

**Brighton & Hove  
City Council**

**CHILDREN & YOUNG PEOPLE  
CABINET MEMBER MEETING**

**SUPPORTING DOCUMENTATION  
(ITEM 61)**

**4.00PM, MONDAY, 17 JANUARY 2011**

**COUNCIL CHAMBER, HOVE TOWN HALL**



## **ADDENDUM**

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# Staff Response to the Consultation Document on Bright Start Nursery

We intend to show why the consultation report on the closure of Bright Start Nursery is unnecessary. It is clear that it is financially viable and can be retained 'in house' as part of Brighton and Hove City Council.

If the Council had wanted to remove the subsidy, this could have been achieved by simply consulting with staff and parents. No attempts were made to engage with nursery staff before consultation regarding addressing the subsidy and at no time were parents approached to discuss any level of fee increase before disregarding this from the report.

## Bright Start Nursery's Annual Subsidy

Point 2.1 of the consultation document states that *"the key reason for proposing the closure of Bright Start is to save the annual revenue subsidy of £87,000."*

We show below how the nursery subsidy could be removed by enacting a few simple measures.

- Increase the fees by £2.50 per session for existing council staff to the current community level of £20.00 (£40.00 per day)
- Increase the community rate by £2 per session to £22.00 (£44.00 per day)
- Ensure that we are adequately staffed to 51 places rather than 47 and by maintaining the current occupancy rate of 76% we would increase our annual fee income from £342,106.00 to £417,637.00 thus **saving £75,531.00**.
- Increasing this occupancy figure by only one full time child an additional £11,220 would be achieved and the need for subsidy would have been removed altogether.

This figure would have been achieved in this current year by

- Allowing us to advertise for a temporary member of staff to cover the absence of a long term staff member who has been unable to work due to treatment and recovery from breast cancer
- Meeting an ongoing request to appoint a 15 hour per week kitchen assistant- a position that became vacant in June 2009 following the retirement of the previous employee.
- Had the fees been increased by 50p each year since the last fee increase in 2006 there would be no need for a subsidy.

See Appendix 1 for a breakdown of the figures  
Appendix 2 – Impact of staffing and fees  
Appendix 3 – Other costs of closure

We will now go through the report explaining the errors, miscalculations and misleading information point by point.

Further relevant information and statistics will be provided as appendices along with statements from parents.

The report by parents forms a separate document.

## **Vulnerable Children**

Point 2.2 states that “very few of the children who attend Bright Start have identified needs”

This simply isn't true. Children may not qualify for funding or other schemes which provide this type of statistic. Practitioners who work with the children are only too aware of needs of individuals that are of equal importance.

Among the children who have attended this nursery in the last two years we have had children who are adopted and in the process of fostering and adoption, children whose parents have mental health issues but without child protection plans, children whose parent committed suicide, other children who experienced the death of a parent. There is currently one child whose mother is terminally ill and relies on the nursery to provide a constant stable place for him at a time when she is no longer able to care for him. This family has made a choice to attend here. They are unable to prevent him from losing his mother but to also have to deal with finding an alternative nursery setting while guiding him through this impending bereavement and remove this support from this family is unthinkable.

None of these children would register on official statistics as having an identified need.

See Appendix 4 - Letter from parent Deborah Booth.

Bright Start practitioners are keen to use their extensive experience and talent, caring for more children with “identified needs”

Looking at information of the four local schools that surround Bright Start, all within half a mile of us it is apparent that there is a need to provide places that all children can access. Information from the Ofsted inspection reports for Middle Street, Carlton Hill, St Paul's and St Bartholomew's all state that the proportion of children receiving free school meals is above the national average. In addition to this each school has an above average number of children who have special educational needs. This suggests that there is an unidentified need currently not catered for.

With the “significant increase over the last two years in the number of children under 5 with child protection plans” (point 2.1 in the report), the 18 month waiting list at Tarnerland Nursery School, and the report of low uptake of nursery entitlements by low income families (Childcare and Early Years Survey of Parents from 2008 to 2009), we believe that there is plenty of scope for using the existing staff team and premises to help fill these gaps in provision.

## **Council's Childcare Strategy**

Point 2.6 states that “there is sufficient childcare across the city”, implying that the children who lose their place at Bright Start will be able to find alternatives. This is not borne out by the information we have from the Council’s “Family Information Service”( see Appendix 5 and parents testimonies)

Point 2.10 states that “a central element of the Council’s childcare strategy is to ensure that children most in need benefit from high quality childcare”, and goes on to refer to the provision of “more places for two year olds”.

This demonstrates that there is a need for more childcare places, yet the extension built at Roundabout Nursery to create 12 more such places is then negated by the closure of Bright Start Nursery.

The report also suggests that we have resorted to giving away free places to some under twos. This is completely misleading. The places in question are part of a pilot scheme for free funded places for two year olds. The aims are to offer high quality childcare to disadvantaged families in line with Children’s Centres.

The two year funded places have been very successful and we hope to build on this with the Government’s intended expansion of the scheme to 15 hours per week

## **Help for parents**

- Parents were urged (Point 2.12) to contact the Family Information Service so that enquiries could be tailored to their needs, unfortunately parents who have contacted them have found that there are very few nursery places available that fit with the sessions that they require.
- One parent was offered only one nursery that could offer the sessions that they required, giving them no choice of alternatives. You cannot select childcare this way.
- Parents often start looking for childcare before their child is born to ensure that they are placing them where they feel comfortable and do not wish to have to make this choice again when it is not their decision to do so.
- The report also notes that there is little childcare in the town centre, particularly for under 2s. Childcare is usually arranged prior to a parent returning to work following maternity leave. When applications are made often the sessions required are a result of negotiation between themselves and employers regarding hours of employment and availability of nursery sessions. This work/ childcare balance is often finely tuned to enable parents to juggle work commitments, travel from home to nursery then on to place of work; and also ensure their child has the best balance of home and time in childcare to suit their needs.
- Any disruption to this careful structure of life balance renders it unworkable. An additional journey each end of the day can make it impossible to continue to meet the working hours and timing of nursery sessions.

- We note with concern that no Environmental Impact Assessment has been carried out with reference to these points.
- **The report suggests that it is simply a case of swapping childcare provision but no account is taken of the complexity that this involves.**

Please refer Appendix 6 and the parental response submitted independently for individual cases.

## Bright Start Building

Point 2.14 questions the “long term viability of the building,” claims it is “not in a good condition”, and that it would cost £230,000 to bring the building “up to a good standard”.

### **This is not true.**

- “The building itself is in a fair condition” (according to the Council’s Informal Cabinet Paper 12 May 2010). The £230,000 cost quoted for refurbishment was a capital growth bid for government money intended to upgrade nurseries whose building required the most improvement. Then money went to other nurseries in greater need. The proposals contained within the refurbishment plans were for significant alterations to the building and *not* as the report suggests essential maintenance.
- It is misleading to compare the standard of the Bright Start building to the Children’s Centre nurseries which were purpose built and recently constructed.
- The £5000 worth of spending on flooring, heating and lighting was already budgeted for in the current revenue budget 2010-2011. It was planned maintenance and has already been completed
- The “*small rooms*” and “*low ceilings*” criticised in the consultation are seen as an asset by practitioners, particularly those working with children with special needs and speech and language difficulty. Sheila Graves of the Autistic Spectrum Condition Support Service stated on a recent training lecture that “*the rooms at Bright Start Nursery are a positive attribute and provide an atmosphere of calm and security that supports children with behavioural difficulties. These rooms also help provide an environment that is conducive for learning and nurture.*”

## What Other Options Have Been Considered

At the informal Council Cabinet meeting on 12 May 2010, another option was considered. This was to change the status from workplace nursery to a community nursery giving priority to disadvantaged and local children, with existing children (including Council parents) continuing to use the nursery. £230,000 of Sure Start capital funding was available for a complete nursery refurbishment. This option was not taken up by the Administration.

This has been omitted from the final consultation document, and been replaced with the spurious claim that “over the last three years a range of measures has been taken to improve the sustainability of the nursery” (Point 2.17).

### **This is not true**

- The staffing in the nursery has not been “reduced to match the number of children in the nursery” (point 2.18). In fact it was the other way round. Had more staff been taken on, and vacant posts filled, more children could have been taken on, cutting the subsidy further. (see page one, point 3 and appendix 1).
- Point 2.19 suggests that offering community places is a recent decision, whereas in fact the nursery has been open to the community since 1989.
- The funded part time places for two year olds referred to in point 2.20 were part of a pilot scheme to help disadvantaged children, not to “increase the occupancy in less popular sessions”. This pilot has now been extended and Bright Start expects to continue to take part alongside other local nurseries.
- Point 2.22 notes a concern that “a large rise in fees” would “reduce occupancy levels”. Our fees have remained the same for four years. (hardly a “measure....to improve the sustainability of the nursery”!) Our survey suggests that a reasonable fee increase may be acceptable.
- We are cheaper than most nurseries. The table comparing Citywide nursery fees with ours (point 2.24) is from 2008-2009. Services since, according to the Daycare Trust annual childcare costs survey (reported Nursery World, 18/2/2010), fees are rising at 5% a year. This makes Bright Start’s prices considerably cheaper for under 0-2s, and average for 3-5s. Unfortunately, the next “Childcare Sufficiency Assessment”, with current fee information, won’t be available until March 2011.
- Furthermore, these figures do not take into account extra charges for pre-8.30am starts or post 5.30pm finishes, which can add an additional £7 per day to equal an 8am – 6pm day which Bright Start currently offers. This takes a daily charge of these nurseries to over £50.
- Other nurseries operate fines for lateness, and deposits. Bright Start does not implement any of these charges.
- Point 2.26 states that allowing Bright Start to stay open to the end of August would substantially reduce savings. This pays no attention to the severe disruption that the closure would have on the 26 school leavers who will find it virtually impossible to secure other nursery provision. Every child matters. It also states that by staying open until August would make “it more difficult to redeploy staff to other nurseries,” surely if we are already identified at risk that suitable jobs would have to be held.

## Summary: Maximising Occupancy to Increase Income

We have looked at ways to maximise income and increase child occupancy. The key points are

1. The key to this is to increase the staffing and number of children that could attend back to 51 or 55 places to maximise our income.
2. This includes a review of the distribution of ages and numbers of children within the nursery to optimise occupancy and income.
3. This will enable us to increase our 2 year old places, an area of growth, to enable children to utilise the free 15 hour funding.
4. Increase the 3 -4 year old places and offer a limited number of stand alone 15 hour funded places.
5. Reduce the under 2s places to optimise staffing.
6. Increase registration to 59 places, to allow flexibility to raise numbers on our most requested days so that we do not lose prospective parents as we are fully booked for key sessions.

There are a number of simple steps that could be taken to increase community awareness of the nursery (see Appendix 8). In fact the Save Bright Start Campaign has already done much of this. We should also realise that our location is our asset. This is more important than the fact that it is an old building.

We are confident that we can continue to review ourselves in order to build and improve as a nursery

## Conclusion

We have demonstrated that much of the key information in the report is out of date, misleading, or fails to consider the alternative options to closure in a meaningful way.

We have also demonstrated simple steps that could be taken to reduce and remove the subsidy and we have looked at ways to maximise our income and increase child occupancy.

Our response shows how some simple alterations to fees and occupancy could result in the removal of the subsidy. When taken in context of CYPT's total savings of £7.1 million the Bright Start saving of £87,000 represents less than 1.2%. The impact of the closure would directly affect over 100 children and staff and therefore seems disproportionate to the size of saving.

We have unprecedented public support with over 5,000 signatures on our petition. We have dedicated and supportive parents and staff. We have a nursery full of fantastic children.

The July 2010 Options Report reported on the "danger that many parents will move their children as soon as possible".

In fact, *no parents have left the nursery* since this whole process started two months ago. Furthermore two more children started at Bright Start the week closure plans were announced.

**Bright Start nursery is an asset to Brighton and Hove City Council and the City as a whole. It must continue to provide high quality childcare to the children of this City.**

## Appendix 1

Current charges and occupancy based on 47 places

	Sessional rate	Sessions per week	Total per week	Percentage occupancy	Total yearly income
Council places	£17.50	186	£3255.00	39.57%	£166,005.00
Community places	£20.00	160	£3200.00	34.04%	£163,200.00
2 year funded places	£24.25	14	£339.50	2.98%	£12901.00 (38 weeks)
		360	£6794.50	76.60%	<b>£342106.00</b>

### Example 1

	Sessional rate	Sessions per week	Total per week	Percentage occupancy	Total yearly income
Council places	£20.00	186	£3720.00	39.57%	£189,720.00
Community places	£22.00	160	£3520.00	34.04%	£179,520.00
2 year funded places	£24.25	14	£339.50	2.98%	£12901.00
		360	£7579.50	76.60%	<b>£382141.00</b>

Projection if the occupancy remains the same as above (47 places) but fees are increased according to figures indicated as acceptable by parents returning questionnaire (as opposed to nursery closure)

A saving of £40,035.00 would be achieved.

### Example 2

	Sessional rate	Sessions per week	Total per week	Percentage occupancy	Total yearly income
Council places	£17.50	201	£3517.50	39.41%	£179,382.50
Community places	£20.00	178	£3540.00	34.90%	£180,540.00
2 year funded places	£24.25	14	£339.50	2.75%	£112901.00
		393	£7397.00	77.06%	<b>£372823.50</b>

Projection if fee remain at original rates but the occupancy is increased to 51 places at the approx same occupancy rate.

A saving of £30,727.50 would be achieved.

### Example 3

	Sessional rate	Sessions per week	Total per week	Percentage occupancy	Total yearly income
Council places	£20.00	201	£4020.00	39.41%	£205,020.00
Community places	£22.00	178	£3916.00	34.90%	£199,716.00
2 year funded places	£24.25	14	£339.50	2.75%	£12901.00
		393	£8275.50	77.06%	<b>£417637.00</b>

Projection if fees increase and the occupancy increases to 77.06% of 51 places and increasing fees.

**£75,531.00 saving** would be achieved by increasing fees by £2 and £2.50 and increasing occupancy to 51 places and maintaining a similar occupancy of places. Further saving could be achieved by increasing the occupancy further. We are currently registered with Ofsted for 55 children. It should be noted that the EYFE funding currently does not equal the cost of the projected increased sessional fees, however, this would be met by the addition of the equivalent of one full time nursery place.

## Appendix 2

### Impact of staffing and fees

- Occupancy is now 76% rather than 70% as quoted in Agenda Item 34.
- The 6% increase has removed the projected overspend (stated as £12,000).
- Bright Start is on target to meet the revenue budget with no reported overspend.
- This demonstrates how allowing Bright Start to decrease from 55 to 51 to 47 places by reducing the staff numbers has had a negative effect on income.

The table below shows the effect of one practitioner and the income that is gained or lost. This is based on the salary of one full time practitioner on top of Scale 4 (£19,126.00)

Ratio of children per practitioner based on age ratio	Annual salary of one practitioner	Yearly fee per child based on £20 per session	Income generated by one practitioner according to ratio
1:3 (under 2 years)	£19,126	£10,200 x 3	£30,600
1:4 (2 years)	£19,126	£10,200 x 4	£40,600
1:8 (3- 4 years)	£19,126	£10,200 x 8	£81,600

Therefore it can be seen that by not employing one full time member of staff, there is a net loss of between £11,474 and £62,474.

- Bright Start has been functioning without a kitchen assistant for the past 18 months following retirement of the previous employee.
- Rather than employ a kitchen assistant (Scale 1-2 for 15 hours per week) nursery practitioners had to cover the post pending clearance to advertise.
- This meant that a qualified practitioner was taken out of the room and therefore out of the room ratio everyday for the last 18 months.
- A kitchen assistant employed for 15 hours per week has an annual salary of £6257.
- The loss of three children's places per morning meant that Bright Start lost an income of £15300.
- **Employing a replacement kitchen assistant would have increased income by £7566 based on the lowest ratio of child to staff.**

### Maximising Occupancy

- One area of nursery sessions that we are less likely to fill to capacity is the afternoon sessions. A lot of working parents work part time and tend to require morning or all day sessions leaving us with a spare capacity in the afternoon.

- One way of using these sessions may be to introduce some term time only stand alone sessions for children who qualify for either 2 year old free funding or 3 and 4 year old free funding for 15 hours per week.
- Currently children who receive 3 and 4 year funding receive this for 38 weeks of the year (term time only) and have to pay and attend for the remaining 13 weeks.
- By introducing a limited number of term time only places for afternoon sessions we will increase our occupancy evenly across the days and enable children from the local area to attend Bright Start who currently cannot afford any additional charges.

## Appendix 3

### Other costs of closure

Point 2.3 raises the issue of £6,000 a year “management and finance support” and other “indirect costs” such as “payroll, IT and support from human resources”.

There is no explanation of how these figures were arrived at, or how this money would be saved if Bright Start was closed.

Neither is there any mention of the “redundancy costs of some £60,000 plus any pension entitlements” (as projected in the informal cabinet paper, 12/5/2010, agenda item 7).

Any mention of additional costs needs to take this into account too.

Further costs to the taxpayer not included in the report

- The cost of losing council staff who will no longer be able to work for the council, both in human terms and recruitment costs.
- The loss of staff taxes, itself greater than the subsidy.
- Bright Start Options Paper, (16<sup>th</sup> July 2010) also reports that “at present the nursery pays rent of £14,200 a year for the use of the building. This would be lost unless another tenant was found”.
- The cost of Jobseekers Allowance for the 19 jobs lost in the City as a result of closure, a figure also greater than the subsidy
- The cost of Housing Benefit paid to some of the jobseekers.

## Appendix 4

### Letter from parent Deborah Booth

Dear Vanessa,

I have been passed your email address by our nursery and hope you can help. I was absolutely devastated to hear that Bright Start Nursery is under threat of closure. Our three year old has been attending part time for the past two years, and in September started full-time.

I have recently been diagnosed with terminal cancer (prognosis likely only months) and a linked condition which has rendered me disabled and unable to care for my son. My husband is now my full-time carer and without family in the uk we rely hugely on our wonderful nursery, who provide our little boy with the care and stability he so badly needs at this time. Things are incredibly stressful at home and I don't know what we would do without the staff at Bright Start, who have been so supportive and understanding and make sure that at least from the hours of 8-6 every day my son has some normality, in a happy, stimulating environment, close to our home.

I desperately hope he will not be forced to leave his nursery and all his friends in the coming months in addition to likely losing his mother, or have to be at home watching my health deteriorate. It will be very difficult for my husband and I to arrange alternative help locally, especially in the middle of an academic year when childcare places are especially sparse.

Bright Start nursery has an had an excellent reputation as one of the best in Brighton for many years, we initially applied there after many recommendations from other parents. We would rather even deal with possible price increases than see it close.

Yours sincerely,

Deborah M Booth & Davy Simon

## Appendix 5

Please note that "radius" is as the crow flies and some of the distances are over 2 miles, through city centre traffic

Name of nursery	Post code	Radius from Brightstart	Full time vacancies Monday to Friday all day	Part time
Pepperpot Nursery	BN2 3PF	0.5 miles	No full time places	A few part time
Orchard Day Nursery	BN2 0GL	0.5 miles	4 places for 18 months to 3 years	Several places for all ages
Happy Days Nursery	BN2 9SQ	0.5 miles	No full time places	Part time places for all ages mainly aft
Turnerland Nursery School	BN2 0GR	0.5 miles	Full in all groups waiting list in operation	
Young Sussex (Brighton)	BN3 1TL	1 mile	A few full time places for children 3 years	Part time places for all ages
Elm Grove Pepperpot Baby Unit	BN2 3ES	1 mile	No full time places	A few part time
Joyland Nursery	BN1 6EE	1 mile	No full time places	A few afternoon vacancies
Phoenix Nursery	BN2 9WN	1 mile	No full time places	A few part time
Playcare Nursery	BN1 3AG	1 mile	4 full time places for ages 1 and over	part time places for all ages
Strawberry Hill Nursery	BN1 6EE	1 mile	No full time places	No part time places
Sunshine Day Nursery	BN2 0AG	1 mile	3 full time places for children from 3 months to 5 years	Part time places in all age ranges
Sussex House Nursery (workplace nursery NHS)	BN2 1ES	1 mile	No full time places	Some part time places for 3-4 year olds under 2's
Blueberry Nursery Early Learning Organisation	BN3 1QB	1 mile	No full time places	No part time places
St George's Neighbourhood Nursery	BN2 1ED	1 mile	No full time places	Some very part time places
Little Oaks Nursery	BN2 9SJ	1 mile	No full time places	Some vacancies on Monday, Tuesday, Wednesday and Friday depending on child
The Children's House	BN2 9ZF	1 mile	No vacancies	No part time places
Hopscotch	BN3 1PL	1 mile	No full time places	No part time places
Early Years	BN3 6QA	2 miles	No full time places	Places on Monday and Friday afternoon
Hillbury House	BN3 3TH	2 miles	A few full time places for all ages	A few part time places for all ages
Early Years	BN1 6RF	2 miles	No full time places	A few part time places for all ages
Hilltop	BN2 3EW	2 miles	No full time places	A few part time places for 2 year olds
Hopscotch	BN1 6RD	2 miles	2 full time places	A variety of part time places for all ages
One World	BN2 4GA	2 miles	3 full time places for children from 3 to 5 years	Part time places for 2 year olds on Monday, Thursday and Friday

Sunflower	BN2 4DA	2 miles	Have not responded	
The Playstation	BN1 6JL	2 miles	10 full time places for children from 2 to 5 years	A variety of part time places 2 to 5 years
Wonder Years	BN1 6WF	2 miles	2 full time places for children under 2 years	Part time places for all ages
Cbabiesafe	BN3 3GF	2 miles	No full time places	Afternoon places Monday, Tuesday and Wednesday and all day Thursday and Friday
Poets Corner	BN3 3WJ	2 miles	3 full time places for 3 to 5 years	Part time places for all ages
Cherry Tree	BN1 7DY	2 miles	No full time places	A few part time places
Footsteps	BN3 3ER	2 miles	15 full time places for all ages	Part time places available in all age groups
Angmering Day Nursery	BN3 3WB	2 miles	No full time places	6 afternoon places for all ages
Little People By The Sea	BN3 2RP	2 miles	Full time places available in all age groups	Part time places for all ages
Little Earthworms	BN1 6NF	2 miles	Full time places available for children over 2	Part time places for all ages
Little Oaks	BN1 6FE	2 miles	10 full time places for children from 3 months to 5 years	Part time places for all ages
Supersaurus	BN3 3ER	2 miles	Full time places available in all age groups	Part time places available in all age groups
Growing Up Green	BN1 6HQ	2 miles	2 full time places for children from 14 months to 5 years	Various part time vacancies
Growing Up Green	BN1 6RA	2 miles	Full time places as follows:- 6 for babies, 14 for 12 months to 24 months, 17 for 2 to 3 year olds and 18 for 3 to 4 year olds	Various part time vacancies
Chestnut Tree	BN3 3RT	2 miles	Full time places available in all age groups	Part time places available in all age groups
Roundabout	BN2 5FL	2 miles	No full time places	A few part time places for babies
Pumpkin Patch	BN1 6LA	2 miles	5 full time places for ages 3 months to 5 years	Part time places for all ages
Paces for Brighton	BN2 5HE	2 miles	Have not responded	

## Appendix 6

### **There is a need for child care in the city centre**

Bright Start was established 21 years ago when there was a real need for childcare in the city. The availability of childcare has grown in Brighton and Hove over this period of time but we are as necessary today as when we were first opened. A recent study revealed that 1 in 5 nursery places have been lost in the past 4 years. In the South East region this equates to 14,000 fewer places. It makes no sense to consider closing a valuable local resource.

- There are very few nurseries in the city centre yet the local area has grown with the development of the Jubilee library site and New England quarter offering more residential and office space.
- Locally to us there is a huge development for expansion to the Amex UK Headquarters where a number of their employees have used us for childcare, these numbers could be expanded.
- It has been identified that new nurseries are opening in Hove yet these places cannot easily be accessed by parents living or working in the centre of Brighton.
- A town centre nursery closed recently, a number of these children have joined us only to find their childcare at risk again.
- There is a need for good quality childcare in the town centre where people work, and can be accessed by the local buses and trains.
- The increase in use by community parents demonstrates a demand for places.
- The nearest two Sure Start nurseries are currently full with a waiting list. We provide good childcare for all sectors. Although our subsidy comes from a different source to the Children's Centres we do not cost more.
- It should be noted that all Sure Start nurseries receive funding which is reported to be between £100,000 and £200,000 per nursery. The difference being that this subsidy comes directly from Central Government funding.
- Bright Start is directly funded by Brighton and Hove City Council. At current levels Bright Start is more financially viable than the Sure Start Centres – and with basic changes our subsidy could be removed.
- The report states that the Council is committed to working with the private and voluntary sector to provide a sufficient level of high quality childcare across the city yet it is not willing to support Bright Start.

## Appendix 7

### Response from parent questionnaire about fees

Parents were sent a questionnaire asking them how much they felt an acceptable fee increase would be. We recognise that the 30% increase suggested in the consultation is unrealistic but an increase would increase our revenue and therefore help to reduce the subsidy. The last fee increase was in 2006.

We had 26 responses from parents. 11 of these were community parents who currently pay £20.00. 15 are council employees who pay £17.50 per session.

	none	5%	10%	£1	£2	£2.50	£3	£3.50	£5	£7.50
£17.50	2	1	1			7		1	2	1
£20.00	2			1	4	2	1			

The majority of parents were happy to agree to a fee increase to keep Bright Start open.

Most Council employees agreed to a rise of £2.50 which would increase their fees from £17.50 to £20.00 (the current community rate).

More than half of the community parents who responded felt an acceptable increase for them was between £2 and £3.

A total of 4 parents could not afford an increase at all, one saying they would have to reduce sessions. Another saying they would find it 'tricky' but not that they would leave. One is currently on maternity leave and would to have find fees for 2 children. The other parent has a full time child at Bright Start who will be leaving to start school in September.

Parents were asked whether they would be happy to pay the same fee as community parents or did they feel that a lower rate should remain.

	Council responses	Community responses
Should remain lower	5	
Smaller difference	2	
Same as community	6	1

### Other comments

- It is reasonable to expect a year on year increase.
- Fees should be charged provisionally according to earnings whether private or public sector.
- If the nursery closes, parents should be compensated for either loss of earnings (for childcare cover) or given a transitional fee to find other childcare.
- Lower rate should apply, council staff haven't had pay rises – we always get hit at all angles.
- Profile against other nurseries to ensure it remains viable for future parents.
- Felt that community parents were put off by 'priority given to council employees' and nearly didn't enquire.
- Felt rate should be the same for both council and community.
- A slightly lower fee for grade M8 and below would be preferable.

3 months notice is required to increase fees.

## Appendix 8

### Engaging with the community

- We feel the occupancy rate of around 76% of places is the most realistic and achievable as the occupancy at Bright Start has averaged at this figure for both 51 and 47 places in recent years.
- These figures have maintained despite large numbers of council staff now being based in Hove as the number of community places have increased.
- We have continued to thrive and built a strong community based largely on personal recommendation.
- What has become apparent through the consultation procedure is that many local families are unaware that they can access the nursery thinking that it is only available to council staff.
- By engaging with our local community awareness could be increased. The North Laines Community Association has a bi monthly newsletter delivered to every household and shop in the North Laines area. They also have a local parent support group.
- Distributing leaflets to the council's buildings including the Jubilee Library which is situated in the same complex as us would make us more visible. They hold a number of preschool sessions including Baby Boogie there every week and attract many family groups.
- Improving the visual recognition of the building is necessary. For example, as we are situated in what is effectively a car park we have no high street presence and do not even show up on most Sat Nav searches. We frequently have phone calls from the public who are coming to the nursery for the first time but cannot find us.
- Internet presence is another option that could be explored. Even by entering the nursery's postcode on an internet search for nearby nurseries Bright Start does not show up.

## Private groups threaten to pull out

# Fears over free nursery places

NURSERIES are threatening to scrap free childcare in a row about funding.

Parents in Sussex are already struggling to find nursery spaces and unless Government funding increases the situation will become more desperate.

This is the view of Hove-based Early Years Childcare managing director Kate Peach, who is calling on the Government to change the way it funds free childcare.

Currently all three and four-year-olds are eligible for 15 hours of free childcare per week. But while it costs private nurseries £4.52 per hour to provide the service, they only receive £3.68.

Ms Peach said: "There is a very real danger nurseries could

by JAMES WALLIN

pull out of the programme all together. That's not a situation anyone wants but if the alternative is nurseries going out of business what can we do?"

"We all want this to work because we want every child to get the same opportunities but the situation we are being forced to work with is not sustainable. They cannot expect private nurseries to subsidise their scheme."

"It is already hard enough for parents to find nursery spaces, particularly in Brighton, and we don't want that to get any worse."

Ms Peach is urging people to sign her petition calling on the

Government to change the way it allocates funding for free childcare, at [www.freechildcare.org.uk](http://www.freechildcare.org.uk).

Mother-of-two Kate Gower was left in limbo last year when Nursery Time at Fiveways closed abruptly. She spent two months searching for a new nursery for daughters Florence, four, and Martha, two.

The 43-year-old said: "It was terrible. Florence was very upset because she had made friends there and bonded with staff and now had to move somewhere else."

"Then there was the problem of juggling work and childcare and trying to find a nursery. It's a nightmare trying to find a nursery in Brighton."

"If this funding situation is forcing nurseries out of business it's going to have a huge effect on parents."

The Department for Education was unavailable for comment when The Argus went to press.

[james.wallin@theargus.co.uk](mailto:james.wallin@theargus.co.uk)

● NURSERY children and parents from Bright Start nursery, which is facing closure, will protest outside Kings House, in Hove, on December 16. Brighton and Hove City Council is currently consulting on plans to close the nursery in Barrack Yard, Brighton, in April. Campaigners have already collected about 4,300 signatures opposing the closure.

*"I do think this is the worse thing the council has ever done.*

*They're trying to close the council crèche which is the best thing Brighton council has ever done. They're supposed to be encouraging women back into work"*

*Peter Stone, Post Room Assistant  
Nursery Parent, 1990 - 1994*

# The Argus

## Childish vision

*4:43pm Friday 22nd October 2010*

So Tory-controlled Brighton and Hove City Council is consulting on scrapping the Bright Start nursery – a retrograde step that demands a big campaign to keep it (The Argus, October 11; Letters, October 16).

All three of my children went to the nursery. I was council leader when it was set up and am immensely proud of what it has done for the city.

Roughly a thousand children have been through its doors. Meet any of those who have been there today and you will come across young people who are confident, articulate and have rounded social skills.

Why? Because from an early age they had the opportunity to mix with other children from a broad social mix. The wonderful thing about Bright Start is that it isn't a nursery with kids drawn from a narrow range of backgrounds. When I took our children there they mixed with the children of lawyers, care workers, street cleaners, refuse workers, teachers, ground maintenance staff, cooks, cleaners, musicians and even the odd director of a service.

The sliding scale of charges made the nursery accessible to all grades within the council and the policy of providing private sector places widened the social mix even further.

The truth is the Tories never liked the nursery. Year after year they threatened to take its budget away and close it down. At the time Labour set it up in 1988 we were facing cuts, but we argued that if we wanted to encourage women to return to work for the council after maternity leave a nursery would help – and help it did. It gave the council the edge in recruiting top-class staff at every level.

Perhaps the Tories don't care. They probably think that the age of austerity justifies any cut or closure. But this is a service we should be providing. This is a vindictive piece of short-sighted short termism.

**Lord Bassam  
Church Place, Brighton**

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<http://www.theargus.co.uk>

<http://www.theargus.co.uk/yourargus/letters/8470914.print/>

06/12/2010





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# 1. Introduction

## 1.1. About this document

This document has been written by a group of parents with children at Bright Start Nursery, Brighton, as a formal response to the consultation process on the closure of the nursery. It is intended to sit alongside responses from individual parents and does not replace any other document.

This document intends to take a holistic view of Bright Start Nursery and highlights the main concerns around the proposed closure. The business case is highlighted, however the dedicated 'Bright Start Nursery Viability Plan' looks at this area in detail and is available separately. The document highlights a number of areas that need to be fully addressed and responded to before any decision regarding the future of the nursery is made.

All questions and responses to this document should be sent to all of the email addresses shown below.

## 1.2. About the authors

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- 1.2.5. **Louise Dennis** ([louisedennis@live.com](mailto:louisedennis@live.com)): Louise Dennis is an Art Psychotherapist with sixteen year experience working with children and families. She currently works as a Social Work Resource Officer for the Duty and Assessment Team in social services.

## 1.3. About the Save Bright Start Nursery Campaign

The Campaign was founded, very recently, on 7th October 2010 when notification was provided that the nursery was in danger of consultation for closure. The Campaign was founded by the diverse group of parents that use the nursery and was then joined by additional supporters, past users of the nursery and people who had hoped to use the nursery in the future.

Recently, members of the local business community have come forward in solidarity to rescue the nursery resource that facilitates local commerce.

The Campaign has gained ground significantly since it was conceived, largely due to the weight of goodwill that the nursery generates through its exceptional standards and staff. However, the location of the nursery is also at the heart of the Campaign as there is no alternative nursery to use should Bright Start close.

The Save Bright Start Nursery Campaign does not have any allegiance to any political party although its members may have their own political opinions. Rather, the Group is a collection of individuals from the local community that agree that a decision to close the nursery is premature, not thought through, legally suspect, just wrong or damaging to the local economy.

### **1.3.1. The online petition**

The online petition has been extremely successful and is available for signature and review at:

<http://www.petition.co.uk/savebrightstartnursery>

In the short period of time that the online petition has been established, it has already attracted nearly 1300 signatures (as of 03/12/2010).

### **1.3.2. The Save Bright Start Nursery website**

The Save Bright Start Nursery Campaign also has its own dedicated website, allowing the dissemination of information to the public in general. The website is available for review at:

<http://savebrightstartnursery.wordpress.com/>

### **1.3.3. Save Bright Start Nursery Campaign Facebook group**

The popular social network site, Facebook, has been used to great effect by the Save Bright Start Nursery Campaign with 480 members worldwide and growing daily.

<http://www.facebook.com/group.php?gid=147236258653644&>

The Facebook group means that people's social networks can be tapped into to increase public awareness in a way that was not available to a campaign only a few years ago.






### **1.3.4. Twitter**

The microblogging service, Twitter, has been used to great effect to spread public awareness and support for the site. Again, this is a new social network method of campaigning that could not have been utilised until recently. Twitter has been used to spread the reach of the petition and also to garner considerable local and national celebrity support.

## 2. Political Motivation

### 2.1. Were any options fully explored before the Council made its decision?

The Bright Start parents mobilised within hours of hearing a recommendation had been made to close the nursery. Despite coming from different political persuasions they quickly became united in the single issue to support their children's nursery. Many became frustrated to discover that they have been excluded from ongoing discussions that now only under legal pressure, have been made public. This has raised significant questions.

-  Why has there been no fee increase for four years, despite it being evident further revenue was needed?
-  Why weren't the session rates reviewed annually and increased along the lines of the council run Surestart nurseries in Brighton & Hove?
-  Why has the nursery never been provided with any in-house council PR support to attract more children when needed?
-  Why were the staff told to freeze recruitment instead of being encouraged to build the capacity to take more children?
-  Why did the council not use its own resources at Bright Start to make further use of national government's Early Years Funding for all 3 and some 2 year olds, but instead channeled parents to use private nurseries instead?

### 2.2. The £87,000 subsidy

The council subsidy of £87,000 is being used as a highly charged point in the current political climate to justify closure. It is indeed a significant amount, but when comparing it with other council costs, it can appear minimal. One example of the current administration's public spending is the £90,000 feasibility study commissioned to research a cycle lane along Old Shoreham Road that was never used. £87,000 to support exemplary childcare is a bargain by comparison!

A state nursery founded on the principle of providing childcare for employees would be expected to be subsidised as many parents, especially part time employees would need additional support to return to work after having children. In the same way council employees receive other subsidised benefits to encourage them to remain in work such as bicycle schemes or free workplace parking. However, if this subsidy had become such a problem why weren't the staff approached to look at cost cutting alternatives? Why weren't parents consulted earlier about fee increases? Why has the figure of a £1,500 per year fee increase per full time child been raised and yet never fully discussed with parents? Had the figure been broken down into a more practical calculation, considering most children attend nursery part time, the council could have approached parents to explain the potential of increasing fees by £10 a day. Why was this not done? Why was an opportunity for parents to consider increases disregarded?

### 2.3. Real intentions

For these reasons it appears that the consultation document is based largely on opinion, rather than research or fact. It looks as if the Conservative council's ideology has always been to discourage fee increases, restrict recruitment and resist PR, thus enabling them after a few dwindling years to say that the nursery is no longer viable. In fact the only PR the nursery

appears to have received is in recent weeks providing a negative image to parents and residents via the consultation document and press releases to the Argus. This ideology is further shown in the council's refusal to allow parents and staff to use the nursery premises for consultation meetings. Indeed the document states that the council is committed to private and voluntary nurseries, but makes no mention of state nurseries. This appears the crux of the consultation, a total lack of commitment to providing nursery care for council employees.

## 3. The Quality of the Nursery

Parents will choose a particular nursery for a range of reasons: Because they like the quality of care, the facilities, the location, the hours, the price and that the days available suit their working hours. All of these things have to be right. It would not be a simple task for parents to find another nursery should Bright Start close.

### 3.1. Ofsted

The last Ofsted inspection was done in June 2007 - another one is due at any time. Below are examples of statements from that Ofsted report



Children at the nursery are happy, relaxed and confident. They enjoy and learn from a range of activities and experiences that help to encourage their learning and development.



Staff know each child well.



Staff are enthusiastic in their interaction with them, and their genuine caring nature helps children to thrive in the nursery environment.



Overall, children are motivated, keen to learn and are enthusiastic in their play.



Children are treated with respect and are made to feel good about themselves.



Children are well behaved and benefit from regular praise and encouragement from staff to help build their confidence and self-esteem.



Partnership with parents is good.



Parents are very happy with the care provided and particularly like the consistency of staff and the nurturing environment.



Staff have a good knowledge and understanding of their roles and responsibilities. They are dedicated, and show a genuine care for the children in attendance.



The designated special educational needs co-ordinator has a very good understanding of her role and responsibilities and has attended the relevant training.

The overall rating given was 'Satisfactory', which is surprising considering how many positive comments that were made. Suggestions for improvement focused primarily on recording, assessment, planning and observations. These and other recommendations of the 2007 report have now been put in place.

### 3.1. Facilities

The children benefit from a range of play equipment appropriate to their age and developmental needs, including an outdoor play area. These “are organised to encourage children to take the initiative and develop increasing confidence and independence as they are easily accessible at all times..... The outdoor area is well resourced with a variety of equipment to help encourage their physical development. Climbing bars, slides, bridges, stilts and pull along trains are just some of the examples of the equipment available.” (Ofsted 2007)

The outdoor space is loved by the children and provides them with the chance to have exercise and fresh air, which is so beneficial for the children particularly in a central Brighton nursery.

This view was shared by one parent who wrote:

*“We live in the city centre and have only a very small patio, rather than a garden. This is not a choice – as public sector workers we do not earn enough to raise the money for a larger mortgage for a larger property. It is very important to us that our son has the opportunity to play outside during the days he attends nursery, when we are unable to take him to the park ourselves. I believe this is a very important part of his development and supports the 'Be Healthy' outcome of the Every Child Matters agenda.”*

A detailed response to issues regarding the building has been provided elsewhere in this report.

### 3.2. The care provided

The key consideration for any parent choosing a nursery will be the quality of the care that their child will receive there.

One parent said:

*“Changing the layout may improve the environment of the nursery (Bright Start) but it would not improve the quality of the childcare and I feel I must stress again that this is one of the key features of the nursery. My children love the nursery as it is because of the people and are not worried about a suspended ceiling reducing natural light!”*

It is well known within child care theory that strong attachment relationships between babies and toddlers and the adults who care for them are critical to early brain development and that being able to explore from a secure base of trusted adults leads to the ability to learn confidently and develop good interpersonal skills later in life. Therefore the childcare workers abilities in carrying out this crucial role can have a direct effect on the child's development.

Here is an example of one family's experience of Bright Start, which shows the positive relationships being made:

*“My son has been at Bright Start Nursery since he was 9 months old he is two next week. He loves his nursery, so much so he wanted to invite Wendy to his birthday party next week. He is quite shy and reserved and takes his time to settle to places and warm to people but we regularly hear about "Tiny Emma", "Beth" and "David" at the weekend. The staff at the nursery really are part of our everyday life, they give so much time and patience to him and all of the children they really do go above and beyond, our son really does see them as part of the family he would be heart broken if the nursery closed.”*

### 3.3. The structure and experience of the staff

At Bright Start there are eighteen nursery workers employed on both a full and part time basis. The nursery has two male workers. The manager is a qualified teacher. Most of the staff are trained to a level three childcare certificate and one member of staff is working towards early years professional status. There are three members of staff who have done special educational needs training and all the staff have recently had training on effective assessment, observations and planning.

The staff are the strength of the nursery. They are an established, experienced, team who work together well in part due to the length of time they have worked together. They have developed working relationships that enable the practical tasks to run smoothly and effectively so that maximum time can be spent with the children and attending to their needs. This is evident both from the Ofsted report of 2007 and upon each visit to the nursery.

### 3.4. Continuity of care

One worker has been at the nursery for 20 years, many have been there longer than 7 years and the newest worker was employed about three years ago. The last person to leave, who had to leave due to ill health, left approximately three years ago. The nursery's use of agency and bank staff further confirms the nursery as both a pleasant place to work and with a commitment to good practice for childcare: The same bank staff are requested when needed in order to provide continuity of care and they are happy to return. Thus there are bank staff that are also well known to the children. The continuity of care that is possible at Bright Start is essential for the care of the children and the peace of mind of parents. It is this that makes Bright Start stand out as special. Parents who have had more than one child at Bright Start have found that the same staff that looked after their first child are still there to care for subsequent children.

One parent wrote:

*"Bright Start is the best nursery I have ever experienced. The same, brilliant staff were there for all three of our children. Brighton council – try rewarding excellence with jobs rather than punishing them for rising above your normal mediocrity"*

Another families experience was:

*"The standard of care provided and commitment of the staff to ensuring the safety and happiness of the children is outstanding. It is a difficult thing to do to hand over your baby into the care of others. When our daughter started nursery earlier this year it was a decision that we did not take lightly. The choice of Bright Start as the nursery was crucial to us being able to know that she would be safe and cared for. It was very reassuring to see that the same staff were still there from when our son left in 2007. We knew we could trust them. The staff are mature people who provide a nurturing environment."*

It is well known that continuity of care is an essential criterion for good childcare. Research in the Early Child Development and Care journal states that:

*"The practice of keeping a group of infants with their primary teacher for a 3 year period is highly recommended by the staff of the Child and Family Research Center for other infant programs because it is developmentally important for very young children.....Theory and research support the need for continuity of caregiving for infants and toddlers, yet current practice*

*often ignores that need.*" ('Continuity of care for infants and toddlers'. Early Child Development and Care Vol 148: Essa, Favre, Thweat, Waugh.)

The importance of continuity of care as essential criteria in good child care practice is further backed up in an article for the National Children's Bureau quoted here:

*"...turnover in the children's workforce is especially important compared to other sectors. This issue has a strong bearing on continuity of care: children and young people are particularly vulnerable to changes in relationships built up with adults."*

Cooper, A (2005) The Children's Workforce in England: A review of the evidence. London: DfES. Access to practical tools and materials for service and practice.

### 3.5. A nurturing environment

The fact that many of the staff have families of their own gives an extra layer of experience that is not often present in nurseries staffed mainly by younger people who are recently qualified. Many of the team worked at the nursery before their maternity/paternity leave and then returned to work afterwards. In many cases their own children then attended the nursery and were cared for by their colleagues. This contributes to the nurturing qualities in the care that all the children receive.

One parent said:

*"The staff at Bright Start cannot be congratulated enough for the dedication that they bring to their role. Since my son began at Bright Start at eight months old, they have done everything they can to integrate him and celebrate his achievements. He is not a child who relishes change, and I know he would find the disruption distressing for a long time. It is a great wrench to leave a child for the first time, yet since the very first day I have had total confidence in the ability of the staff to not only care for his immediate needs, but support him with his play, encourage his interests, and make him feel special and secure. For this reason, he quite simply loves them. I cannot offer a more honest and valuable endorsement. To lose these staff, who are an asset to the city and to the profession, would be an absolute travesty and break the valuable trust and bonding that my child has made."*

### 3.6. The cost of the experienced nursery staff

The Children and Young People cabinet agenda item 34 document refers to the need to cut costs and gives as an example the high cost of the nursery staff. It is notable that the issue of higher rates of pay for Bright Start nursery workers compared with private sector has been dropped from the formal consultation document. Perhaps the council did not feel comfortable with the prospect of trying to defend such a weak argument.

The reason for this 'high cost' is because the nursery staff are experienced people who have stayed in their jobs and have therefore reached a high point on their pay scale. The starting salary at Bright Start is £17,161 rising to £19,126 over four spinal points. Therefore, those who have stayed at Bright Start for longer than four years have a salary that has remained - and will continue to remain - at around £19,000 – hardly a high wage. It also points out that they benefit from pensions making them expensive compared to nursery staff without these 'perks' in private nurseries.

Despite the consultation document stating that the proposed closure 'is not a reflection on the quality of the nursery or the hard work and commitment of staff to the children in the nursery,' the attitude of the council shown in agenda item 34

suggests otherwise. It is unacceptable to undervalue staff that we parents are expected to entrust with the care of our children and this attitude does not seem appropriate from a council that purports to be an 'investor in people'.

### 3.7. Partnership with parents

Another strength of the nursery outlined in the last Ofsted is the good working relationship between the parents and the nursery and that the parents are happy with the nursery. Since the threat of closure parents have showed their love of the nursery by actively supporting the campaign to save Bright Start. No parents have removed their children as a result of the consultation process and, in fact, two new children have joined the nursery in this time despite the threat of closure because those children's parents had heard of Bright Start's good reputation and liked what they saw when they looked around.

Parents have continued to support the nursery with a vigorous campaign over this period to try and ensure its survival. The nursery has received a vast amount of supportive emails from past and current parents and from former Bright Start children since the start of the threat of closure. Below are a few examples out of the hundreds that have been received:



*"My daughter has been at Bright Start for two years now and has thrived under the care and attention of the staff at Bright Start. She is a happy and confident little girl"*



*"This closure impacts us all. Bright Start is one of the few city centre nurseries and is a crucial resource for parents living and working in central Brighton."*



*"Our children are the most precious people in our lives and therefore we do not want to scrimp on their care. We are appalled by the idea that it is acceptable to undervalue people that we parents are expected to entrust with the care of our children."*



*"This is a service that can't be cut and would be devastating for all if it was. I visited a number of nurseries before I settled on Bright Start because it had well thought out facilities and such friendly staff. I felt confident to leave my 8 month old there and he thrived in his time there. The staff are so dedicated and patient in their role. They deserve praise for their efforts not a threat of closure and redundancy!"*



*"Please don't close the nursery it is key to supporting hard working families in Brighton and Hove."*











*"I used Bright Start for both of my children. My eldest is now 14 and still has fond memories of his days at Bright Start. The nursery enabled me to continue working and keep up to date with training and working practices after having children. Without this resource would have had to give up work and the council would have lost all the investment they had put into my training before having children. Apart from enabling parents to continue with their career, it is also of a very high standard and gives the children in its care a very good start in life skills and education. The staff are very dedicated to the nursery and the children in their care. It would be a great loss to the council in many ways if Bright Start closed."*



*"Please don't underestimate the value of a happy functioning nursery. It's the children's future after all."*

## Parents of Bright Start

-  *"The staff at this nursery are amazing and have given both our children a fantastic foundation to starting school – it would be such a shame to lose this valuable resource for families in the city."*
-  *"Bright Start is a fantastic nursery with incredibly dedicated and skilled staff. I am not an employee of B+H just a parent who has been impressed by the love and care they gave my child. One can only ask why a service that works so well should be cut, when the cost of subsidy is relatively small."*
-  *"Bright Start should absolutely not be closed – it is a fantastic nursery and provides peace of mind for staff to be able to fulfil their work knowing that their children are well cared for."*
-  *"Bright Start is a wonderful nursery, my daughter has thrived under their care and to lose the nursery would be enough to make us leave Brighton altogether."*
-  *"My daughter has been at Bright Start since she was 10 months old, and she loves all her friends and carers there. I would like her to stay there til she starts school. We love Bright Start, please don't close it down..."*
-  *"I attended Bright start from 6 months until I started school. I am now 18 years old and still have fond memories of my time there. I also was able to do work experience there – the staff are fantastic. Bright Start cannot close."*
-  *"Please keep this nursery open it is essential to the smooth running of many family lives".*
-  *"Bright Start is fantastic and provides a secure and happy environment allowing the children's parents to do their jobs – many of which involve providing essential services for thousands of residents in the city."*

## 4. The Nursery is Viable

The stated aim of the Council is to reduce the subsidy for Bright Start Nursery (Bright Start Nursery Options Paper, 16th July 2010, obtained under the FOI act). It has been demonstrated via the Viability Plan (produced by Bright Start Nursery parent Liam Sheerin in conjunction with members of the Brighton Business Forum) that there are numerous options open to the council that will remove the subsidy either via growing revenue or controlling costs. The key priority is to grow revenue through increasing the number of children using the nursery.

### 4.1. Growing revenue

The primary reason for the low number of children in the nursery is poor awareness of the nursery in the local community due to lack of marketing. As a part of the Viability Plan proposal, marketing services to the value of c.£30,000 over the next 3 years that will be provided to the Council free of charge for use to drive awareness and ultimately the number of children attending the nursery. For full details, please refer to the Viability Plan document.

The nursery is uniquely placed to take advantage of the concentration of employed members of the community (i.e. parents more likely to use a nursery service) due to its city centre location.

The government's announcement to roll out 15 hours of free childcare to disadvantaged two-year-olds is further evidence of an imminent increase in demand. The consultation document states that the recent trial of funded places boosts occupancy in less popular sessions and are charged at a higher rate (£4.85 per hour). A further benefit is that the current trial offers 10 hours per week, the increase of this entitlement to 15 hours per week across the current base of 7 children is equivalent to an additional £8,657.25 potential revenue to the nursery (7 children at £4.85 per hour x 5 additional hours per week x 51 weeks).

Due to the uncertainty of the future of this free nursery provision scheme, the nursery has not accepted new applicants for 6 months. It is the view of the nursery that if they had continued to accept applicants over the past 6 months then they would have 14 children in total on this scheme. This is an additional £25,971.75 revenue opportunity (7 children at £4.85 per hour x 15 hours per week x 51 weeks). The revenue opportunity of these two points combined (based on current awareness of the nursery) is an incremental c.£35,000.

### 4.2. Cost control

The primary cost of running the nursery is staffing. This is the main area of focus for cost control.

The public sector pay freeze until 2012 for staff earning over £21,000 and flat rate pay rise of £250 for those below the threshold (subject to further criteria) gives good inflationary control to the council over the next 2 years.

The nursery currently does not employ Nursery Assistants or trainee positions to care for the children. The introduction of these positions would have multiple benefits for the Council.



The average cost per employee would be reduced as the assistants or trainees would be employed on a significantly lower wage than the current nursery staff (potentially free via students on vocational courses).



The level of skill, experience and care in the nursery staff make it a 'centre of excellence' in parent's eyes, therefore the quality of training received in the nursery would be second to none which would lead to even greater levels of quality in childcare in the city.



The opportunity to train new recruits in childcare will be rewarding for the staff in the nursery. This will increase their job satisfaction.

The nursery currently is forced into using a fully qualified nursery worker to man the kitchen rather than employing a kitchen assistant at a significantly lower wage. This is a clear cost saving that could be immediately implemented.

As highlighted in the cost scrutiny section, the nursery currently pays £14,200 in rent to the council despite both the building and the nursery being council owned. This is a opportunity cost of the building rather than a true cost to the council. It is cost that will not be saved in closing the nursery and should therefore be excluded from the decision making process.

## 5. Critique of Consultation Report Numbers and Costs

The consultation document contains a number of costing and financial claims that deserve further scrutiny. It also overlooks significant costs that will arise from closing the nursery.

### 5.1. The level of subsidy

The claimed £87,428 subsidy is questionable. Documents obtained under FOI indicate that 'the nursery pays rent of £14,200 a year for the use of the building. This would be lost unless another tenant was found' (Bright Start Nursery Options Paper, 16 July 2010, point 18). This sum is not individually accounted for in the figures used to calculate the subsidy, and is presumably part of the £38,967 Premises Related Costs. Even if the income is received into a different budget, the Council cannot claim this £14,200 as a meaningful part of the subsidy. In real terms, the subsidy would appear to be £73,228.

### 5.2. Additional costs of closure

Closing the nursery will carry additional costs. Redundancy and redeployment costs have already been identified by the Council as totalling approximately £60,000 in 2011-12. But this figure does not include the wider economic cost of making staff redundant. Although difficult to quantify, each redundancy will create the additional burden of lost tax revenue, an increased benefits bill, and reduced consumer spending in the local economy. Similar costs will be incurred as a result of those parents who are unable to find alternative child care and give up their jobs as a result.

### 5.3. Claimed administrative cost savings

The report highlights administrative costs of £6000 that are incurred in 'management and finance' support for Bright Start. This is a figure that is presumably derived as a representative proportion of existing Council expenditure in this area. In itself, closing Bright Start is unlikely to result in this saving actually being made unless it can be demonstrated to be a viable saving through further aggregated cuts.

### 5.4. Transparency of occupancy rate data

There is some ambiguity in the claims made of the occupancy rate. It is claimed that 'staffing in the nursery has been reduced to better match the number of children in the nursery'. Yet potential occupancy is determined by staff levels as much as it is by physical space and resources, so it is unclear that this move has resulted in a greater net income. Moreover, it is uncertain whether the occupancy rate is spread evenly over the working week or has identifiable peaks and troughs. In spite of the 76% occupancy rate for October 2010, the nursery only has the equivalent of one full time place available.

## 6. The Old Slipper Baths Building

### 6.1. The building is already 'Fit For Purpose'

The consultation document's suggestion that £230k needs to be spent on the building and Councillor Vanessa Brown's comments regarding the necessity of this building work in The Argus' 'Nursery cuts defended' article (Monday 14th November) are deliberately misleading. Minutes from 12th May 2010 cabinet meeting, obtained under the FOI act, state that the building is in fair condition for its age. The consultation document states that maintenance would 'ensure that the building remains fit for purpose' (therefore confirming that the building is already 'fit for purpose'). As this funding is not required all references to it should be removed from the consultation process and the any decision made must not take these building alterations into consideration.

### 6.2. Maintenance costs

Repair of urgent maintenance issues have already been funded out of this year's budget. The report highlights that £5,000 is already budgeted for in 2010 to ensure the heaters and lighting works and to replace the flooring in the toilets. This covers the urgent issues using the standard building maintenance provision within the nurseries budget. Building maintenance is a requirement in any building (including all nurseries) and therefore is not an exceptional expense for the nursery.

Regular comments are made throughout the Council's documents regarding the need to improve the lighting level in the building, however the lighting level in the building is above the required standard. The lux reading recommendation according to The Chartered Institution of Building Services Engineers is 500 lux in a room where writing takes place, or 300 lux in a room where the main task is less demanding. No attempts have been made by the council to confirm whether the building conforms to this standard and no complaints have been received regarding the light levels. Until such time that performance vs. the advised light levels is established the view should be taken that the lighting level that has been sufficient for the past 20+ years is still sufficient.

Where maintenance is required to the building, City College has offered to donate their services. The benefit to the nursery is a substantial reduction in the maintenance cost. The benefit to the College is experience for students on vocational courses.

### 6.3. Benefits of The Old Slipper Baths building

The central location of the building is a key benefit to the users of the nursery and a suitable location is a key requirement when choosing whether a nursery is suitable for consideration by parents. The nursery is the only nursery remaining in central Brighton. The Council's opinion (as stated by the legal advice given at the call in on 21st October) that a nursery anywhere within the council's jurisdiction meets the needs of for childcare as required under the Childcare Act 2006 (i.e. the suggestion that it is acceptable for a parent to travel from one corner of the city to the furthest corner of the city) is questionable. This is covered in more detail in section 8.5.

One of the key features of the building is the outside space. This helps children to benefit from a healthy and active lifestyle, building in exercise into the daily routine of the children from an early age. The outside space helps separate Bright Start from some of the other nurseries in the city.

# 7. Impact of the Nursery Closing on Parents and Children

## 7.1. Impact on equalities

It is widely recognised that the provision of child care is a key element of reducing gender inequalities in the work place. The Equalities and Human Rights Commission's 'Meeting the Gender Duty in Employment' (2007), an advisory document for public sector bodies, observes that 'over a third of mothers and more than one in ten fathers have given up or turned down a job due to their caring responsibilities'. Removing the provision of child care will clearly affect working parents, and will have a disproportionate impact on working mothers.

'Working Towards an Equal City', Brighton & Hove City Council's Equalities & Inclusion Policy 2008-11, identifies both 'lone parents' and 'people employed on a part-time, temporary or casual basis' as Social Inclusion Key Groups. A significant number of parents who use Bright Start fall into one or both of these groups. It is likely that the proportion of parents who are in part-time, casual or temporary employment is rather high, particularly amongst working mothers: according to a 2008 study by the Office of National Statistics, 'women are more likely than men to work part time, particularly if they have dependent children' (<http://www.statistics.gov.uk/cci/nugget.asp?id=1655>). The Council has a statutory obligation to conduct an Equalities Impact Assessment (EIA) into changes in policy, and has committed to preparing an EIA as part of the consultation process. In order to provide a fair and accurate assessment of the impact of closing Bright Start, it must actively gather information from the parents and children who use the service in order to sufficiently understand the equalities implications of closure.

Closure is also likely to have a more indirect impact on equalities. Even if one accepts the consultation paper's argument that sufficient child care facilities can be found within Brighton & Hove, it is clear that few of these places are in the city centre. Parents working in the city centre will find themselves having to reduce working hours in order to accommodate the additional travelling time between the work place and the new nursery. This will result in reduced income, a diminished ability to take part in working life, and an environmental cost in increased transport use.

## 7.2. Impact on children's development

A change in child care arrangements will prove disruptive for both parents and children. This will be particularly distressing for the children, who have learnt to trust the environment and are developing friendships. The closure will be especially disruptive to those children who are due to start school in September 2011. It is an unnecessary burden on children to change their place of nursery care just a few months before the transition to school. It is also far from certain that alternative nurseries will be willing to take new children for the sake of just a few months.

### **7.3. Staff retention**

It should also be noted that the parents who use Bright Start have developed a valuable trust in the nursery staff. Much of this trust is founded on the good rate of staff retention, even though this is identified by the consultation document as a financial weakness. The benefits to children of continuity of care have already been established in section 3.4. Leaving children in nursery care is not easy for parents/carers; good quality childcare is not only beneficial for children but also for working parents and their employers.

### **7.4. Equalities impact assessment**

The Council's Equalities & Inclusion policy states that it is 'a commitment against which the council can be held accountable by our employees, residents, service users and communities of interest. It provides guidance for our officers, partners and contractors and underlines our responsibilities and duties and how we intend to meet them.' Yet it is conspicuous that equalities issues have not been given due regard in the decision made to consult on Bright Start's closure. Documents obtained under FOI reveal that no adequate consideration of equalities has been made in the discussions leading to this decision. The council has a firm duty to address this by conducting a thorough Equalities Impact Assessment, and considering the potential closure of the nursery against its own published policies and statements.

## 8. The Council's Childcare Strategy and Parents' Alternatives if the Nursery Closes

### 8.1. Where will Bright Start Nursery children be 'reoused' if our nursery closes?

The consultation document claims that there are a wide range of alternative childcare providers from private, voluntary and the independent sectors offering almost 500 vacancies across all age ranges in the whole city. However it is far too simplistic to present the number of total nursery places and the number of vacancies across the city as a whole.

The document gives the impression that there is plenty of alternative childcare available should Bright Start close but the reality is that vacancies will not necessarily be in the right location or be on the required days or be at an affordable price. No detail is given whether these figures a full or part time places. Part time places that are included in these figures will not necessarily match the needs of parents' working hours. One parent writes:

*"The only nursery I have found that might take my daughter in September is in Seven Dials, more expensive and can't promise the hours I need. All a bit unhelpful. I am praying Bright Start won't be closed and I would have to consider giving work up in the week."*

Parents have chosen Bright Start over and above other nurseries for a combination of reasons, such as the excellent standard of care and central location. Even if an alternative nursery can be found it still has to instil confidence in the parents before it could be considered a suitable alternative. The consultation document gives no consideration to the importance of the existing relationships that the children have with the staff at Bright Start and the fact that these take time to develop.

The consultation document states that by the nursery remaining open until the end of April 2011 'this will provide a reasonable time for parents to change their childcare arrangements.' We argue that this is not sufficient amount of time to find alternatives given that a final decision will not be made until January 2011. There is considerable anecdotal evidence that indicates parents often have to wait many months before a vacancy arises in a suitable nursery.

One parent said:

*"All change for children at this age could be potentially damaging and needs to be handled sensitively. Simply saying that this gives us time to find alternative arrangements does not take into account the whole picture. To tear them away, at this point in the year, from an environment in which they are all so familiar and doing so well could be truly catastrophic."*

Another parent, whose oldest child is due to start school in September, has been told by an alternative nursery that they could only accommodate their older child from July and that their youngest might have to wait until next year for a place.

## 8.2. Consequences on parents

If a parent cannot find enough suitable alternative childcare provision then their choices are going to have to include: heavier reliance on informal childcare arrangements that are less structured and reliable; reducing their working hours (some parents work 16 hours a week in order to qualify for the childcare element of Working Tax Credits), or – if those parents cannot find enough childcare to maintain their 16 hours then their only real alternative will be to stop work completely. The same parent wrote:

*"I would find it hard to relocate my 21 month old daughter to another nursery that is in walking distant from my work, North Laines. Also the cost of another nursery higher fees and then bus ticket means I will have to cut down hours."*

It is apparent that some parents with more than one nursery age child may be unable to find an alternative childcare provider than can accommodate more than one child in the family on the days required, presenting a logistical nightmare for them. Does the council expect parents to send their children to different childcare providers across the city in order to try and secure sufficient childcare to cover their working hours?

## 8.3. Consequences on the city

The result of Bright Start closing would be fewer working parents in the city making a full contribution to Brighton and Hove's economy at a time that the city needs as much economic productivity as it can get. Such a short-sighted move would result in an increased demand on other services such as the Local Housing Allowance and Council Tax Benefit.

Bright Start nursery is an asset for the entire city and should be protected for future generations. Brighton and Hove would be a poorer place without it.

## 8.4. What childcare provision is there going to be for those parents whose children are due to start school in 2011?

One parent said:

*"Our daughter will start school in September 2011 and Bright Start is preparing her really well for this. If the nursery closes in April this will mean there will be four months where she will have to start at a new nursery, either with or without her sister, before starting school which will be a big wrench for her and potentially very unsettling. Just because our children are not from disadvantaged backgrounds does not mean that their needs are any less important."*

The consultation document refers to the Family Information Service as a source of useful information for parents.

Another parent writes:

*"We looked into alternative nursery provision with the help of the Family Information Service. We discovered there are no suitable nurseries for us. There is one nursery that may have space for our daughter in a location that allows us to still get to work on time. However, it is closed for seven weeks of the a year and as they only take children from the age of 2 and our daughter is 18 months old, it would be June before she could start. Even if we do manage to find a nursery, finding a physical space for our daughter is not the only or the main consideration. As a parent, it is having confidence that your child will be safe and happy that is key"*

The same parent found that while the FIS were very approachable and were able to provide tailored information on an individual basis, they declined to provide a clearer breakdown of where the nursery vacancies quoted by the consultation document are located. It is surely not beyond the means of Brighton and Hove city council to have provided a breakdown of nursery places by location. This would have presented a more transparent account of alternative nursery provision.

## 8.5. Brighton and Hove City Council's obligations under the Childcare Act 2006

Brighton and Hove City Council have acknowledged that they are under a statutory duty under the Childcare Act 2006 to ensure that there is sufficient childcare places to meet the needs of parents. In the Brighton and Hove Children and Young People's Trust Childcare Sufficiency Assessment (Refreshed October 2009) it clearly states that:

*"The data shows that there are some areas of the city where there are more settings than others **currently unable to meet the extension of free early learning entitlement** for three and four year olds to 15 hours a week"*

This demonstrates that the council is not able meet the needs of the parents in the city, When this information is coupled with the recently announced extension of the free childcare to disadvantaged two-year-olds, it is clear that the Council will not be able to meet their statutory duty if childcare provision is reduced even further.

We would argue that the offer of alternatives such as the new Supersauras nursery in Cromwell Road means that the Council are following the letter of the law and not the spirit in which it was written. The extra time it would take for parents living / working in Brighton to commute across the city at some of the busiest times of day to drop off and collect children will make such 'opportunities' completely impractical for all but a few.

For those parents who live outside the central Brighton area but work in the city centre, having a nursery close to hand is important because this allows parents to get to their child quickly in case of illness or an emergency and it also allows them to work a full day without the need of leaving the workplace early in order to travel across the city to collect their child at the other side of town. Another parent wrote;

*"The dual reassurance that my children are in the safe hands of staff who I trust completely with their well-being and the ability to get to them quickly in an emergency is key to my being able to return to work."*

Parents need and deserve to have nursery provision in central Brighton. If Bright Start were to close there is no other nursery in the vicinity that could provide an alternative to this crucial resource.

In an article published in the Argus on 29th November 2010 a managing director of a Hove-based early years child care provision warned that unless government funding increases for free child care for three and four year olds, nurseries are at risk of going out of business. The vulnerability of private nursery provision in the city was highlighted by two sudden closures earlier in the year, making the need for a council run nursery all the more important.

## 8.6. Can parents afford alternative nurseries? Where will parents find the extra funds from?

The consultation document gives a breakdown of city wide average price for nursery care as £42.13 a day for 0-2 year olds and £36.63 for 3-5 year olds. What it doesn't tell you is the very wide range of prices ranging for nursery provision within one mile of Bright Start. Costs for the 17 nurseries in this catchment area range from a low of about £35 up to £48.60 a day for two year olds and between £31.00 and £46.00 for three to five year olds. The majority of other nurseries are priced in the mid-to-high end of the price range. Therefore, if parents are able to find a nursery they may discover that the alternative is not affordable, particularly given the economic situation and the council pay freeze effecting many of its employees. The table below a quick comparison of these widely varying fees, based on an 18-month-old child in nursery 3 days a week. You will note the only nursery will full vacancies does not accept children under 2. You will also note the considerable financial impact for each child.

	Vacancies?	Minimum Age	Full Day Cost	Annual Impact (based on 3 days for 18 month old child)
Bright Start		6 months	£35.00	£0.00
Phoenix Nursery	yes	2 years	£46.00	£1,683.00
Joyland	afternoon only	2 years	£34.20	-£122.40
Pepperpot Nursery Ltd	afternoon only	1 year	£36.50	£229.50
Little Oaks Nursery	Fridays only	3 months	£44.00	£1,377.00
Elm Grove Pepperpot Baby Unit	limited	3 months	£40.00	£765.00
Playcare Nursery	limited	1 year	£41.00	£918.00
Orchard Day Nursery	limited	6 months	£40.00	£765.00
Sussex House Nursery	minimal part time	3 months	£36.90	£290.70
Happy Days Nursery	minimal part time	1 year	£40.00	£765.00
Sunshine Day Nursery	part time only	birth	£44.00	£1,377.00
Young Sussex Nursery (Dyke Road)	unconfirmed	birth	£48.60	£2,080.80
Strawberry Hill Nursery	none	3 months	£38.80	£581.40
Blueberry Nursery Early Learning Organisation	none	18 months	£46.09	£1,696.77
Tarnerland Nursery School	none	3 months	£42.00	£1,071.00
St Georges Neighbourhood Nursery	none	3 months	£43.00	£1,224.00
The Children's House	none	2 years	£35.00	£0.00
Hopscotch	none	birth	£41.00	£918.00

Fig1: Annual impact of nursery move, based on an 18-month-old child attending nursery 3 days a week. Please note that for comparison, where a nursery does not accept 18-month-old children the price for the youngest age the nursery does accept has been used.

A childcare costs survey for 2010 carried out by the 'Daycaretrust' (Registered charity no. 327279) found that "Average childcare costs for 25 hours per week are £88 in England, which is more than half gross average part-time earnings of £153 per week." This would equate to 2½ days (5 sessions) a week at Bright Start (8.00am to 6.00pm). Weekly fees for lower-paid Council employees for 5 sessions are £87.50 (5 x £17.50) and £100 for higher paid council employees and community (5 x

£20). This means that Bright Start fees are already equal to the national average childcare cost. <http://www.daycaretrust.org.uk/pages/childcare-costs-surveys.html>.

## 8.7. How many local nursery places are there, for example, in or around the North Laines?

According to information provided by FIS there are no other nurseries in the North Laines area. In a 0.6 mile radius of Bright Start there are five other nurseries, all located in the Hanover/Queens Park districts. This shows that Bright Start is the only nursery serving central Brighton. Nurseries within a one mile radius of Bright Start are illustrated below:

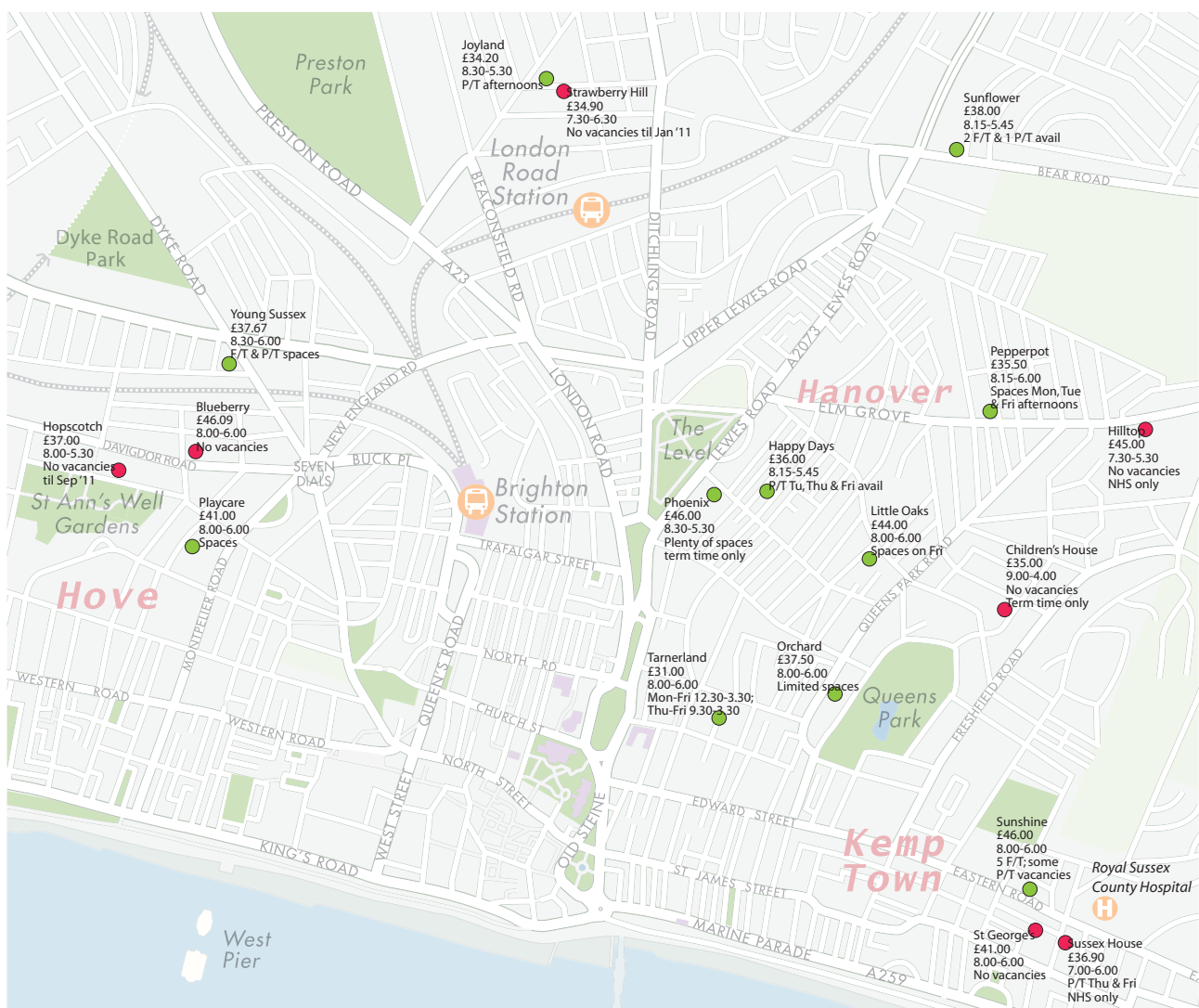


Fig2: Location, cost and availability of nurseries in within 1 mile of Bright Start Nursery (costs shown for 3-4 year old).

## 9. Effect on Brighton & Hove City Council Services and Employees

The consultation document does not consider the effect Bright Start's closure will have on the Council's staff or its business activity.

### 9.1. The nursery as a benefit

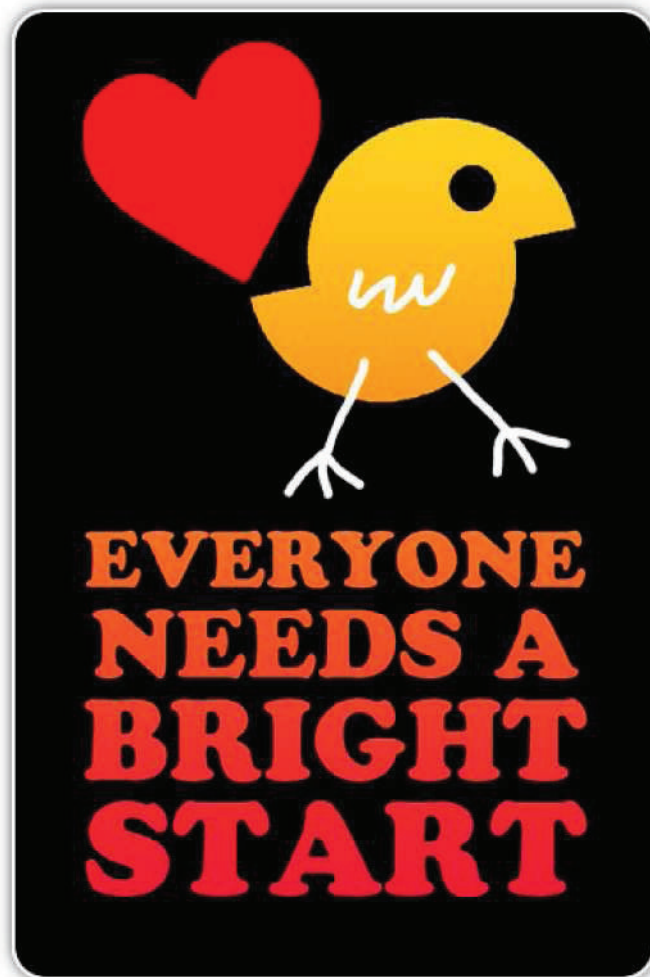
It has been argued that the availability of nursery places for BHCC staff should be considered a benefit rather than a term of the staff contract. Yet there is good evidence to suggest that it should be considered a term of contract as implied by custom and practice. The government's [direct.gov.uk](http://direct.gov.uk) website provides sound advice in this area. It lists three factors that help determine whether a regular practice should be considered a term of contract: 1) 'how seriously it has been treated'; 2) 'how clear it is'; and 3) 'how long it has been in place' (<http://bit.ly/dwCubW>). Considered against these criteria, it is clear that the provision of subsidised child care at Bright Start is a term of employment. The nursery is a Council run facility, with a number of places reserved for Council staff, and is advertised as such on the Wave, the Council's intranet service. It was specifically established for the purpose of providing child care for its employees, and has been running for 21 years. Given how fundamental this provision is to Bright Start's structure and purpose, and the length of time it has been in operation, it can hardly be considered a temporary benefit. As such, the consultation process should have been broadened to include all Council staff, and followed the procedures required for changing existing staff contracts.

The offer of subsidised child care by an employer is not a simple act of generosity. There are strong business reasons for the Council to provide this. Most obviously, it is a means of enabling the Council to retain trained and experience staff. Such staff are crucial to the Council's ability to provide reliable and effective services for the people of Brighton & Hove. The consultation document claims that a subsidy of over £1,500 a year is required for each full time place in the nursery; yet, in so far as this figure applies to Council employees who use the nursery, it seems a reasonable sum for the Council to invest in the retention of valuable staff. Furthermore, if considered against the recruitment and training costs of replacement staff, this subsidy is likely to be far lower in real terms. It may even represent a significant saving.

### 9.2. Effect on vulnerable children

Moreover, according to the consultation document, 'the Council must ensure that its resources are focussed on those vulnerable children with the greatest needs'. Yet there is clear evidence that the closure of the nursery will indirectly diminish these resources. To give just one example, two of the authors of this report work in front-line services providing care to vulnerable children and young adults leaving care; both are likely to be forced to leave employment should the nursery close. It is likely that other key Council personnel are amongst those parents who use the nursery. This problem will also be exacerbated as a result of the Council's present budget strategy. In response to ongoing and future financial pressures, the Council is presently 'controlling recruitment and only making permanent appointments in exceptional circumstances' (agenda Item 123, Cabinet meeting 9 December 2010). As such, we have to assume that such employees will not be replaced, and this will have a detrimental effect on service delivery to young and vulnerable residents.





## Bright Start Nursery Viability Plan

Prepared for Cllr. Vanessa Brown, James Dougan, Caroline Parker and the employees of Brighton & Hove City Council

By Liam Sheerin

Save Bright Start Nursery Campaign

December 2010

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## References

Version	Document	Author(s)
1	<p>Children &amp; Young People Cabinet Member Meeting</p> <p>Date: 11 October 2010 Time: 4.00pm</p> <p>Venue Committee Room 1, Hove Town Hall</p> <p>Members: Councillor: Brown (Cabinet Member)</p> <p>Contact: John Peel Democratic Services Officer</p> <p><b>Agenda Item 34</b></p> <p><a href="http://present.brighton-hove.gov.uk/mgConvert2PDF.aspx?ID=2698&amp;T=10">http://present.brighton-hove.gov.uk/mgConvert2PDF.aspx?ID=2698&amp;T=10</a></p>	Various
1	Letter: <i>All parents with children at Bright Start Nursery</i>	Caroline Parker

## Document control

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# 1 Summary

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Bright Start Nursery is a well-established staff nursery for the workers of Brighton and Hove City Council. The nursery has been run as a Council-subsidised concern for the last twenty years and, as such, has never been subjected to viability assessments. The nursery has gained a considerable reputation as a centre of excellence and is strongly supported by both Council and Community parents, past, current and future.

While the Council subsidy has been decreasing over time, the current government's cuts warrant that all subsidised services need to be revised and/or removed. Bright Start Nursery viability has never been addressed in this way until now and this document will show that the nursery can be made into a viable business.

The purpose of this document is to demonstrate this viability and show that closure of the nursery will actually cost Brighton and Hove City Council and the taxpayers more in the short-to-medium term.

## 1.1 Council and Community nursery

The nursery invites Community parents to use the facility, while there are vacancies not required by Council staff, to help ensure efficiency. This means that the nursery supports, not only essential and trained Council staff, but also essential and trained local business staff and the local economy.

## 1.2 Viability factors

Assessments of nursery businesses show that the most important factor in profitability is the occupancy rate.

## 1.3 Bright Start Nursery's market

Bright Start is one of the only nurseries in the centre of Brighton and Brighton has the largest working population on the Sussex South Coast. It is difficult to believe that a business with such a large market, location and experience cannot be made into a profitable enterprise.

This document will report how the lack of occupancy at Bright Start Nursery is due to the low occupancy rate which is in turn due to the lack of marketing that the nursery has received.

## 1.4 Solution proposition

The heart of the viability problem is that no-one knows the nursery exists and those that do think it is for Council employees only. Marketing will solve this problem quickly, easily and permanently.

The Save Bright Start Nursery Campaign will arrange for over £30,000 of marketing expertise from local professionals that will force an increase in occupancy rates. This will be provided at no cost to the Council and its taxpayers. Marketing will easily attract more children to the nursery.

The proposal solution combines not only the marketing investment but also a suggested increase in session fees to produce a highly viable business.

This proposal provides a working business model for Bright Start Nursery that can be tweaked and amended to ensure it meets market conditions while remaining viable. This business model will be provided as a separate spreadsheet but areas of it will be reproduced in this document to ensure that the ideals are understood.

### 1.4.1 Further viability proposals

This proposal goes further than occupancy and session rates and suggests new monetisation methods that will allow the nursery to succeed. These new ideas include:

- ➔ amendments to the session business model
- ➔ efficiencies applied to staff structures
- ➔ efficiencies applied to working practices
- ➔ income through advertising/sponsorships
- ➔ last minute session bookings
- ➔ fund raising
- ➔ training
- ➔ monetisation of the car park

## 1.5 Conclusion

This proposal demonstrates not only how the Council can turn the negative, damaging opinions regarding nursery closure into positive, collaborative actions that will promote the Council and its Councillors to the Brighton & Hove constituents, but also, how the Council stand to generate

revenue from Bright Start Nursery.

It is not expected that all documentation can be understood without the guidance of the authors. For this reason, the author of this document offers to demonstrate each point to anyone who is charged with the decision to close the nursery.

## 2 About this document

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This document has been written to demonstrate not just one plan on how to save the Bright Start nursery but to present a raft of options that could be used to make the nursery a viable, on-going concern.

The document will attempt to isolate key areas that can be addressed not as a definitive solution to the problems that face the nursery but as a starting point. Therefore, should an element of this document not detail sufficiently the solution to a particular problem, it cannot be suggested that the proposed solution is invalid, only that it is incomplete.

This document aims to demonstrate the growing strengths of the Save Bright Start Nursery Campaign so that the level of support for the nursery can be understood. The Campaign will use this document to highlight how the closure of the nursery will affect the Campaign, the users of the nursery and the actions of other interested parties.

*[The Save Bright Start Nursery Campaign will also be known as the Campaign throughout this document]*

### 2.1 Document authors

#### 2.1.1 Liam Sheerin

Liam Sheerin is Head of Engineering and Project Management at Semantico, a Brighton based digital-publishing software house. Liam is a commercially successful PRINCE2 certified project manager with degree in electronic and computer engineering.

#### 2.1.2 Sean Bucknall

Sean Bucknall is an insolvency accountant at TSM Tenon and specialises in small to medium enterprises, with turnovers of up to £30m. He is experienced in a range of diverse sectors from retail to manufacturing and service companies. Sean is a registered Chartered Accountant with 8 years accountancy experience and an economics degree. Sean works on formal insolvency procedures and advisory/turnaround (independent business reviews) for high street banks and lenders on failing companies.

### 2.1.3 Stuart Reid Wilkie

Stuart is a local businessman, based in The Lanes, and a director of both the Brighton BID and Brighton and Hove Business Forum. Stuart is actively involved in The Lanes Business Network and very much understands the needs of the city centre business community.

## 2.2 About the Save Bright Start Nursery Campaign

The Campaign was founded, very recently, on 7<sup>th</sup> October 2010 when notification was provided that the nursery was in danger of consultation for closure.

The Campaign was founded by the diverse group of parents that use the nursery and was then joined by additional supporters, past users of the nursery and people who had hoped to use the nursery in the future.

Recently, members of the local business community have come forward in solidarity to rescue the nursery resource that facilitates local commerce.

The Campaign has gained ground significantly since it was conceived, largely due to the weight of goodwill that the nursery generates through its exceptional standards and staff. However, the location of the nursery is also at the heart of the Campaign as there is no alternative nursery to use should Bright Start close.

The Save Bright Start Nursery Campaign does not have any allegiance to any political party although its members may have their own political opinions. Rather, the Group is a collection of individuals from the local community that agree that a decision to close the nursery is premature, not thought through, legally suspect, just wrong or damaging to the local economy.

### 2.2.1 The online petition

The online petition has been extremely successful and is available for signature and review at:

<http://www.petition.co.uk/savebrightstartnursery>

In the short period of time that the online petition has been established, it has already attracted over 1200 signatures (as of 30/10/2010).

### 2.2.2 The Save Bright Start Nursery website

The Save Bright Start Nursery Campaign also has its own dedicated website, allowing the dissemination of information to the public in general. The website is available for review at:

<http://savebrightstartnursery.wordpress.com/>

### **2.2.3 Save Bright Start Nursery Campaign Facebook group**

The popular social network site, Facebook, has been used to great effect by the Save Bright Start Nursery Campaign with over 400 members worldwide and growing daily.

<http://www.facebook.com/group.php?gid=147236258653644&>

The Facebook group means that people's social networks can be tapped into to increase public awareness in a way that was not available to a campaign only a few years ago.

### **2.2.4 Twitter**

The microblogging service, Twitter, has been used to great effect to spread public awareness and support for the site. Again, this is a new social network method of campaigning that could not have been utilised until recently. Twitter has been used to spread the reach of the petition and also to garner considerable local and national celebrity support.

## 3 Nursery revenue

Calculations provided in this document have been rounded to demonstrate magnitude. A separate spreadsheet detailing the Bright Start Nursery business model has been provided to show accurate calculations that create a real world account of the business. This business model is fully editable to account for all external and internal factors of the business.

Bright Start Nursery takes its revenue from three main areas:

- ➔ Council subsidy - the difference between expenditure and income
- ➔ Income generated through child care revenue

The table below shows the costs and income for the nursery and shows how the Council subsidy of £87K is derived. Note that the figures used below regard the 2009-10 budget.

Type	Item	Value
Expenditure	Employees	£381,208
	Premises Related	£38,967
	Transport Related	£0
	Supplies and Services	£8,567
	<b>Total expenditure</b>	<b>£428,742</b>
Income	Sure Start 2 Year-old income	£13,507
	EYFE	£38,555
	Fees	£289,252
	<b>Total income</b>	<b>£341,314</b>
Balance	<b>Council subsidy</b>	<b>£87,428</b>

### 3.1 Council subsidy

The nursery subsidy in the late 1990s was around £160,000. In 2010, it now is close to half of that with the Council subsidy reducing by £6,000 in the last year alone. The current Council subsidy, as shown above, is calculated as £87,428.

It is worth noting that the Council subsidy has been an accepted cost for supporting the needs of its trained and invested-in staff and should be seen as a risk-mitigation budget if nothing else.

### 3.1.1 Rent

Bright Start Nursery currently pays £14,200 to rent the building from the Council. This money is paid from the nursery to the Council. As the nursery is fully Council owned, this is effectively Council to Council. This should be considered a dubious aspect of the viability of the nursery as the Council could lower rent and thereby reduce the subsidy; the Council, as a whole could attribute this part of the subsidy as a loss to the building rather than a loss to the nursery.

**If the nursery is expected to pay rent why is it the nursery's responsibility to pay refurbishment costs? If one rents a property one is not expected to fund the owner's cost of refurbishing the building. Should the £230K refurbishment be the responsibility of the tenant or the landlord? As both tenant and landlord are the Council, have the refurbishment costs been correctly allocated?**

## 3.2 Sessions

The nursery is open from Monday to Friday, 51 weeks of the year. The business model is based on two sessions per day of fixed length, between 8 am and 6 pm. These gives the nursery a ten-hour day to cover. Each session consists of five hours. Morning and afternoon sessions are charged at the same rate.

There is a difference in the session rates depending on the type of user:

- ➡ Council
- ➡ Community
- ➡ Funded

There is further complexity in this model because the government grants parents a certain contribution that is fixed outside of the rates that the nursery charges. This is defined under the Early Years Free Entitlement (EYFE) system where the government provide 15 hours per week for 38 weeks per year. This has the effect that a certain amount of income cannot be affected by session fee increases. It will be necessary to model this in the creation of any business model pertaining to Bright Start Nursery. EYFE starts when the child is aged three.

One point of note is that, current levels of occupancy between Council and Community children and current session fees show that the difference between the two funded and session fee paying categories are negligible.

### 3.2.1 Council

The Council has wisely chosen to invest in its employees and their own training costs by providing their staff with child care. The result of this is that Council parents pay a lower rate of £17.50 per session. This employee benefit reduces the risk of the Council losing members of staff for longer periods of time due child care.

### 3.2.2 Community

Community describes those users of the nursery that do not work for the Council. Community users pay the Bright Start Nursery rate per session when they are not covered by the government EYFE system for the first 15 hours. Community children are invited to the nursery only using the spaces not reserved for Council places.

### 3.2.3 Funded

The funded places are, as has been shown, more complicated but, as both Council and Community parents are both eligible for funded places through the EYFE system, funded places, in this context will refer only to 2 year old funded places. Such funded placements pay £24.25 per session. Again, this is a national rate – 10 hours for 38 weeks per year.

## 3.3 Average session rate

The average session rate can most easily be calculated by dividing the session revenue by the total number of sessions.

$$£341,314 / 18,361 = £18.59$$

### 3.3.1 Comparative assessment of nursery rates

An assessment of nursery's fees from within a three mile radius has been undertaken and the results show a great deal of variation. Different nurseries have different business models with variation not only in cost per session but also in when that session starts and ends, in the age of the child covered by that session and the duration of the session (increased rates for shorter periods). Variation in business model also occurs between Bright Start and Sure Start nurseries.

The comparative assessment of nursery business models is a large document and is available separately.

As the comparison has shown that the market allows for variation of business model, the questions

exists as to why the business model employed by Bright Start does not follow it's competitors, why the council have have not dictated a better approach to managing what is effectively their business.

There are several key areas from this assessment:

- ➔ Bright Start Nursery has not increased its fees in the last four years
- ➔ Bright Start Nursery is too competitively priced with respect to other nurseries in a three mile area
- ➔ It is difficult to directly compare Bright Start prices with other nurseries due to differing structures and the central location the nursery provides. The location of the nursery is its main unique selling point
- ➔ Different price structures are acceptable in the Brighton nursery market
- ➔ There are few nurseries in the city centre

### 3.4 Number of sessions available

Bright Start Nursery is capable of providing 510 sessions per week. Staff have not been replaced so it is unable to achieve this maximum and currently works to a rate of 470 sessions per week.

It would seem reasonable to calculate revenue from sessions to be

$$470 \times 18.59 \times 51 = £446K.$$

However, this assumes 100% occupancy which is not the case.

### 3.5 Occupancy

Occupancy rate is the number of places filled compared to the number of places offered. Nursery figures show (unsurprisingly given that the nursery is not marketed) that occupancy is not 100%. There are various way of measuring occupancy rates and, given that no single method is prescribed, a Council provided occupancy rate of 76.6% has been used.

Now, it would seem reasonable to calculate revenue to be

$$£446K \times 76.6\% = £341K$$

So, the occupancy rate can be seen to vary the profitability of the nursery by

$$£446K - £341K = £105K$$

This is greater than the Council subsidy and clearly indicates that the area that needs most focus is not session rates but occupancy rates.

### 3.6 Quantifying occupancy rates

While it is useful to understand that increasing occupancy rates is key to making the nursery viable it is more helpful to quantify what the change rates means in real terms – how many extra children are needed to make the nursery viable?

The table below determines the average number of sessions per child as 4.5 (73 children using 70% of 470 available sessions per week). Based on this average, the question is answered such that one child equals 4.5 session per week. The table below shows that 5.5 children are required to increase occupancy by 5%. To increase occupancy from 70% to 85% therefore requires 16 more children. Over £30,000 of marketing should be enough to attract 16 children to the nursery.

Occupancy Rate	70%	75%	80%	85%	90%	95%	100%
Sessions per week	470	470	470	470	470	470	470
Weeks per year	51	51	51	51	51	51	51
Sessions used	329	352.5	376	399.5	423	446.5	470
Sessions per child	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Total children (4.5 sessions per week)	73	78	84	89	94	99	104
Extra children (4.5 sessions per week)		5	11	16	21	26	31
Extra children (10 sessions per week)		3	6	8	11	13	16
Ave. cost per session: £19	£19	£19	£19	£19	£19	£19	£19
Total revenue	£318,801	£341,573	£364,344	£387,116	£409,887	£432,659	£455,430
Change in revenue		£22,772	£45,543	£68,315	£91,086	£113,858	£136,629
Ave. cost per session: £20	£20	£20	£20	£20	£20	£20	£20
Total revenue	£335,580	£359,550	£383,520	£407,490	£431,460	£455,430	£479,400
Change in revenue		£23,970	£64,719	£88,689	£112,659	£136,629	£160,599
Ave. cost per session: £21	£21	£21	£21	£21	£21	£21	£21
Total revenue	£352,359	£377,528	£402,696	£427,865	£453,033	£478,202	£503,370
Change in revenue		£25,169	£83,895	£109,064	£134,232	£159,401	£184,569
Ave. cost per session: £22	£22	£22	£22	£22	£22	£22	£22
Total revenue	£369,138	£395,505	£421,872	£448,239	£474,606	£500,973	£527,340
Change in revenue		£26,367	£103,071	£129,438	£155,805	£182,172	£208,539

Two new children started in the last month alone, possibly due to publicity garnered by the Campaign.

Moreover, the table has been extended to model the change in revenue based for four different session rates: £19 (current rate), £20, £21 and £22. With these projections it can be shown that

- ➡ £19 sessions require an occupancy of 90% – 21 part-time children; 11 full-time children
- ➡ £20 sessions require an occupancy of 85% – 16 part-time children; 8 full-time children
- ➡ £21 sessions require an occupancy of 82% – 12 part-time children; 6 full-time children
- ➡ £22 sessions require an occupancy of 80% – 9 part-time children; 5 full-time children

**The crux of the problem is attracting children to the nursery. At most, 21 children need to be attracted to the nursery to negate the small Council subsidy of £87,000.**

## 4 Increasing and maintaining occupancy levels

Bright Start nursery occupancy rates are not as high as they need to be to make the nursery viable. While the Save Bright Start Nursery Campaign understand that it is not realistically possible to reach 100% occupancy rate, we maintain that occupancy can easily be improved.

### 4.1 Causes of low occupancy

Low occupancy can be caused by many factors which are assessed in the following table.

Cause	Bright Start	Conclusion	Indicator
Poor facilities	Bright Start does not boast the best facilities and is in need of decorative repair. However, it does have a playground	Decorative order of Bright Start may contribute to occupancy rates	✓
Poor staff skills	Bright Start boasts some of the most skilled nursery staff in the whole of Brighton. All having level 3 qualifications, the manager is a qualified teacher and one member is studying for Early Years Professional Status	This is not a cause of the low occupancy rates at Bright Start	✗
High staff turnover	Bright Start has a low staff turnover and the staff enjoy their work and are dedicated to the nursery and their careers	This is not a cause of the low occupancy rates at Bright Start	✗
High session fees	Bright Start Nursery session fees are competitive and are below average for nurseries in the area	This is not a cause of the low occupancy rates at Bright Start	✗
Inconvenient location	Bright Start is located at the centre of Brighton and so is well served by bus, rail and car	This is not a cause of the low occupancy rates at Bright Start	✗
Inaccessible location	Bright Start has a car park for dropping off children, and has full wheelchair access	This is not a cause of the low occupancy rates at Bright Start	✗
Poor marketing	There is no current marketing of Bright Start Nursery and the nursery is very hard to discover through the Internet and other means	This is very likely to be a factor in low occupancy	✓

Poor awareness	Bright Start is not obviously a nursery and does not attract any passing trade as it cannot be identified as a nursery	This is very likely to be a factor in low occupancy	✓
Dwindling market	Brighton has recently experienced a baby-boom that some have associated with the bad weather last Winter	This is not a cause of the low occupancy rates at Bright Start	✗
Not enough children in the area	Brighton city centre has the largest population of working people on the South Coast. It is not logical that this population does not require child care	This is not a cause of the low occupancy rates at Bright Start	✗
Inefficient staff working hours	The hours worked by staff do not reflect market demand and make it harder for the nursery to act as a viable business	This affects the occupancy and efficiency at Bright Start Nursery	✓
Inefficient session allocation	The allocation of sessions for each child contributes to whether the nursery can attain higher occupancy rates	This affects the occupancy and efficiency at Bright Start Nursery	✓

This simple assessment, while not exhaustive, highlights the strengths and weaknesses of the nursery and determines where effort should be placed if occupancy rates are to be increased.

The focus is summarised below:

- ➔ Increase awareness and discoverability of Bright Start Nursery through marketing
- ➔ Improve visibility of the Bright Start Nursery building to passers by
- ➔ Improve decorative order of Bright Start Nursery
- ➔ Inefficient staff working hours
- ➔ Inefficient session allocation

Until these actions have been implemented it is not possible to say that Bright Start Nursery is not a viable business.

The recent OFSTED report in 2007 gave the unit a 'Satisfactory' result that, while not the best in the City, is obviously *satisfactory*.

## 4.2 Marketing of the nursery

Currently, Bright Start nursery is very poorly marketed. It is a testament to the care and skill of the staff that word of mouth allows the nursery to attract community parents as well as council worker

parents.

The Save Bright Start Nursery Campaign includes:

- graphic designers
- marketing experts
- social media consultants
- web developers

The Save Bright Start Nursery Campaign has quickly branded itself and this branding could be used to great effect to market the nursery to ensure that occupancy levels are maintained.

Most other competing nurseries use websites to market themselves.

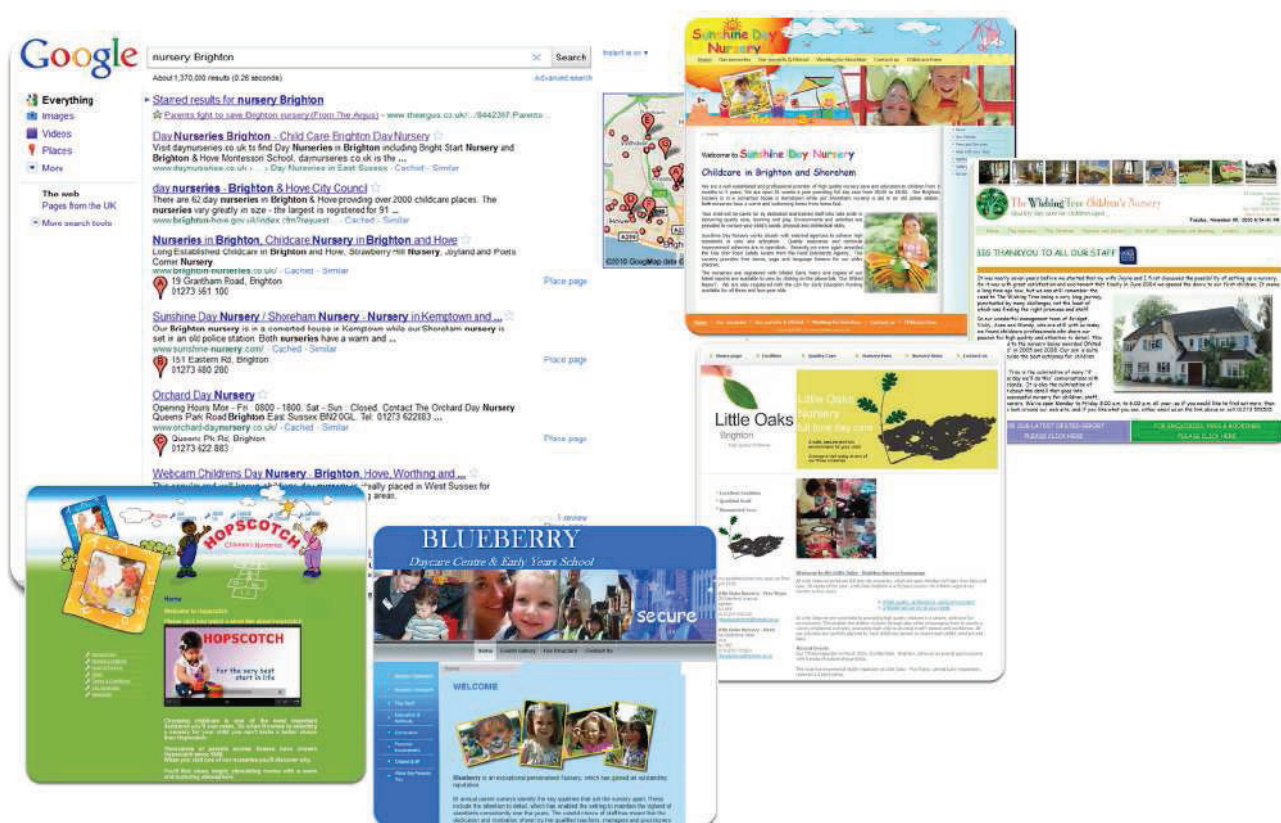


Figure 1: Websites of Brighton nurseries

#### 4.2.1 Bright Start Nursery Website

The majority of nurseries in Brighton market themselves using a website. The reason they do this is they understand that if no-one knows about them, no-one will come. If the Council is not able to invest in a website for Bright Start it should accept the **free** offer of help from Brighton

professionals to provide one.

The Save Bright Start Nursery Campaign offer the nursery a marketing website with provision for:

- ➔ free website consultation and requirements gathering
- ➔ free graphic design
- ➔ free implementation and build costs
- ➔ free on-going management
- ➔ free training for nursery staff to maintain content

Free web design consultancy and build will be provided by Liam Sheerin who works for Brighton digital publishing company, Semantico, and has provided web development and support services for the Nature Publishing Group, Oxford University Press, Macmillan Education and John Wiley and Sons. It is estimated that the value of such a project would be £15,000 with an annual cost of at least £3,000 per annum for hosting and management.

#### **4.2.1.1 Analytics from nursery website usage**

The website will be set up to ensure that free analytics are available through Google Analytics (free training provided). The reason such software will be integrated into the package is to ensure that the nursery is able to understand how users interact with their the website and allow them to react accordingly. This will allow Bright Start to act as a self promotional entity that can control how it is perceived and promoted (within Council guidelines).

#### **4.2.2 Social Media**

Social media provides another way of marketing the nursery. A Facebook group would spread awareness and attract new clients, a twitter account would provide a broadcast style communication channel.

**Free** Social Media consultancy will be provided by Danielle Sheerin, who works for Brighton Social Media consultants, NixonMcInnes, and has provided social media advice for the BBC, Barclaycard, BMW and Chelsea FC. This consultancy is estimated to amount to around £5,000 worth of work and will include training for nursery staff.

### 4.2.3 Leafleting and flyers

The web is not the only way to increase the marketing reach of the nursery. A two-minute brainstorm would suggest:

- ➡ leafleting doctors surgeries, mother and baby groups, etc.
- ➡ leafleting Brighton station
- ➡ leafleting the council
- ➡ leafleting local businesses and shops
- ➡ leafleting the American Express building

People are not aware of the nursery and that is why occupancy is not as high as it should be.

## 4.3 Improve visibility of nursery

It is difficult to tell that Bright Start is a nursery from the outside. Comparing Bright Start with Hopscotch nursery, as shown below, demonstrates this very well.

Note that the sign outside of Bright Start says the building is a fitness centre.



Figure 2: Hopscotch nursery, Portland Road, Hove (top) and Bright Start (bottom)

The nursery area is frequented by a great number of passers by; people using the swimming baths, the library and the new shopping area. A large proportion of the people passing the nursery will work in the city centre and many of these people will have children or will know someone who has children of the age that Bright Start caters for.

While reading this document, some twenty people have already passed by the nursery. If one assumes a low conversion rate of 0.05 and estimates a low number of passers by, for example

twenty people per day, then the number of customers being lost to passing trade is:

$$20 * 0.05 = 1 \text{ per day}$$

If the above estimate is too high, estimate that 20 people pass in a *week* and a lower 0.005 conversion rate:

$$20 * 0.005 = 0.1 \text{ per week} = 1 \text{ every ten weeks} = 5 \text{ per year}$$

**Five new children at the nursery, using the average 4.5 sessions per week, accounts for 5% of the occupancy rate and generates £23,000 per year.**

## 4.4 Improve decorative order of nursery

As detailed in section 8 Refurbishment, parents, local businesses and City College have all agreed to improve the decorative order of Bright Start Nursery. **Free of charge.**

## 4.5 Staff working hours

Any move to make Bright Start Nursery into a viable business will need to address staff working hours. The working patterns of the part-time staff have developed historically and are not the most efficient patterns for the nursery. To increase the occupancy the working patterns of staff need to be reviewed.

## 4.6 Session allocation

If sessions are being inefficiently allocated, either they need to be reviewed and reallocated or a premium is applied. If session allocation does not reflect the needs of the nursery as a business it the nursery is harming itself by not reallocating sessions more reasonably.

## 4.7 Conclusions

No cost is associated with this solution as the solution is a completely free offer and affects only the efficiency of the nursery.

It would be expected that the increase in awareness would materialise within a month in terms of search engine optimisation and indexing, meaning that people looking for nursery care in Brighton City Centre would have knowledge of Bright Start as an city centre child care option.

Once this has been established, it would allow for a queue of customers (and potential customers)

creating the optimal occupancy rate.

In addition, the nursery could use it's web presence to let people know of late cancellations that would allow spaces to be filled.

This can be seen as Big Society, in accordance with the Conservative Party policy and should be accepted as such. The Save Bright Start Nursery Campaign is happy to work in accordance with council guidelines on website construction in this regard, at no extra cost and already assumes that the build would need to incorporate required accessibility standards.

It is understood that a nursery website has already been suggested to the Council as a revenue increasing, marketing measure that would increase occupancy. If this has not been implemented due to cost reasons, now is the time to accept the offer of free marketing.

## 5 Controlling costs

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The most prominent cost represents staff wages. While it could be argued that staff costs are higher than in other nurseries it has already been shown that these higher salaries are warranted based on the level of care that the staff provide.

However, any plan to make the nursery viable will need to consider costs as well as revenue if it is to succeed. With this in mind, there are several immediate suggestions that seek to control staffing costs without affecting revenue.

### 5.1 Public pay freeze

The Government Budget 2010 legislated that there would be a public sector pay freeze until 2012. This provides some stability in the staffing costs of the nursery over the next two years.

### 5.2 Kitchen assistant

The nursery has identified an inadequacy in its team make-up that leads to higher staffing costs. The inefficiency is due to qualified staff having to man the kitchens. At these times, bank staff or agency staff have to be used to cover those members of staff who leave the classroom for the kitchen.

Kitchen staff would be a lower cost hire and would lead to an overall saving of costs and streamlining of process that would maximise efficiency.

It is understood that this has already been suggested to the Council as a potential cost saving measure. It is not understood why this measure has not been implemented.

The nursery estimate the cost savings of employing a kitchen assistant would be in the region of £7K.

### 5.3 Employ assistants

The nursery is currently not fully staffed and is, therefore, unable to offer the full amount of possible sessions per week, 510.

#### 5.3.1 Existing vacancies

There exist two current vacancies at the nursery that would allow the number of children that

could be cared for to reach the optimal amount. It is suggested that these positions are filled by Nursery Assistants on Level 2 qualifications rather than practitioners on level 3. It is understood that Sure Start centres all employ assistants as part of their staff teams and it is not clear why this would be different for Bright Start.

## 5.4 Bright Start Nursery proposal

Bright Start Nursery will be producing their own plan and will have detailed ideas on how to control costs.

## 6 Increasing session rates

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There is a natural and obvious relationship between session rates and revenue: increasing session rates increases revenue. However, as the law of supply and demand dictates, the market will reduce as costs increase. This is true unless the nursery can differentiate itself from other nurseries (by higher quality staff and central location). This will lead to a movement in the demand curve and therefore the nursery will attract a “premium price”. This obviously depends on where the nursery intends to position itself amongst its competitors, though its location should inform this positioning.

### 6.1 Session rate increases with respect to occupancy

Although the increases in session fees need not be large, it would be unrealistic to think there would be no reduction in occupancy following an increase in rates. However, knowing that the demand for nursery places in the city centre outstrips supply (due to the sheer number of working people there), and with the marketing campaign increasing market penetration of the nursery, there is no reason to believe that the parties that left the nursery could not easily be replaced with new ones.

It should be noted that the adverse publicity of the Save Bright Start Nursery Campaign has actually, raised the profile of the nursery and two new children joined the nursery in the week of 1<sup>st</sup> November. This is the equivalent of around a 2% increase in occupancy already.

The level of support we have seen from the Save Bright Start Nursery Campaign shows how much the nursery is valued. That value is based on:

- 1) location and convenience;
- 2) the skill and maturity of the Bright Start staff;
- 3) the happiness of their children and the friends they have made. The nursery is rarely selected on cost alone, although some lower paid Council employees may have selected on this basis in the first instance.

Interestingly, should the occupancy reduce due to an increase in the rates, it is likely that it would be the Council contingent that would move first. This would have the effect of increasing the ratio of Community to Council sessions thereby increasing the average rate per session and therefore the profitability of the sessions being used.

The most important point in this section is that the parents of the children at Bright Start Nursery have agreed in principle to an increase in session fees.

## 6.2 Session rate increases over time

It has already been noted that Bright Start has a lower than average session rate for nurseries in the Brighton area. A city centre nursery should be able to command a premium rather than a discount so it is suggested that the nursery fees are increased to greater than the local average.

In the table below session rates are increased by 10%, 5% then 4% over a three year period. Note that these figures are used to demonstrate indicative relationships and that the spreadsheet model should be used to determine the best fit figures.

£20	£21.00 5.0%	£22.00 4.8%	£23.01 4.6%
£24.25	£24.74 2.0%	£25.23 2.0%	£25.73 2.0%
£17.50	£19.25 10.0%	£20.00 3.9%	£20.60 3.0%
<b>£18.87</b>	<b>£20.37</b>	<b>£21.26</b>	<b>£22.10</b>

Rates		2010	2011	2012	2013
			10%	5%	4%
<b>Community</b>					
	Session Rate	£20	£21.00	£22.00	£23.00
	Yearly rate increase		5.00%	4.80%	4.60%
<b>Funded</b>					
	Session Rate	£24.25	£24.74	£25.23	£25.73
	Yearly rate increase		2.00%	2.00%	2.00%
<b>Council</b>					
	Session Rate	£17.50	£19.25	£20.00	£20.60
	Yearly rate increase		10%	3.90%	3.00%
<b>Combined average</b>					
	Session Rate	£18.87	£20.37	£21.26	£22.10
			8.00%	4.00%	4.00%
<b>Reducing occupancy rate</b>					
		75%	73%	72%	71%
<b>Affect on revenue – no marketing, reducing occupancy</b>					

	Occupancy rate	75.00%	73%	72%	71%
<b>Current</b>	<b>470 sessions per week</b>	<b>£339,235</b>	<b>£356,436</b>	<b>£366,913</b>	<b>£376,113</b>
	<i>Cumulative increase</i>		£17,201	£27,678	£36,878
<b>Maximum</b>	<b>510 sessions per week</b>	<b>£368,106</b>	<b>£386,771</b>	<b>£398,140</b>	<b>£408,122</b>
<i>Increases costs</i>	<i>Cumulative increase</i>		£18,665	£30,034	£40,016

The *Cumulative increase* rows towards the bottom of the table show how the cumulative increase in revenue is not directly proportional to the increase in session fees.

The reason for this, is when applying an increased revenue to a closed market, there is no client base to replace the clients who are leaving.

If marketing and increasing market penetration is applied to the table, it cannot be said that the drop off will occur as the leaving clients can be replaced (demand is greater than supply).

If the effect on revenue is remodelled with marketing, such that leaving clients can be replaced, the outcome looks much better:

<b>Affect on Revenue – with marketing, increasing occupancy</b>					
	Occupancy rate	75%	86%	86%	86%
<b>Current</b>	<b>470 sessions per week</b>	<b>£347,077</b>	<b>£419,911</b>	<b>£438,257</b>	<b>£455,573</b>
	<i>Cumulative increase</i>		£72,834	£91,180	£108,496
<b>Maximum</b>	<b>510 sessions per week</b>	<b>£397,800</b>	<b>£455,648</b>	<b>£475,556</b>	<b>£494,346</b>
<i>Increases costs</i>	<i>Yearly increase</i>		£57,848	£77,756	£96,546

This table demonstrates how combining marketing with an increase in session fees can produce enough extra revenue to negate the council subsidy.

Note that the business model spreadsheet will allow all calculations to be modified and tuned and that the figures in this document are demonstrative.

## 7 Changes to pricing structure

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### 7.1 Single sessions as a premium model

The current price model has a standard rate for a session regardless of whether the client requires morning and afternoon sessions or is just a half day.

Inefficiencies exist due to users of the nursery not being able to get full day (2 session) spaces because single session users have booked first. While it is not possible to prioritise day users over users that have booked first, the pricing structure can model this inefficiency and go some way to mitigating it.

A typical pricing change for this would be to have all single bookings 20% greater than the cost of half of two. For example, using the current rates:

1 session per day = £24

2 sessions per day = £40

This would increase revenue from single session users and create a more efficient use of time.

The Save Bright Start Nursery Campaign does not have detailed enough figures regarding single session users to model this change and, for this reason, this revenue generating change will not be modelled in the spreadsheet. It should not however, be forgotten and, once the correct figures are provided, it can easily be incorporated.

### 7.2 Session costs proportional to age of child model

As the ratio of staff to children is dependant on the age of the children being cared for, the costs for childcare could be amended to reflect this cost base. In this model, the costs for the care of younger children would be increased and older children decreased.

Again, the Save Bright Start Nursery Campaign does not have detailed enough figures regarding the age of users to model this change and, for this reason, this revenue generating change will not be modelled in the spreadsheet. It should not however, be forgotten and, once the correct figures are provided, it can easily be incorporated.

## 8 Refurbishment

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The report that initiated the debate regarding Bright Start Nursery's viability used two figures that should be directly addressed, then simply dismissed.

### 8.1 £230,000 refurbishment

No member of the the Bright Start Nursery staff or parents group is able to identify how £230,000 refurbishment is essential. There are many suggestions as to the origin of this figure but the most interesting point is that in July 2009 this was not deemed necessary by the very same Council.

The £230,000 refurbishment is not essential and is not required to make the nursery a viable business. This item needs to be dismissed and should not be considered as part of any plan to keep the nursery open.

If the nursery is kept open and such a refurbishment is dismissed, the council has immediately saved £230,000.

If the nursery is kept open and becomes viable, refurbishment budgets will become available. Refurbishments can be implemented (in accordance with the items detailed in section 8.3 On-going repairs) through contracts offering value for money.

**The report that details the £230K refurbishment costs shows all costs being allocated to Bright Start. Even if all of this work was required, it would not be Bright Start's responsibility to pay for all of it.**

### 8.2 £5,000 immediate repairs

These repairs have now been completed and were budgeted for in this year's spend. New maintenance costs should be considered as covered by Bright Start's revenue.

### 8.3 On-going repairs

It is understood that the nursery suffers from a degree of decorative decay and that a cost exists to maintain the building. Alternative approaches to council funding exist which could cover a great deal, if not all, of the maintenance costs associated with running the nursery.

### **8.3.1 Parents' group**

It will be possible to use the parents' group to provide simple decorative maintenance when required. Members of the Save Bright Start Nursery Campaign have already indicated their readiness in helping the nursery to redecorate. Once the nursery was saved from threat of closure the parents would form a Parents' Group that would help redecorate the nursery. This would be done free of charge.

This should be considered to be in accordance with Conservative policy of 'Big Society'.

### **8.3.2 Local businesses**

Local businesses can stand to gain positive publicity by providing materials and workers should it be possible to provide them with free advertising in the nursery and within the website. This could allow for more complicated maintenance projects to be undertaken.

This should be also considered to be in accordance with Conservative policy of 'Big Society'.

### **8.3.3 City College**

City College already provide the Council with maintenance services and they have kindly offered to donate further services in the upkeep of the nursery. In return, City College are able to use the nursery premises for the training of their vocational courses.

This is also in accordance with Conservative policy of 'Big Society'.

## **8.4 Criticisms of Old Slipper Baths as a suitable nursery venue**

The consultation letter appears to regard the Old Slipper Baths as highly unsuitable for a nursery but can only reference poor lighting, dirty floors and number of rooms as causes for its unsuitability. All of these items are cosmetic and will be mitigated should the nursery closure be rejected as detailed in sections 8.3.1, 8.3.2 and 8.3.3 above.

The consultation letter makes no mention of the playground that is loved by the children.

It should also be noted that the children hold no such bias in the nursery's suitability as a nursery. For them it is the only nursery.

All of the parents of the children at the nursery are aware of the short-comings of the Old Slipper Baths building, yet still choose to send their children there. The reason for this is because the staff are skilled, caring and trustworthy and the nursery has the best location in the whole of Brighton.

Parents like to work near where their children are looked after; if their child gets sick, they can get there very quickly. Also, the location reduces the amount of time taken away from work and further helps them to do their job.

Criticisms of the Old Slipper Baths as a suitable venue for the nursery are flawed and ignore the evidence of the parents of the 73 children who have placed their children there, voting with the minds and wallets that it is actually the most suitable nursery and building in Brighton.

## 9 Other revenue generating activities

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While increasing occupancy and adjusting the business model of the nursery have by far the biggest effect on viability, they are not the only areas that can generate revenue.

### 9.1 Last minute vacancies

If social media and Internet marketing are employed, Bright Start will have the facility to advertise up to date information about last minute vacancies in sessions.

#### 9.1.1 Projections

It could be expected that advertising would generate approximately £1,000 per annum based on a 1 session per week take-up.

### 9.2 Advertising and sponsorship

If the nursery is to be marketed to the city centre using leaflets, flyers and a website, the marketing plan can be used to demonstrate to other companies how their associated brand could also be promoted with the nursery.

Advertising would be in the form of links and logos on the website and advertising space on the flyers and leaflets.

Free advertising could be provided to the company that prints the flyers.

#### 9.2.1 Projections

It could be expected that advertising would generate £1,000 per annum.

### 9.3 Fund raising

There seems to be little fund raising activity from the nursery and the parents' group could hold fund raising events to generate revenue. The Save Bright Start Nursery Group would advocate two events over a year and would look to generate at least £500 from each. It should be noted that £500 constitutes less than £10 per family of children at Bright Start.

### 9.3.1 Projections

It could be expected that fund raising would generate £1,000 per annum.

## 9.4 Monetisation of car park

The use of the car park is currently free with only a £5 deposit required for access. This could be increased to a charge per annum rather than a deposit and so could generate further revenue. It may be the case that this revenue would need to go to the swimming baths but this would then improve the symbiosis of the swimming baths and the nursery.

### 9.4.1 Projections

It could be expected that the monetisation of the car park would generate £1,500 per annum (based on 30 users paying £50 each).

## 9.5 Bright Start Nursery providing training

It is already apparent from the word of mouth method through which Bright Start Nursery attracts children, that the nursery is highly regarded. This could further be capitalised upon by marketing the nursery as a centre of excellence and using its staff to provide (paid for) nursery training courses for other local nurseries.

Such training could provide conformance to government guidelines on childcare and therefore be considered to be mandatory within the jurisdiction of the Council.

### 9.5.1 Assumptions

The Council is capable of providing training venues and using legislation and promotions could dictate that a local centre of excellence is awarded training status.

### 9.5.2 Projections

The revenue generated from such a venture may be relatively low in the short-term but would go a long way to increasing the reputation and profile of the nursery. In addition, it may be possible to increase funding from an educational or governmental level as a training facility. Our model assumes a modest £500 can be generated from providing training

## 10 Cost of closing the nursery

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### 10.1 Financial impact to the Council

This proposal needs to highlight that closing the nursery itself incurs a cost. The consultation process and full Council debates all have associated costs. However, the largest cost will be that of the redundancy packages for the people that work at the nursery. This cost will likely be greater than the cost of keeping the nursery open and subsidising it for one more year. £87,000 is a small amount of money.

### 10.2 Cost to the community

The cost to the community is hard to measure but real. Each of the families with children at the nursery and the families of the workers at the nursery will be negatively impacted by this closure. **The closure will adversely affect more than 100 households.**

### 10.3 Redundancy costs

The Council has estimated the redundancy costs as being £60,000.

### 10.4 Three year profit

It can be shown that keeping the nursery open will generate £30,000 of profit. The difference between closing the nursery (£60,000 costs) and keeping the nursery open for three years is £90,000.

## 11 Questions

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### 11.1 What if occupancy is not increased as fast as projected?

If occupancy does not increase as fast as is projected in this document, the Council will have saved money in the short-term through not having to pay out redundancy packages to a large group of people. Also, the subsidy will have been reduced and the Conservative Council will have gained a great deal of positive publicity.

### 11.2 What if too many parents leave due to session rises?

Prior to session rate increases, we will canvass all parents of the nursery to understand how the increase will affect demand. This will allow for the increase in occupancy to coincide with a period when a large enough queue of new clients has formed.

### 11.3 What if the market is not as big as estimated?

Further statistical analysis can be performed to determine the size of the market in Brighton centre. As Brighton city centre has the largest concentration of working people on the South East Coast it is very unlikely that the market size has been over-estimated.

### 11.4 What if no-one wants to advertise or sponsor the nursery?

If local businesses do not want to advertise or sponsor the nursery, ads will be placed on the website using Google AdWords to generate revenue. While this will reduce the income from advertising, it will not zero it.

## 12 Win-win proposal

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The Save Bright Start Nursery Campaign see this proposal as a complete win-win offer to Brighton & Hove City Council. This section will detail the benefits of accepting this offer.

### 12.1 Reduce Council cost of supporting the nursery

This proposal has demonstrated ways in which the Council can reduce their costs of supporting the nursery while keeping more than sixteen experienced staff in full time employment.

- ➔ Increasing session fees generates more revenue
- ➔ Free marketing for the nursery to increase occupancy
- ➔ Increased occupancy and revenue mitigates subsidy

### 12.2 Generate revenue through Bright Start Nursery

This proposal has demonstrated ways in which the Council can generate revenue through Bright Start Nursery.

- ➔ Amendments to Bright Start Nursery business model increase revenue
- ➔ Marketing the nursery increases the client base
- ➔ Larger client base and improved business model leads to profitability

### 12.3 End Save Bright Start Nursery Campaign

This proposal has demonstrated how the Save Bright Start Nursery Campaign can be ended in a situation that benefits all parties.

- ➔ Remove the negative press and overhead that the Save Bright Start Nursery Campaign generates
- ➔ Remove the threat of more disruptive influences affecting the Save Bright Start Nursery Campaign
- ➔ End the overheads that dealing with a large number of parents' causes

### 12.4 End threat of legal action

This proposal demonstrates how legal action and related costs regarding the closure of Bright Start Nursery can be mitigated.

- ➔ Negate the possibility of costly legal action
- ➔ Negate embarrassment of losing a legal case
- ➔ Allow more time in preparation of such an action in the future

## 12.5 End threat of strike action

This proposal demonstrates how damaging strike action from Unison and GMB regarding the closure of Bright Start Nursery can be avoided.

- ➔ Show unions that solutions can be found without their intervention and threat
- ➔ Show the public that the Council works with and for the public rather than reacting to pressure
- ➔ Avoid the unionisation of the Save Bright Start Nursery Campaign and its members

## 12.6 Support for working constituents

This proposal demonstrates how the working community of Brighton & Hove can be supported by the Council.

- ➔ The Council continues to support working parents (without £87K subsidy)
- ➔ Show how the Council helps people to work in the city centre
- ➔ Market the Council's ability to support city centre workers

## 12.7 Support for the Brighton business community

This proposal demonstrates how the local business community of Brighton & Hove can be further supported by the Council.

- ➔ The Council continues to do all it can to help business through these difficult times
- ➔ The Council demonstrates commitment to local business thorough provision of a nursery
- ➔ The Council understands the needs of business through mobilising skilled workforce

## 12.8 Turn negative public opinion positive

This proposal demonstrates how Brighton & Hove Council can turn negative public opinion positive during an era of cutbacks.

- ➔ The Council want to help working families

- ➔ Brighton & Hove Council listen to public opinion and work to benefit of both parties nursery provision and no subsidy
- ➔ Councillors fight with constituents for fairer funding of child care

## 12.9 Big Society

This proposal demonstrates how the local Conservative party can show the value of Big Society.

- ➔ Brighton & Hove Council lead the way in Big Society
- ➔ Conservative councillors align cuts with business gain in a new vision of Big Society
- ➔ This proposal demonstrates to cynics of the Big Society ideology that the system can work in the real world

## 12.10 Conservative victory

This proposal illustrates how the local Conservative party can prove themselves to be the responsible party in times of cuts and, would allow the Conservatives to claim a victory in turning a loss-making enterprise into a profit.

- ➔ Conservative party turn loss-making nursery into profitable enterprise
- ➔ Conservative party see off threats from trade unions regarding strike action
- ➔ Conservative party correct mistakes of Labour run nursery

## 12.11 Conservatives listening to their constituents

This proposal demonstrates how Conservative councillors can engage with their constituents and show that they engage and listen.

- ➔ Conservative Councillors understand the needs of their constituency
- ➔ Conservative Councillors work with the public to help support the community and combat Council wastage

## 12.12 Save marginal seats

This proposal demonstrates how the local Conservative party can save marginal seats against adverse opinion and maintain control of the local Council in the next local election.

- ➔ Protect marginal Conservative seats in local Council through positive publicity

➡ Maintain control of the local Council through public opinion

## Appendix 1: Opposition to the nursery closure

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This section illustrates potential future actions of the Save Bright Start Nursery Campaign and associated action groups, unions and Council members. This section is not provided as a threat but is here to demonstrate the organisational capacity of the Campaign, the connections the Campaign has garnered and the disruption that the Campaign could generate. The aim here is to show what could be avoided by implementing a plan to address nursery viability rather than closing the nursery.

### Mounting support

The Save Bright Start Nursery Campaign has now grown to such proportions that it can be considered to be part of the overall action group and demonstration process that now exists in Brighton.

### Demonstrations

Local and national demonstration groups are now frequently requesting more and more inclusion into the Save Bright Start Nursery Campaign. As an organic group it is not possible to restrict access to the plight of the Campaign to members only and so we are always going to be subject to those groups that would like to use us for progressing their own agenda. The Save Bright Start Nursery Campaign has only one agenda item and that is to keep the nursery open and viable.

We would like to act quickly to combine with the Council to ensure that the Campaign is not taken over by or given over to other pressure groups.

### Legal opposition

The Campaign acknowledges that various union bodies are pursuing the legality of whether the nursery can be closed. The Campaign understands that it is mentioned in the contract of all Council employees that a provision exists for child care.

The Campaign seeks to gain nothing in pursuing the legal aspect of this enquiry but needs to inform the Council that budget can be found on a private basis to fund an investigation into this.

The Council should be aware that there exists the real possibility of free legal expertise being provided to the Campaign at any time. It should also be disclosed that the Campaign is already

recruiting free legal advice both professionally and through undergraduate resources.

## **Threatened strike action**

Following on directly from the threat of legal action, the local unions are grouping themselves to encourage a large scale strike threat. The Campaign understands the disruption that such a strike would create and seeks to mitigate against this through co-operation between the Campaign and Council.

## **Full Council debate**

The Save Bright Start Nursery Campaign already has enough signatures to call the full Council debate. In addition, the Campaign is also able to muster media support that will add to rather than alleviate Council pressure. The delivery of the petition is going to be organised by insider Council guidance in order to create the heaviest effect.

It could be orchestrated such that the full Council debate is the forum with which the Conservative council unveil its new Big Society plans and publicise a new way of working that the country as a whole, follows.

## **Suggested further action**

The Campaign is no longer under the sole control of one person or group but some people have a very strong influence over it.

Future suggestions for the Campaign find themselves easily disseminated by the very nature of the Campaign's no-leadership internet focus. The Campaign understands that several contentious, yet popular approaches have been suggested and are also being resourcefully backed by union groups:

### **Targeting key councillor seats**

It is now being discussed that key councillor seats will be targeted with a negative publicity campaign. This will take the form of leafleting key councillor wards and providing support for opposing candidates.

### **Targeting marginal seats**

It is also being discussed that marginal Conservative councillor seats will be targeted with a similar negative campaign. Again, this will take the form of leafleting key councillor wards and

providing support for opposing candidates. This stands to have the greater chance of success.

## Appendix 2: Business model spreadsheet

The business model spreadsheet has been included here for completion. However, the spreadsheet has been designed to be edited and used to work the best rates for the nursery to attain viability. The following is a snapshot of the nursery in one particular configuration.

Bright Start Nursery business model						
			2010	2011	2012	2013
Maximum sessions per week	470	Editable field:	470	490	510	510
Weeks per year	51					
	Change to Yes/No					
Marketing investment	Yes		£0	£0	£0	£0
Occupancy rate			76.60%	86.00%	86.00%	86.00%
Low occupancy sessions for FEL	No		0	£0.00	£0.00	£0.00
Fund raising (est.)	Yes		0	£1,000	£1,000	£1,000
Training (est.)	No		0	0	0	0
Advertising (No. x cost p.a.)	Yes		0	£1,000	£1,000	£1,000
Last minute (sessions per week)	Yes		0	£1,039.04	£1,084.38	£1,127.15
Car park	Yes		0	£1,500	£1,500	£1,500
Kitchen staff reducing qualified staff costs	Yes		0	£7,000	£7,000	£7,000
Change summary						
Used sessions per week			360	421	439	439
EYFE sessions per week			55	65	67	67
Fee paying sessions per week			305	357	371	371
No. of sessions per week increase				61.38	78.58	78.58
Average sessions per child per week	4.93					
New children required				12	16	16
New full time children required				6	8	8

**Revenue**

EYFE Revenue	£54,750	£66,007	£70,762	£72,885
Fee paying revenue	£293,343	£370,639	£402,601	£418,482
<b>Total Revenue</b>	<b>£348,093</b>	<b>£436,645</b>	<b>£473,363</b>	<b>£491,367</b>
	<i>Cumulative increase</i>	<i>£88,552</i>	<i>£125,270</i>	<i>£143,273</i>
	<i>Yearly increase</i>	<i>25%</i>	<i>36%</i>	<i>41%</i>

**Costs**

Staffing costs (projected when above 470)	-£381,208	-£397,430	-£417,788	-£430,321
Other costs	-£53,264	-£53,797	-£54,335	-£54,878

**Council subsidy  
(nursery OPEN)**

**-£86,379   -£3,042   £12,825   £17,794**

**3 year total: £27,578**

**Council subsidy  
(nursery closed)**

**-£86,379   -   £0   £0**  
**£60,000**

*Redundancy costs modelled at  
£60,000*

**3 year total: -£60,000**

**Council savings  
(nursery OPEN)**

**-£86,379   £56,958   £12,825   £17,794**

**3 year total: £87,578**

**Not modelled here:**

*Not modelling increased rate  
for single sessions as we do  
not have ratio for single vs.  
double sessions  
Not modelling different rates  
for different aged children as  
don't have child age  
breakdown*

## Costs

		2010	2011	2012	2013
<b>Employees</b>		£381,208	£381,208	£385,020	£396,571
<i>Bank staff contribution unknown</i>	<i>Yearly rise</i>		0%	1%	3%
<b>Premises Related</b>		£38,697.00	£39,084	£39,475	£39,870
	<i>Yearly rise</i>		1%	1%	1%
<b>Transport Related</b>		£0.00	£0	£0	£0
	<i>Yearly rise</i>		2%	2%	3%
<b>Supplies and Services</b>		£8,567.00	£8,653	£8,739	£8,827
	<i>Yearly rise</i>		1%	1%	1%
<b>Admin</b>		£6,000	£6,060	£6,121	£6,182
	<i>Yearly rise</i>		1%	1%	1%
<b>Total Costs</b>		<b>£434,472</b>	<b>£435,005</b>	<b>£439,355</b>	<b>£451,449</b>
			0%	1%	3%

## Investments

		2010	2011	2012	2013
Web design and build		£0	£15,000	£3,000	£3,000
Social Media consultancy		£0	£5,000	£700	£700
Print services		£0	£1,000	£1,000	£1,000
<b>Total Costs</b>		<b>£0</b>	<b>£21,000</b>	<b>£4,700</b>	<b>£4,700</b>
Save Bright Start Nursery Campaign Investment		<b>£0</b>	<b>£21,000</b>	<b>£4,700</b>	<b>£4,700</b>
<b>Proposal</b>		<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>

## investment costs

<b>Investment effect</b>	<i>Occupancy with marketing</i>	76.6%	86%	86%	86%
	<i>Occupancy without marketing</i>	76.6%	76.6%	76.6%	76.6%

## Session users

		2010	2011	2012	2013
Community	160	44.4%	52.0%	53.0%	54.0%
Funded	14	3.9%	3.89%	3.89%	3.89%
Council	186	51.7%	44.1%	43.1%	42.1%
<b>Totals</b>	<b>360</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## EYFE sessions (current occupancy projections)

			2010	2011	2012	2013
				3%	3%	3%
Term	No. of sessions	EYFE rate	£19.43	£20.01	£20.61	£21.23
Summer - Actual 12.5 hrs	864	£19.35	£16,709	£17,210	£17,726	£18,258
Estimated additional 2.5 hrs (to 15)*	104	£20.00	£2,080	£2,142	£2,207	£2,273
Autumn - Actual 12.5 hrs	749	£19.35	£14,493	£14,928	£15,376	£15,837
Actual additional 2.5 hrs (to 15)	101	£20.00	£2,020	£2,081	£2,143	£2,207
Spring - Estimated 12.5 hrs	880	£19.35	£17,028	£17,539	£18,065	£18,607
Estimated additional 2.5 hrs (to 15)	121	£20.00	£2,420	£2,493	£2,567	£2,644

**Total EYFE funded hours****2,819****£54,750 £56,392 £58,084 £59,827**

\*Note: not actually paid in 10/11 as additional hours started in Autumn term. Will be paid in Summer term 11/12

**Fee paying sessions**

		2010	2011	2012	2013
	<i>sessions per week</i>				
Community	6,908	£138,156	£145,064	£151,954	£158,944
Sure Start 2 Year-old funded	604	£14,657	£14,951	£15,250	£15,555
Council	8,030	£140,530	£154,583	£160,612	£165,430
<b>Fee paying sessions per year</b>	<b>15,543</b>	<b>£293,343</b>	<b>£314,597</b>	<b>£327,816</b>	<b>£339,929</b>
EYFE to Fee paying sessions ratio	18.13%	18.66%	17.93%	17.72%	17.60%

**Session rates**

		2010	2011	2012	2013
<b>Community</b>		£20	£21.00	£22.00	£23.01
	<i>Yearly rate increase</i>		5.0%	4.8%	4.6%
<b>Funded</b>		£24.25	£24.74	£25.23	£25.73
	<i>Yearly rate increase</i>		2.0%	2.0%	2.0%
<b>Council</b>		£17.50	£19.25	£20.00	£20.60
	<i>Yearly rate</i>		10.0%	3.9%	3.0%

increase

**Combined average****£18.87   £20.37   £21.26   £22.10**Yearly rate  
increase

8%   4%   4%

Cumulative  
increase

8%   13%   17%

**Other revenue**

				<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<i>Sessions p.w</i>	<i>weeks</i>					
<b>Low occupancy sessions for FEL</b>	<b>2</b>	<b>51</b>	<b>0</b>	<b>£2,078.08</b>	<b>£2,168.76</b>	<b>£2,254.31</b>	
	<i>Amount</i>	<i>Raised</i>					
<b>Fund raising (est.)</b>	<b>2</b>	<b>£500</b>	<b>0</b>	<b>£1,000</b>	<b>£1,000</b>	<b>£1,000</b>	
	<i>Estimated</i>						
<b>Training (est.)</b>	<b>£500</b>		<b>0</b>	<b>£500</b>	<b>£500</b>	<b>£500</b>	
	<i>Amount</i>	<i>Fee</i>					
<b>Advertising (No. x cost p.a.)</b>	<b>4</b>	<b>£250</b>	<b>0</b>	<b>£1,000</b>	<b>£1,000</b>	<b>£1,000</b>	
	<i>Weeks</i>	<i>Sessions</i>					
<b>Last minute (sessions per week)</b>	<b>51</b>	<b>1</b>	<b>0</b>	<b>£1,039.04</b>	<b>£1,084.38</b>	<b>£1,127.15</b>	
	<i>Permits</i>	<i>Cost</i>					
<b>Car park</b>	<b>30</b>	<b>£50</b>	<b>0</b>	<b>£1,500</b>	<b>£1,500</b>	<b>£1,500</b>	
	<i>Estimated</i>						
<b>Kitchen staff vs qualified staff savings</b>	<b>£7,000</b>		<b>0</b>	<b>£7,000</b>	<b>£7,000</b>	<b>£7,000</b>	
<b>Total</b>				<b>£0</b>	<b>£14,117</b>	<b>£14,253</b>	<b>£14,381</b>

