

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 & 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>Agenda Item 34</p> <p>http://present.brighton-hove.gov.uk/mgConvert2PDF.aspx?ID=2698&T=10</p>	Various
1	Letter: <i>All parents with children at Bright Start Nursery</i>	Caroline Parker

Document control

Version	Date	Status	Author(s)
0.1	29/10/10	First draft	Liam Sheerin
1	09/11/10	Reviewed document	Liam Sheerin, Stuart Reid Wilkie, Sean Bucknall
2	02/12/10	Updated version based on Council feedback	<p>Liam Sheerin</p> <p>Based on feedback from: <i>Cllr. Vanessa Brown, Cllr. Ted Kemble, James Dougan, Caroline Parker</i></p>

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1 Summary

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

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 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 the 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
	Total expenditure	£428,742
Income	Sure Start 2 Year-old income	£13,507
	EYFE	£38,555
	Fees	£289,252
	Total income	£341,314
Balance	Council subsidy	£87,428

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

$$470 \times 18.59 \times 51 = \text{£}446\text{K}.$$

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

$$\text{£}446\text{K} \times 76.6\% = \text{£}341\text{K}$$

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

$$\text{£} 446\text{K} - \text{£}341\text{K} = \text{£}105\text{K}$$

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.

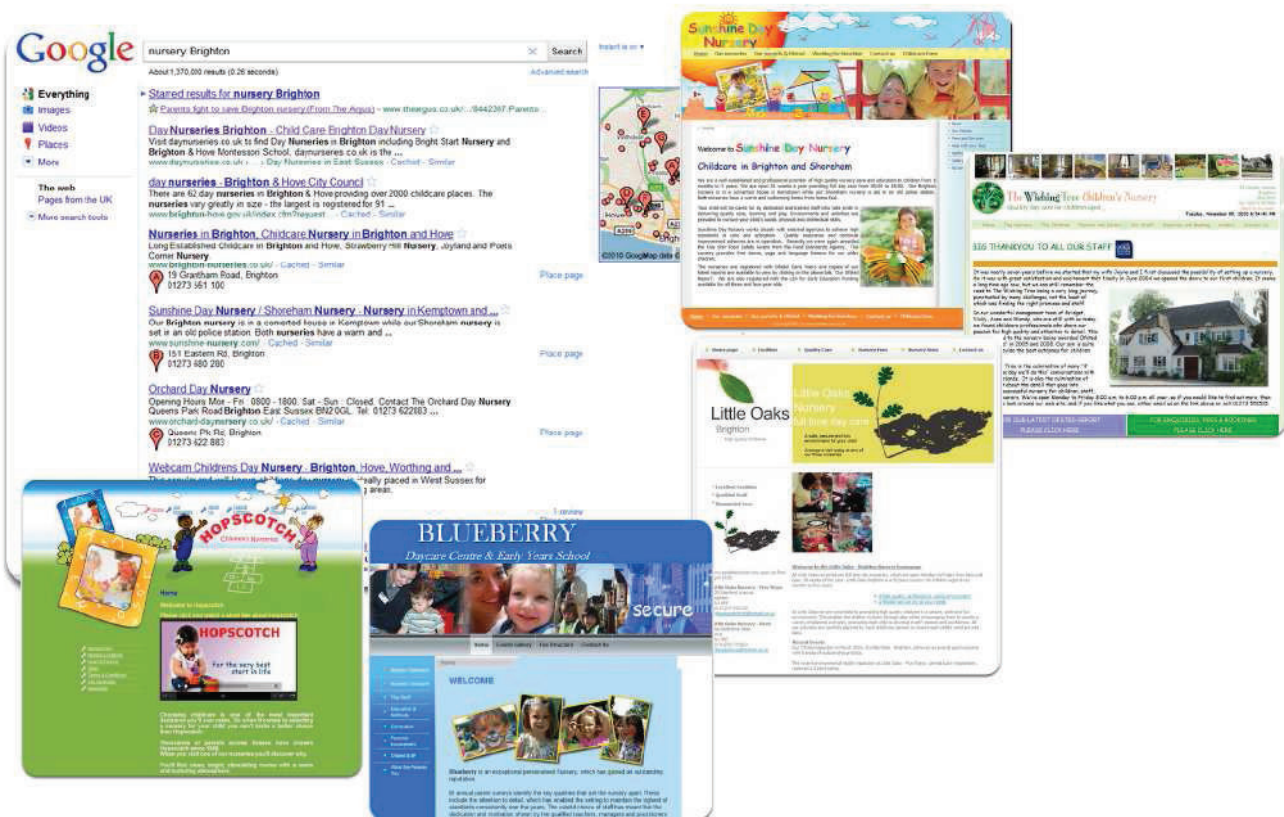


Figure 1: Websites of Brighton nurseries

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

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

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 1st 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%
£18.87	£20.37	£21.26	£22.10

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

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

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

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

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

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

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

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

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

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	<i>Editable field:</i>		470	490	510	510
Weeks per year	51						
	<i>Change to Yes/No</i>						
Marketing investment	Yes		£0	£0	£0	£0	£0
Occupancy rate			76.60%	86.00%	86.00%	86.00%	86.00%
Low occupancy sessions for FEL	No		0	£0.00	£0.00	£0.00	£0.00
Fund raising (est.)	Yes		0	£1,000	£1,000	£1,000	£1,000
Training (est.)	No		0	0	0	0	0
Advertising (No. x cost p.a.)	Yes		0	£1,000	£1,000	£1,000	£1,000
Last minute (sessions per week)	Yes		0	£1,039.04	£1,084.38	£1,127.15	£1,127.15
Car park	Yes		0	£1,500	£1,500	£1,500	£1,500
Kitchen staff reducing qualified staff costs	Yes		0	£7,000	£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
Total Revenue	£348,093	£436,645	£473,363	£491,367
	<i>Cumulative increase</i>	£88,552	£125,270	£143,273
	<i>Yearly increase</i>	25%	36%	41%

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
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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
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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
Employees		£381,208	£381,208	£385,020	£396,571
<i>Bank staff contribution unknown</i>	<i>Yearly rise</i>		0%	1%	3%
Premises Related		£38,697.00	£39,084	£39,475	£39,870
	<i>Yearly rise</i>		1%	1%	1%
Transport Related		£0.00	£0	£0	£0
	<i>Yearly rise</i>		2%	2%	3%
Supplies and Services		£8,567.00	£8,653	£8,739	£8,827
	<i>Yearly rise</i>		1%	1%	1%
Admin		£6,000	£6,060	£6,121	£6,182
	<i>Yearly rise</i>		1%	1%	1%
Total Costs		£434,472	£435,005	£439,355	£451,449
			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
Total Costs		£0	£21,000	£4,700	£4,700
Save Bright Start Nursery Campaign Investment		£0	£21,000	£4,700	£4,700
Proposal		£0	£0	£0	£0

investment costs

Investment effect	<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%
Totals	360	100.0%	100.0%	100.0%	100.0%

EYFE sessions (current occupancy projections)

			2010	2011	2012	2013
<i>Term</i>	<i>No. of sessions</i>	<i>EYFE rate</i>	<i>£19.43</i>	<i>£20.01</i>	<i>£20.61</i>	<i>£21.23</i>
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
Fee paying sessions per year	15,543	£293,343	£314,597	£327,816	£339,929
EYFE to Fee paying sessions ratio	18.13%	18.66%	17.93%	17.72%	17.60%

Session rates

		2010	2011	2012	2013
Community		£20	£21.00	£22.00	£23.01
	<i>Yearly rate increase</i>		5.0%	4.8%	4.6%
Funded		£24.25	£24.74	£25.23	£25.73
	<i>Yearly rate increase</i>		2.0%	2.0%	2.0%
Council		£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
Cumulative
increase8% 4% 4%
8% 13% 17%**Other revenue**

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

