a covid-19 case, purchase or hire of essential equipment to manage hygiene improvements and finally the procurement of essential PPE equipment. Sadly, none of this additional funding extended to private nursery providers despite incurring the same substantial costs. All PPE, cleaning materials, increased time on cleaning etc. has been directly picked up by providers.

Schools have also received Covid-19 testing kits, which again have not been made available to nurseries to help identify possible cases and protect bubbles from mass self-isolation.

Self-Isolation

This continues to be an essential part of the action to tackle transmission for confirmed or suspected cases of Covid-19. For any business attempting to manage the delicate balance of staffing versus demand this continues to be a huge challenge, daily. Our teams work hard to plan and resource ahead, but inevitably where they are met with instruction to self-isolate a group, this impacts multiple families and employees. Where staffing resourcing becomes challenging due to any increase in Covid-19 cases, management teams will plan to accommodate demand as best they can. However, where they create too large a group in an effort to accommodate demand, they also risk more children and families being impacted should that group have a confirmed Covid-19 case. The logistical task in nurseries cannot be underestimate and our teams have done an incredible job under very difficult circumstances, and we thank you for the support and patience you have shown them.

Vaccine

As Early Years and Educational workers continue to work in close contact with children on a daily basis, where PPE is considered 'non-essential' according to the government, we consider our teams to be amongst the list of important 'front line' support, similar to elderly care workers. We believe they should be recognised as a priority for receive a vaccine. The government has already recognised those working in Early Years childcare as 'critical workers', yet this does not seem to be enough to warrant being given the vaccine at the front of the rollout plan. We would welcome your support by signing the petition within [this link](#).

Financial

Private nursery groups or individual private nursery providers only exist because they are profitable. This profit, as uncomfortable as it is for many to talk about given children and childcare always come first, allows them to cover costs that come from operating in a heavily regulated environment. Staff costs on their own often account for around 55% of the income they generate. Margins are thin and ultimately making a reasonable profit relies on a good take up of places. Whilst providers exist first and foremost to provide a safe and enriching environment for children and families, this cannot be achieved if they are not profitable.

Where take up of places falls, as has happened through Covid-19, many are having to make difficult decisions on if they can continue to remain open, often at a loss; or if they should close to mitigate their losses.

Along with many other sector providers, we have accepted financial losses and know that recovery will come, and we will get back to something that resembles 'Business as Usual' in good time. We also have a responsibility to our employees, families and shareholders to protect the long term security of the business and you will recall that sadly last year, we had to make some difficult decisions on sites closures temporarily or permanently. With your continued support through using our nurseries and our continued efforts to keep our nurseries safe and children and families protected as best we can from Transmission, we expect to keep remaining sites open through and beyond 2021.