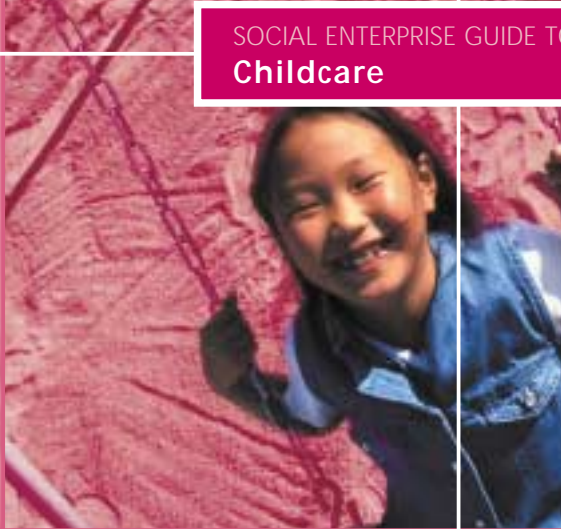




SOCIAL ENTERPRISE GUIDE TO
Childcare



Social Enterprise London is the regional agency tasked with the job of promoting social enterprise in London and increasing the scale of the social economy. Our work is divided into three broad areas: improving understanding of social enterprise, improving business support and ensuring access to finance.

• Our Vision

SEL aims to be the centre of excellence and knowledge for social enterprise in London, developing a significant, vibrant business sector that contributes to the wealth, empowerment and well being of the capital.

• Our Mission

To promote, support and develop sustainable social enterprise solutions through:

- Leadership
- Lobbying
- Definition and recognition
- Innovation
- Facilitating practical support
- Branding
- Mainstreaming
- Access to finance

© 2002 Social Enterprise London

Published by Social Enterprise London March 2002

ISBN 0-9540266-3-2

Social Enterprise London
1a Aberdeen Studios
22-24 Highbury Grove
London N5 2EA

Telephone 020 7704 7490
Fax 020 7704 7499
E-mail info@sel.org.uk
Website www.sel.org.uk

SOCIAL ENTERPRISE GUIDE TO
Childcare

Acknowledgements

This booklet was written by Paul Gosling for SEL, with contributions from Sandra Brouet, Sandra Golding and Paloma Tarazona. The first draft was read by Jonathan Bland and Mei Yee Hui. Thank you for all your comments.

We would also like to thank all the social enterprises who allowed themselves to be interviewed for case studies as well as MUTUO and the Daycare Trust for sharing their knowledge and experiences with us. Their support has been crucial during the development of this booklet.

Finally we would like to pay tribute to all those people working in and supporting social enterprises that every day provide critically important services, making a real difference to the quality of people's lives.

Contents

1	Introduction	6
1.1	What is a social enterprise?	6
1.2	Enterprise oriented	7
1.3	Social aims	8
1.4	Social ownership	8
2	Models of childcare social enterprises	9
2.1	Community nurseries	9
2.2	Multi-stakeholder model	10
2.3	Workers' co-operatives	11
2.4	Service co-operatives	12
2.5	Retail co-operatives	13
2.6	Development trusts	13
2.7	Intermediate labour market companies	15
2.8	Housing associations	16
2.9	Forms of incorporation	16
2.10	Model rules	18
3	The childcare market	19
3.1	The National Childcare Strategy	19
3.1.1	National Childcare Strategy objectives	19
3.1.2	The basis of the strategy	20
3.1.3	Initiatives	20
3.1.4	Early Years Development & Childcare Partnerships	21

3.2	Impact of the strategy	22
3.3	Trends affecting demand	23
3.4	The international picture	24
3.5	The childcare gap	25
3.6	Childcare costs	25
4	Market sectors and opportunities	27
4.1	Childminding	27
4.2	Day nurseries	28
4.3	Out-of-school clubs and holiday schemes	29
4.4	Externalisation	30
4.5	Intermediate Labour Market interventions	31
5	Business planning	32
5.1	Business planning guide	32
	Useful resources	44
	Further reading / bibliography	44
	Government bodies	45
	Regeneration initiatives	46
	National childcare organisations	47
	General contacts	48

Social Enterprise and childcare

The continued economic growth of the UK, not to mention the financial wellbeing of many families, depends on more adults taking jobs. One of the factors necessary to achieve this is the widespread provision of affordable childcare.

The Government's commitment to this was laid down in its National Childcare Strategy. This, in turn, has provided an ideal opportunity for the rapid growth of social enterprises trading in the sector. It should be noted, though, that funding arrangements beyond 2005 have not yet been finalised. However, it is likely that additional financial support will be made available for the next decade.

The National Childcare Strategy aims to improve quality, affordability and availability of childcare in an attempt to improve people's access to employment and training opportunities, while helping those in employment reconcile their work and life responsibilities. It attempts to link policies that not only enable more people to enter work, but also improve the social and economic opportunities of the children. It is recognised that good quality childcare at an early age can help to overcome parental disadvantages, contributing to social integration. The strategy has helped to boost demand and encouraged many new providers to enter the market, mostly from the private sector.

Social enterprises can also benefit from this surge in demand – which has been accompanied by constant increases in market prices, despite the sharp rise in available places. It is to be hoped that social enterprises can play not just a role in helping to meet commercial demand, but also to provide places for low income families – a function which the market has tended not to meet. That role is promoted by the National Childcare Strategy.

At present, the Government's welcome ambitions in the childcare strategy are some way from being fully achieved. There is a recognised need for much more affordable childcare provision. Social enterprises are well placed to make a large contribution to bridging the continuing 'childcare gap'.

1.1 What is a social enterprise?

A social enterprise is an organisation that trades to achieve social aims. It strives to succeed as a business by establishing a market share and achieving financial viability. Social enterprises combine solid business practices such as innovation, market responsiveness, efficiency and entrepreneurship with social purposes such as job creation, raising skill levels and the economic and social regeneration of deprived areas.



The creation of a social enterprise's service must be developed to meet a demonstrable need. For a social enterprise this need must be matched by a commitment to accountability and satisfying the requirements of its own community.

Social enterprises bring together social goals, with a commercial outlook. They are structured not only to provide services to their clientele, but also to provide benefits to a defined community.

Social enterprises share three main characteristics:

- **Enterprise-oriented**

They produce goods or services and bring these to their market. They aim to be viable businesses, achieving break-even or a trading surplus. (A surplus is not the same thing as a profit for distribution.)

- **Social aims**

They have explicit social aims, which might be job creation, the provision of local services, environmental improvements, or the creation of affordable homes, for example. They are accountable to their members and the wider community.

- **Social ownership**

They are autonomous organisations – not part of the public sector. They will have their own agreed governance, participation and ownership structures. They serve a defined community or group of communities.

1.2 Enterprise oriented

Social enterprises are market focused and have business structures. They are driven by their social aim but use business structures and commercial activity to achieve those aims.

A childcare social enterprise must achieve financial sustainability by generating income through the provision of childcare and related activities. Grant funding is not only less secure, but often involves constraints imposed by an external organisation that may not share the social enterprise's aims, culture or understanding of its community. While social enterprises may use grants as well as trading income, it is dangerous for them to be over-reliant on grants – the pursuit of which can deflect energy from core business management.

Though many private businesses access grants for a variety of different purposes, such as to finance major investments, or research and development, they do not usually structure their organisations to attract funds from the public sector and charitable trusts on an ongoing basis. Likewise, childcare social enterprises rely on their markets as their main source of finance and use grants to finance specific projects, as start up capital or to test new ideas.

Childcare social enterprises have to identify their market and develop a strategy to penetrate it. Strategic management thinking must be used to maintain market share. This involves monitoring and gathering information about the local and wider markets for childcare, anticipating variations in trends and anticipating changed circumstances.

1.3 Social aims

Social enterprises are established to pursue social goals. In the childcare sector this may be the provision of high quality and affordable childcare. The lack of affordable childcare is one of the major barriers to ending welfare dependency. It is an obstacle preventing people from taking up training and job opportunities. It hampers the economic and social development of communities and individuals, particularly those from the most deprived communities and those people that are excluded or at risk of exclusion.

Having access to adequate play and education opportunities at an early age has been identified as one of the most important factors affecting the character building process of children. Interaction with others helps children to develop their social skills from an early age. The provision of high quality and affordable childcare can therefore be considered a social goal in itself and is one of the main drivers of childcare social enterprises.

Childcare social enterprises may have further social aims. Creating training or job opportunities for the unemployed, promoting employee ownership and participation and community empowerment are other social aims commonly pursued by social enterprises in the childcare sector.

1.4 Social ownership

Social enterprises are *not for profit* organisations. They may make profits – usually termed surpluses – but the purpose of the enterprise will not normally be the achievement of surplus. Any surpluses will be re-invested in the enterprise, or in the community.

Structures used by social enterprises reflect their *not for profit* motivation. Constitutions focus on the factors that distinguish social enterprises: their democracy, accountability and community involvement.

At their best, social enterprises are not only socially owned, they are also socially participative. They are the means for a community to translate its needs and aspirations into practice. They can release a community from economic isolation and powerlessness into economic activity. Childcare social enterprises are a prime means of doing this: they combine economic activity with the means by which many more parents can pursue work, training and careers.

2.1 Community nurseries

Community nurseries follow what is called a 'multi-stakeholder ownership' model. Their community is typically defined on a geographical basis (the local community). Their social aims tend to be the provision of high quality, affordable childcare in deprived communities. Strengths may include being deeply rooted in their communities and the empowerment of groups of stakeholders. They have been successfully serving the childcare needs of many of the most deprived communities for many years.

Alongside fees from parents, community nurseries usually rely on local authority support to achieve financial sustainability. This support can amount to up to one-third of a nursery's annual costs. Such dependence on a single funder can lead to a local authority and its grant requirements exerting too much influence on the activities and strategic decisions of a nursery, limiting the independence of a management board and its entrepreneurial drive.

The current environment of cost reducing strategies at local authority level has put an additional strain on most community nurseries, forcing many to look more closely at the issue of sustainability and how to maintain their services. For these reasons, community nurseries present much scope for social entrepreneurial models of development and expansion.

2.2 Multi-stakeholder model

The multi-stakeholder is a new model, which has evolved from community nurseries. As is the case with community nurseries, multi-stakeholder childcare social enterprises are owned by two or more stakeholder groups drawn from the local community. Such stakeholders can be any individuals or organisations, with a genuine long-term interest in developing high quality affordable childcare in the area and typically include parents, employees, private and public sector employers, registered social landlords, local colleges, local NHS Trusts, regeneration initiatives and others.

In community nurseries, though, the management boards rarely include more than one or two different stakeholder groups, often parents and representatives of the local authority. On occasion, this has resulted in management committees lacking the necessary business vision to run the nurseries effectively and independently. In addition, the lack of stakeholder variety meant that the nurseries' membership and management committees had to be recruited from a very limited group of individuals and organisations.



In a number of cases, when the motivation weakened among those groups, it became increasingly difficult to recruit new members and management committee officers. The nurseries lingered then in a leadership vacuum that eventually had a serious impact on their performance financially and socially, leading in some cases to the nursery closing down altogether.

There was an evident need to work on the social ownership models of childcare social enterprises and develop legal structures to accommodate new ideas. The multi-stakeholder nurseries have consequently widened their membership base. This in turn has an impact on the composition of their management boards that incorporate a more varied number of stakeholders with business and social skills. The concept of social entrepreneurship and the role of social entrepreneurs on management boards have been introduced to ensure the emergence of strong leadership in childcare social enterprises. The existence of strong leadership is a prerequisite to developing proper business management systems and the strategic thinking that characterises social enterprises.

Another key aspect of the model is the diversification of income streams in order to increase business independence and the opportunities to become financially self sufficient in the long term. This has been achieved:

Firstly, by incorporating ideas to generate new income streams which may or may not be childcare related. This would largely depend on the capabilities of those involved in the management of the childcare social enterprise and would involve harnessing those management capabilities to identify viable opportunities in that organisation's market.

Supplementary services, such as training both for childcare workers and parents, could be developed and marketed to generate income. New services might be derived from particular expertises developed by the childcare social enterprise, or support services such as payroll might be supplied to other childcare businesses or shared with other social enterprises.

Secondly, by developing a more entrepreneurial approach towards grant funding in an attempt to get away from dependence of the 'one funder model'. This involves proactively looking for alternatives and planning entry and exit strategies around the taking on of new funding opportunities.

Striking the right trade related income-grant balance and adopting adequate business models to deal with a variety of income streams are challenges met by childcare multi-stakeholder social enterprises.

An example of an emerging multi-stakeholder nursery is Harmony Day Nursery in White City, Hammersmith (see case study).

Harmony day nursery is a newly established project in the White City area of London. The project aims to provide high quality affordable day care and education for 40 children aged from 18 months to five years as a means of supporting parents and carers to return to work or study. The nursery has 10 linked childminding places available for children up to 18 months old.

The nursery is a member of the Early Years Development & Childcare Partnership (EYDCP) which provides access to a programme of continuous professional development for its staff team, which includes a childcare development worker. Membership of the local childcare education consortium enables Harmony to be involved in strategic planning and implementation of quality childcare services within the local community.

A childminding network service and a toy library, available to all childminders in the Borough of Hammersmith & Fulham, are attached to the nursery. Part of the nursery's ethos is to provide the best possible care for children under the age of 18 months whilst away from their family environment. In order to ensure a satisfactory service, the nursery has conducted surveys on each local childminder highlighting their skills, languages spoken, qualifications and dietary needs assisting parents to find a suitable minder.

In a short space of time Harmony Community Day Nursery has gained the trust and support of various organisations such as the local authority, Regenasis (SRB), EYDCP, the urban partnership, Chelsfield plc and Notting Dale Technology Centre. The nursery is popular with local families and other early years establishments. Strong links with local childcare, local training

providers, schools and training colleges who require work placement positions also exist.

The prospects for this particular model are good. Government funding of the sector through the National Childcare Strategy and other initiatives such as Sure Start, Neighbourhood Nurseries Initiative and neighbourhood renewal programmes where childcare has been seen as an integral part of community development, access to work or training, has given the sector a higher profile and created opportunities for the development of childcare facilities on a massive scale.

Childcare is also now a higher priority for employers both to help employees develop balanced work and family commitments and as a key part of strategies to recruit and retain staff: for example, the NHS has made childcare and the development of related services a high profile tactic.

Harmony Community Day Nursery

2.3 Workers' Co-operatives

Co-operatives are organised by and for their members, who come together to provide a shared service from which they all benefit. They are autonomous bodies, democratically organised, owned and controlled by their members. Though they operate in many fields, co-operatives all begin with a strong sense of common purpose – a sense of shared need among members. Additional information on co-operatives and their development can be found on the co-operative portal, www.co-operatives.net.

There are several types of co-operatives: including those owned and run by their workers, by their consumers (such as retail co-operatives), by their tenants (housing co-operatives), or by businesses for shared services (service co-operatives, or agricultural co-operatives which are owned and run by farmers).

Brats was established as a workers' co-operative in Northamptonshire in 1988. Two students wanting control over their own working environment started with an initial idea, to create high quality childcare provision. They were introduced through Northamptonshire CDA to the third founder member, an older, qualified teacher with a similar 'idea'. The name was chosen to ensure that the company stood out from the crowd. Initially, social services did not approve, and Companies House refused to register the name. A year was spent on market research, a feasibility study and development work to ensure long term viability and success. 'Brats' in Northampton persuaded the borough council's housing committee to let them lease three council houses that had been used as a temporary doctors' surgery.

The co-op started trading in 1989 when it won the Co-operative Bank small co-op of the year award and the Shell Livewire regional competition. The founder members started the company with a £5,000 loan from ICOF (Industrial Common Ownership Finance Ltd) and a £1,000 bank loan. Local co-operatives supported the new co-op with a variety of goods and services (including an interest free loan of building services from a local building co-op, and food from Daily Bread). Within two years a second nursery was opened (having won a tender with Corby District Council) with financial support from local companies. The co-operative was always good at marketing and publicity, having established high quality provision from the outset. A £20,000 TEC

grant enabled Brats to establish a training programme for its staff.

The founder members of Brats moved on long ago: several joined big players in childcare; one is a qualified teacher; and another runs her own nursery in South Africa. The two nurseries and companies are doing well and actively involved with Northamptonshire CDA. The mature member is presently self employed as a childcare and social enterprise consultant. The Brats experience has shown that sustainability and viability in the childcare sector is possible through the workers' co-operative model. The involvement of the staff as directors of the company has ensured the long term success of the company.

Source: 'Child's Play – New Mutual Models for Childcare' MUTUO, 2002

Brats Day Nurseries

Workers' co-operatives may be inspired by the feeling that skilled workers are in demand, yet receive less than their fair share of profits. In this sense, the childcare sector may be ripe for exploitation by workers' co-ops. Childcare workers are traditionally low paid, yet there is an evident shortage of qualified nursery workers.

Occasionally, workers' co-operatives may be 'top-down' – the inspiration and drive comes from professionals outside the membership. Probably in most cases these businesses will not flourish, but occasionally they can. One successful example in the childcare sector is The Oakham Childcare Centre, where staff were recruited by local authorities.

2.4 Service co-operatives

Service co-operatives consist of independent businesses – which can include the self-employed – that come together to share marketing and support services. These are common in several sectors, including domiciliary care and taxis. Members pay jointly for the central services. There are opportunities for childminders to reduce costs and administration and improve efficiency by forming service co-operatives.

2.5 Retail co-operatives

The traditional retail or consumers' co-operatives may move into the provision of childcare provision. The Oxford, Swindon and Gloucester Society (see case study) has already decided to do so and the Co-operative Union has specified childcare as a key market opportunity for growth among retail societies.

2.6 Development Trusts

Development Trusts seek to build asset bases and generate income to sustain a range of social and economic activities destined to support their communities. Typically, a development trust will not only focus on housing and physical regeneration, but also support other services that would incorporate a number of partners – for example, building a partnership to initiate a childcare social enterprise. Each partner would bring to the project a range of expertise in different areas such as health, counselling or business advice. The incorporation of other services in the organisation's operational model reflects a growing trend in the childcare sector, where the need to be financially sustainable in the long term necessitates the formation of links with a number of different partners. This provides the added benefit of being able to take a holistic approach to the needs of clients.

One of the objectives behind a development trust will be to create a self-sustaining body with an indefinite life, creating in turn self-sustaining businesses. It must be recognised, though, that in some instances development trusts have a limited life – closing at the end of their funding period, or when key objectives are achieved. It is therefore essential that a childcare

Bromley-by-Bow

Bow Nursery Centre is a registered charity, a community project and a company limited by guarantee. All of its projects are run on a *not for profit* basis. It provides subsidies to low income parents. The Centre's aim is to provide high quality, affordable childcare to meet the varied needs of the local community wherever possible. It does this by providing 25 full day care places in a building that was purpose-converted to offer an imaginative use of the space including a secluded outdoor play area. The nursery aims to offer a

range of supportive activities for parents, alongside the provision of childcare.

Each Bow Nursery Centre project is managed by an elected committee made up of parents and members of the local community. A board of trustees oversees the whole organisation. The nursery works in partnership and is based at the premises of the Bromley-by-Bow Centre, an innovative community regeneration project that operates as a development trust. The childcare provision is complemented by a number of other services that

are part of an all-encompassing healthy living centre. Through the centre, parents can access a variety of drop-in and support activities. From humble beginnings the nursery has flourished into a successful and well-recommended childcare service, with places in high demand.

The expansion and development of new services borough wide and beyond is at the core of the nursery centre's strategic plan. Its model of operation has been copied in several other places.

Oxford Swindon & Gloucester Co-op is planning to enter the UK childcare sector in 2002/03 with a new co-operative business proposition. It will operate a network of day nurseries, expanding into the provision of related childcare services to local communities.

The Society is the fourth largest regional consumer co-operative in the UK. Its food, motors, funerals and travel businesses generate almost £300m in turnover, employing 3,500 staff. Its diversified operations reflect a deliberate strategy of offering a wide range of consumer goods and services, building a strong co-operative retail brand within its defined geographic area.

The Society has explored new business opportunities: the childcare sector appears the most attractive. The demand for day nursery places from working parents/carers (including a large number of the Society's own employees) is increasing, but supply is most often restricted to affluent town centre, business park and suburban locations. Weekly fees are also rising fast, with little extra value created for customers, as staff turnover costs increase and private investors seek higher returns.

The timing of Government programmes aimed at closing the UK childcare gap has influenced this new venture. The NNI offers important start-up grants to assist in managing strategic and operational risks. On the demand side, childcare-related tax credits

are providing important incentives to working parents on lower to middle incomes to access quality childcare services. In return, the Society hopes to demonstrate to national and local government partners the value of co-operative business solutions in meeting the needs of this large potential customer base.

The Society's mission is to offer the highest quality and genuinely affordable full day care to all parents/carers, including its staff, members and customers, based on co-operative values and principles. By 2005, it plans to have developed a viable childcare business, which is valued by parents/carers, staff and communities, creating a network of full day care nurseries and complementary childcare services across its trading area. In doing so, it anticipates the vast majority of customers and staff will become Society members, thereby creating added commercial and co-operative value for the Society and its other trading activities.

It plans to establish and grow its business through setting up new nurseries in older urban, new suburban and rural areas and through appropriate acquisitions. In some cases – for example areas targeted for Government support from the NNI – nursery settings and services will qualify for grant aid. In most cases, it will focus on communities where there is little or no formal childcare provision. In all cases, it will seek to build the business in areas where it already trades or plans to trade. As the business grows, so the Society will

explore opportunities to broaden the scope of its childcare business, including managing childminding networks and providing training services.

Nurseries will generally provide between 45 and 80 places and will offer services for children from three months to eight years plus, whose parents/carers are working or learning for all or part of the weekday. They will offer flexible sessional care on an extended day.

The business model is based on developing strong relationships between the key stakeholder groups: the Society; parents/carers (and their children); employees; local communities (and their agents, e.g. local councils); and client employers. The model attempts to address major sector weaknesses in terms of financing, management, parent involvement, staff recruitment and retention, community relations and service alignment.

This specific approach is dependent on the childcare business being operated by an existing large co-op. The Society will therefore share its ideas with other retail co-ops in the UK and increase their awareness of the commercial and co-operative opportunities presented by the childcare sector. At the same time, its own model will evolve. Many components of the model can be adapted as part of other co-operative childcare propositions.

Source: 'Child's Play – New Mutual Models for Childcare' MUTUO, 2002

social enterprise that is dependent on a development trust is involved in producing the trust's exit strategy, to ensure the childcare business continues as an independent enterprise beyond the life of the trust.

There are now examples of where childcare social enterprises have linked successfully with regeneration partners such as New Deal for Communities, housing associations or other childcare initiatives, such as Sure Start. The collaboration is useful to childcare social enterprises facing particular difficulties finding premises or developing capital-intensive nursery projects where the cost of building the childcare facility is too prohibitive. This is especially true in the London area. The involvement of regeneration programmes in the provision of high quality childcare is paving the way, through major capital investment, for local communities to have access to buildings and other assets that could be used for the provision of key services to improve local people's quality of life.

The ILMs deliver outputs of real value and are often aimed at contributing to the wider regeneration of the local area.

2.7 Intermediate Labour Market companies

Intermediate Labour Market (ILM) projects provide training and work experience for the long-term unemployed. This may include people who are disadvantaged by disability, or long or short term ill-health. Work experience and training in an ILM project is a stepping stone towards permanent employment. ILM projects hire participants for periods of six months to a year and provide individuals with work experience. The aim is to assist the long-term unemployed to re-enter the labour market. The heart of an ILM is the provision of paid work together with high-quality training, personal development and active job seeking.

Some ILM organisations are independent companies, others are projects incorporated into the structure of other organisations, such as development trusts or community businesses. ILM projects are organisations with social objectives, rather than profit-seeking. Any surpluses will normally be reinvested in the project. ILM organisations may be registered as companies limited by guarantee, companies limited by shares (for example, as subsidiaries of another social enterprise), or as industrial and provident societies.

In the UK, ILMs have tended to develop in areas of high structural unemployment where there is a large pool of long-term unemployed workers, often with highly-specific skills associated with a declining industry such as textiles or steel manufacture. The ILMs deliver outputs of real value and are often aimed at contributing to the wider regeneration of the local area. Their work may include such activities as renovating and improving social housing, installing energy efficiency equipment, and developing and improving green communal amenity spaces, such as children's play areas. Childcare Works (see case study) is an example of an ILM company which provides childcare services.

Childcare Works is an innovative Glasgow based project established to develop childcare provision throughout the city using the Intermediate Labour Market model. The project was set up in 1999 to replicate the successful operations of Glasgow Works and One Plus in Greater Easterhouse and Glasgow North areas, and in response to the National Childcare Strategy and programmes for welfare reform and social inclusion. The interrelationship of these initiatives provided a platform for bringing together

education and training with employment and job creation to support unemployed people.

The scheme now comprises two day nurseries and nine after-school clubs, with ongoing expansion. Funding comes from national programmes, the European Social Fund, Glasgow City Council, SIP/childcare strategy and parents' fees.

Social goals include developing the childcare workforce across the Glasgow area; increasing

the number of jobs in childcare; creating new childcare provision which is sustainable; sustainability of childcare projects; and help improve the quality of childcare. A key element in achieving this is by operating an effective training programme for Glasgow residents who are long-term unemployed, giving them skills which provide good wages rates and give them a broader range of employment opportunities.

Childcare Works (Glasgow)

2.8 Housing Associations

Housing associations are *not for profit* organisations supplying social housing and often structured as industrial and provident societies. They are regulated and mostly funded by the Housing Corporation – a quango. Most housing associations are controlled by boards of directors consisting of appointed rather than elected individuals. Whether housing associations in themselves can be counted as social enterprises is a matter of personal opinion, based on whether the question of accountability is central to your definition of social enterprises. Many housing associations are highly accountable to their tenants, and some have tenant management arrangements. Many are also very progressive organisations, generating related social enterprises for the benefit of their tenants, including nurseries to provide tenants with the opportunity to obtain employment or further education or training.

2.9 Forms of Incorporation

The form of incorporation – the legislation used to register the organisation – is not the same thing as the model of social enterprise to be used. Social enterprises may be registered as:

- **Industrial and Provident Societies**

These are used by retail co-operatives, many housing and workers' co-operatives, credit unions and some development trusts. They are governed by the Industrial and Provident Societies Act. There must be at least three members. It should be noted that the costs of registering and continuing to trade as an industrial and provident society are substantially higher than as a company.



- **Companies Limited by Guarantee**

Members' liability is limited to the amount they have agreed to contribute to the company's assets if it is wound up, which is usually £1. The memorandum and articles of association will determine the use of surpluses – which will be to further the aims of the articles of association. Normally a social enterprise company limited by guarantee will be established on the basis that any surplus will not be distributed. This is a common form of incorporation used by many charities, other voluntary bodies, social firms, intermediate labour market organisations and some development trusts. There must be at least two members.

- **Companies Limited by Share**

These are often used by subsidiaries of charities and other social enterprises. Typically, a social enterprise company limited by shares will be established on the basis that surpluses will only be used to further the aims of the company and its associated organisations. There must be at least two directors, but only one person or organisation need be a shareholder. The minimum share issue is £100.

Hammersmith and Fulham

The benefits of the involvement of registered social landlords in multi-stakeholder social enterprises is highlighted by an initiative carried out in Old Oak estate (Hammersmith and Fulham) by SEL, the Urban Partnership group and Family Housing Association.

Old Oak and College Park ward in Hammersmith and Fulham is in the 6% of the poorest wards in the country. 70% of tenants on Old Oak estate are on housing benefit, and a high number of children are living in households on income support. The area is largely white with a significant refugee population. The purpose of this project is to provide support in the design and setting up of a new neighbourhood nursery as a multi-stakeholder childcare social enterprise on the estate.

Family Housing Association runs the estate and is a key partner in the project: the planned childcare provision will be located in premises owned by the social landlord. The existing community centre is in a bad state and needs urgent renovation. It was decided that the housing association engage in a process of fundraising to build a brand new community centre to cater for residents' needs and house various projects. One of the residents' most compelling needs is affordable high quality childcare. Currently there is a Pre-school Learning Alliance group operating from the community centre, highly valued by the residents, but an extension of hours and places was considered a priority to improve the residents' quality of life.

The NNI with SEL's childcare project and the social enterprise strategy of the Urban Partnership group have created the environment to develop a multi-stakeholder childcare social enterprise in the area. A steering committee was formed comprising Family Housing Association, Nottindale Tec Centre, Hammersmith College, the local hospital, Pre-school Learning Alliance, parents, residents and stakeholders. A business plan was developed and further financial support is being sought to cover capital investment costs. Stakeholders are expected to introduce various elements to support the nursery's financial sustainability in the medium and long term, including access to premises, agreement on purchase of block places and privileged knowledge of the local market.

- **Charities**

Many childcare social enterprises are charities, using the company limited by guarantee structure. It is unusual for social enterprises in other trade sectors to be registered as charities, though some development trusts and community businesses have associate companies which are charities. And some charities may own social enterprises (few, if any, in the childcare sector) which operate without charitable objectives, but on the basis that all profits are returned to the charity. Charitable status confers several benefits: charities do not pay corporation tax, income tax or capital gains tax if profits are applied for charitable purposes; and gifts to it are exempt from capital gains tax and inheritance tax.

2.10 Model rules

A specialist firm of solicitors – Cobbetts – has drawn up outline constitutions recommended for childcare social enterprises, using the multi-stakeholder model (*'Childcare – what's it got to do with lawyers'*). This recognises that the diverse but strong interests held by several parties – parents, workers, funders – which is specific to childcare makes this an extremely appropriate market in which to adopt a multi-stakeholder management and ownership option.

Cobbetts' model constitution, which it terms a 'community mutual', would be registered as an industrial and provident society. Registration for the societies is now the responsibility of the Financial Services Authority – a government regulatory body. Unlike with companies, charitable status for industrial and provident societies for community benefit is determined by the Inland Revenue rather than the Charitable Commissioners. Cobbetts believes that employee involvement in the society should be no bar to the Revenue approving charitable status.

The study was jointly commissioned by MUTUO and SEL.

3.1 National Childcare Strategy

The Department for Education and Employment (now the Department for Education and Skills, DfES) launched the National Childcare Strategy Green Paper 'Meeting the Childcare Challenge' in May 1998. It proposed that plans for establishing and developing early years and childcare services should be drawn up and implemented at local level by Early Years Development and Childcare Partnerships (EYDCPs). Responses to the strategy were overwhelmingly positive and 150 Partnerships are now in operation in England.

The strategy recognised three key problems with childcare provision:

- The quality of provision is varied
 - More needs to be done to ensure that all childcare is of good quality.
- The cost of childcare is high
 - One estimate of the cost of care for a child under five is between £50 and £180 a week. Many families struggle to afford the childcare they need.
- It is not easy to find places
 - In many areas there are not enough childcare places. There are 5.1 million children under eight in England. But there are only 830,000 childcare places. Not everyone can get the childcare they demand. Four out of five non-working mothers say they would work if they had the childcare of their choice.
 - It can be difficult for parents to get information about what is available. Parents need good information about childcare. They need to be able to choose what is right for their children and take up opportunities to work or study.

3.1.1 National Childcare Strategy objectives

The strategy's aim is to ensure good quality, affordable childcare for children aged 0 to 14 in every neighbourhood.

Overall objectives include:

- tackling child poverty
- moving families from welfare into work
- improving educational attainment
- enabling a 'family friendly' work/life balance
- providing the means for neighbourhood renewal and community development
- addressing inequality



The basis of the strategy is... to provide places for one million children over the first five years.

3.1.2 The basis of the strategy is:

Childcare places – to provide places for one million children over the first five years. At present, there is a guarantee of a free nursery place for each child from the beginning of the term in which they are four – for five two-and-a-half sessions per week. Increasingly, primary schools are creating nursery units to accommodate four-year-olds. The plan specified an increase in provision to 66% of all three year olds being in free places during 2002.

Early Excellence Centres – developing models of high quality education and daycare for young children. The aim is to support families so that more people can access adult education and training.

Childcare Information Systems Development Project to link databases to a national website containing childcare information and details of childcare providers across England.

Childcare Information Service, which is being developed at the same time, will be a freephone service to the public, signposting local services, and offering general information leaflets.

The Government is also helping parents through **Sure Start**, a community-based project to join up services for under-fours and their parents.

The DfES has issued detailed planning guidance, a range of reports and good practice guides for the EYDCPs. The partnerships link local authorities, private and voluntary sectors, training and enterprise centres (TECs), employers and further education (FE) colleges, to improve and extend childcare provision.

3.1.3 Initiatives

The strategy contains a series of initiatives:

Neighbourhood Childcare Initiative

The Neighbourhood Childcare Initiative commits up to £100 million of capital funding from the New Opportunities Fund (NOF), on top of the £203 million start-up grants funded by DfES. It aims to develop up to 900 neighbourhood nurseries of 50 places each. An extra £55 million from the NOF provides start-up funds for around 50,000 out-of-school childcare places in disadvantaged areas.

- Additional money can come from a variety of funding streams such as Early Education (£290.1million), New Opportunities Fund (£400 million), Sure Start (£499 million), Neighbourhood Nurseries Initiative (£203 million), Children's Fund (£450 million) and Neighbourhood Renewal Fund (£1 billion).

Expert groups and business development managers

The Government has established an expert group to help ensure access to private and public finance and a £6 million business support programme over three years for childcare and nursery education providers. These are based within the EYDCPs.

Dawn-to-dusk community centres

The Government has outlined its vision for 'dawn to dusk' community centres housed within schools, providing childcare services before and after school hours. The current Education Bill will enable school governors to take this vision forward.

Tax credits

The strategy introduced the concept of the Childcare Tax Credit – part of the Working Families Tax Credit – to make childcare more affordable for lower income working families.

Early Years Directorate

An Early Years Directorate was established within Ofsted (operating only within England) to standardise the regulation requirements and raise the quality of provision.

Worklife Balance Campaign

A worklife balance campaign was introduced to promote flexible working practice from employers, further encouraging organisations to recognise the importance of quality, affordable and accessible childcare to their employees.

3.1.4 Early Years Development & Childcare Partnerships (EYDCPs)

EYDCPs have an important role in helping new and existing childcare social enterprises to understand the local market context for childcare. EYDCPs co-ordinate the local authorities' approach to the development and review of early years and childcare services. They provide the strategic lead for the childcare policies, plans and operations and can provide access to key contacts within the DfES and other specialist organisations.

Their major responsibilities include:

- Providing the strategic lead for early years and childcare issues
- Ensuring the implementation of national early years and childcare policies and initiatives
- Developing recruitment and retention strategies and practical support for recruitment and retention across all early years and childcare areas.
- The support of childcare sustainability
- To carry out residuary registration and inspection functions such as pre-registration briefing, advice and support, site visits and develop management training
- Providing business support
- Managing new grant allocations such as NNI, training, ESF allocations, wrap around funding and childminder grant



Funding

All approved neighbourhood nurseries will receive funding from their local EYDCP for the first three years. This funding will provide part of the revenue costs for providing childcare.

The funding has been allocated by the Department for Education and Skills and will total £203 million between April 2001 and April 2004. EYDCP areas have been given a share of this funding, based on the number of deprived wards in the area, the number of 0 to 4 year olds living in these wards and local demand for childcare. EYDCPs are responsible for using this funding to create a target number of new childcare places. They award grants to neighbourhood nurseries in accordance with nationally defined criteria and local circumstances.

Funding from the New Opportunities Fund is available to support the construction or renovation of premises that will become neighbourhood nurseries. Grants can also be used to purchase equipment and other development costs: £85 million is available at present, with the potential for an additional £15 million.

3.2 Impact of the strategy

The Government states that the strategy has proved a great success, though critics argue it has had a limited impact. According to government figures there has been a huge increase in childcare nationwide and in a wide range of different settings, with almost half a million new childcare places created since 1997, used in total by 906,000 children. The Government says it is on track to meet its key target of creating 900,000 new childcare places (for 1.6 million children, allowing for part-time places) by 2004.

It admits, though, that provision is uneven. It will now place particular attention on increasing childcare provision in the most disadvantaged communities, especially through the Neighbourhood Childcare Initiative. A key part of the scheme, the flagship Neighbourhood Nurseries Initiative, aims to create by 2004 some 45,000 new places in state-of-the-art daycare centres, at a cost of £300 million over three years. Fifteen new neighbourhood nurseries are now open, with a further 887 projects in development, which would bring on stream another 32,000 places.

The Government set up an interdepartmental review of childcare in 2001 to establish a 'vision for childcare' over the next 10 years and agree necessary steps. That review is examining the lessons that can be drawn from research; and what can be learnt from the services and initiatives that are working well, including the proven success stories of innovation such as Sure Start and our quality integrated early education and family support, the Early Excellence Centres. The review is due for completion in the summer of 2002. The Government says that the establishment of the review demonstrates its commitment to achieving effective and comprehensive childcare provision and its willingness to adapt its programme according to demonstrable need.

Despite the successes, it typically still costs about £6,000 a year to pay for each child in day care – and can cost much more, particularly in London. Costs are higher in Britain than anywhere else in Europe. There is just one registered childcare place for every seven children under eight. Yet, 40% of women of working age have dependent children.

3.3 Trends affecting demand

The growth in the demand for childcare services closely reflects demographic changes. Factors include the greater number of children living in lone parent families and a decline of other features of the traditional nuclear family, including the availability and willingness of grandparents to care for children. A further factor is the Government's welfare-to-work programme which is encouraging more lone parents into employment, requiring greater availability of childcare.

The increase in the participation of women in the workplace has had a major impact on demand for childcare places:

- Mothers' involvement in the labour market is increasing. The numbers of mothers with children under the age of five in paid work rose from 28% in 1980 to 58% in 2001.
- The numbers of mothers returning to work in the first year after giving birth rose from 24% in 1979 to 67% in 1996.
- More women return to work after maternity leave – many part-time. The UK has the highest number of women in part-time employment of any country in the European Union (EU).
- More lone parents are returning to work than ever before. Currently 48.6% of lone parents are now in work: 27.9% part-time, 20.7% full-time.
- The numbers of mothers working full time within one year of having a baby has risen from 5% to 24%.
- Working patterns are changing away from the traditional 9 to 5, Monday to Friday week, raising demand for childcare outside normal working hours.
- Almost two thirds of working families contain a parent who works outside the traditional working week.
- With more parents working and struggling to balance their work and personal responsibilities, a strong business case for employers assisting their employees exists and has been shown to be beneficial in areas of staff retention, recruitment, reduced absenteeism and increased productivity.
- The strategic use of childcare in socially excluded communities to provide access to employment, increase opportunities for training, tackle child poverty and reduce social exclusion has stimulated demand.
- The excessive cost of childcare in the UK impacts on demand because it restricts access to those who need it most. Parents pay for more than 90% of the bill for childcare.



Lower income parents on Working Families' Tax Credit may receive up to 70% of the costs of childcare through the Childcare Tax Credit.

Despite the big increase in mothers working soon after the birth of their children, this trend has not led to the continuous employment of working mothers. Women are still much more likely than men to take career breaks. Only one in ten women maintained continuous full-time employment during the first 11 years after birth. Surveys have shown that one of the key factors constraining women from continuous working patterns – and thereby limiting their scope for promotion and income improvement – has been the limited availability of suitable and affordable childcare.

3.4 The international picture

There has been massive growth in the numbers of co-operatives providing children's day care across Europe over the last two decades:

- **Sweden**

Rural communities in Northern Sweden have for many years set up co-operative nurseries. Very low population densities mean that the private sector is unable to run commercially viable nurseries. The co-ops have mostly been run by parents' groups, relying on volunteers for activities such as cleaning. There is now a motivational crisis in many of the co-ops, with founding members having moved on and many parents weary of continued volunteer involvement.

- **Sweden**

Many refugees' groups – such as those arriving in Sweden from Chile in the 1970s and from Somalia in the 1990s – set up their own social enterprise nurseries to address their communities' specific needs, including the use of mother tongues. These have been joint parents' and workers' co-operatives.

- **Spain**

Local authorities created the climate for childcare social enterprises to thrive by allocating childcare provision budgets for the purchase of places from social enterprises, rather than direct provision. Many municipalities provided subsidised premises. There was a big expansion in childcare social enterprise in the 1980s, initially run jointly by parents and workers, but subsequently many parents have withdrawn.

- **Italy**

Childcare is offered by many social co-operatives, fostered by legislation in 1991 that encouraged municipalities to use social co-operatives for childcare and other social services.

In the US, the co-operative pre-school movement is well established. Whilst there are parent co-op nurseries in the UK, and many community-run services, their number is small compared to North America and parts of Europe.

3.5 The childcare gap

The Daycare Trust referred in 1997 to ‘the childcare gap’. At that time there was just one childcare place for every nine children under eight in England. Since then, the childcare gap has begun to close. Today it stands at one place for every seven children under eight in England.

In 2000 there were just over five million (5,182,100) children under eight in the UK and 725,700 registered full time equivalent childcare places.

	Number of providers <i>registered</i>		Places for children <i>registered</i>	
	1997	2001	1997	2001
Childminders	98,500	72,300	365,200	304,600
Day nurseries	6,100	7,800	193,800	285,100
Out of school clubs	2,600	4,900	78,700	152,800
Total			637,700	742,500

Source: Daycare Trust for ‘Child’s Play – New Mutual Models for Childcare’ MUTUO, 2002

This shows clearly that the picture is not of an even increase in childcare provision. Rather, the rise of 91,300 nursery places is significantly undermined by the loss of 60,600 places with childminders.

3.6 Childcare costs

The cost of childcare is increasing at more than three times the rate of inflation, showing clearly that capacity remains considerably behind demand. In 2001, average nursery fees rose by 10%. A nursery place costing £65 a decade ago may now cost parents £200 a week. The average nursery place in inner London today costs £149 a week (over £7,500 a year), with parents typically paying three quarters of the cost.

The average costs for using a childminder for a child under two is £113 a week. The average cost for an after-school club is £26 for 15 hours a week.

Some employers provide financial assistance with childcare costs: for example, by subsidising a workplace nursery. Lower income parents on Working Families’ Tax Credit may receive up to 70% of the costs of childcare through the Childcare Tax Credit. Over 150,000 families are in receipt of this.

Local authorities may provide nurseries, but currently only 20,000 children are in council places. Council involvement in the market has diminished rapidly in recent years. A decade ago local government provided one third of places: now it is just 6%. Many local authorities have closed nurseries – in some instances externalising them as social enterprises.

Childcare costs in England 2002

Typical weekly childcare costs (£) for a full-time nursery or childminding place and 15 hours a week for after school club place in England 2002

	Nursery under 2	Nursery over 2	Childminder under 2	Childminder over 2	After-school Club
Inner London	149	133	144	139	20
Outer London	146	128	136	133	30
South West	118	110	113	113	26
South East	133	125	133	130	27
East England	139	129	114	114	27
West Midlands	103	102	101	101	25
East Midlands	108	107	101	101	19
Yorkshire & Humberside	99	98	99	97	24
North West	99	94	86	86	24
North East	103	100	96	96	30
National average	120	112	113	112	26

Source: Daycare Trust for 'Child's Play – New Mutual Models for Childcare' MUTUO, 2002

The number of nursery places provided by commercial enterprises has increased four-fold in the last 10 years. This makes the sector one of the fastest growing of all markets in the UK – though clearly still outstripped by demand.

It is difficult if not impossible to see how these objectives can be met without a major successful intervention by social enterprises. Commercial enterprises will more naturally gravitate to districts with above average earnings, generating higher fees and profits.

The Government also aims to stimulate 25,000 new childminder places, despite the trend of available places being downward.

While this manual has presented national market information, it is essential to remember that childcare operates within a specific local market and context. Factors affecting the viability of an individual childcare social enterprise will include local conditions:

- Need and demand for services
- Competition
- Average income
- Demography
- The nature and character of communities and their specific demands (e.g. language and diet)
- The priorities of the local EYDCP

In considering opportunities, it is crucial for existing and potential childcare social enterprises to understand their local market. It is likely to be necessary to undertake some initial research to evaluate potential viability.

In most cases in-depth business planning will be necessary to obtain grants, raise finance or convince potential members or partners. General business planning issues are addressed in Section 5.

4.1 Childminding

Childminding is the most widely used form of childcare for young children. According to figures for 2000 there are currently 75,600 registered childminders providing 320,400 places for children. Childminders are self-employed and negotiate the terms and conditions of the care they provide directly with parents. Parents are usually charged on an hourly basis for the amount of childcare they need. Childminders work in their own homes and are usually mothers themselves. They may offer the service throughout the day and over the whole year.

One opportunity to develop childminding facilities is as part of a broader menu of childcare, for example in conjunction with a neighbourhood nursery development, or linked to a workplace nursery.

Childminding services might also be offered as part of a network, structured as a workers' or service co-operative. A successful enterprise using this model is likely to require support and assistance with co-ordination from the local EYDCP.



There is enormous potential for growth as the result of the Government's National Childcare Strategy.

The core co-operative might provide an infrastructure for development of other services for the childminders, such as marketing, book-keeping and quality control. The childminding services could be part of the EYDCP marketed to local employers. This may be especially attractive to employers, such as NHS trusts or foundation hospitals, with large numbers of shift or unsocial hours workers requiring flexible childcare support.

A key barrier is to change the culture of childminding. Childminders are traditionally self-employed and may resist operating within childcare social enterprise. It needs to be stressed that as members of a service co-operative, individuals would remain self-employed – using the co-op as an agency which they own and control.

Significantly, while the number of day nursery places has increased in recent years, the number of places available through childminders has fallen.

4.2 Day nurseries

Day nurseries are for pre-school children and they care for children during the length of the adult working day. Children can attend part-time or full-time. There are currently 7,800 registered nurseries providing in total 285,100 places for children. They can be run by private companies, individuals as sole traders, partnerships, local authorities, community groups or social enterprises. They may be financed by fee income, or by grants, or by grants supporting fee income.

There is enormous potential for growth as a the result of the Government's National Childcare Strategy. Most recent expansion has occurred within the private sector: much of it through new day nurseries.

Until recently, day nurseries were typified by single providers operating out of converted properties. Over the past three years there has been more interest in the sector from major corporations and more use of purpose built facilities. There has also been a considerable amount of consolidation at the top end of the market for this sector with 20 of the largest private day operators providing 33,000 childcare places.

The potential for the growth of multi-stakeholder models of childcare social enterprises particularly exists in two ways:

- community and local authority nurseries converting to the more entrepreneurial multi-stakeholder model as a means of achieving commercial viability, or;
- start-up neighbourhood nurseries that seek to provide childcare in deprived areas.

One of the most obvious barriers is the capital necessary to obtain suitable premises. This might best be tackled by linking with a Sure Start or other neighbourhood project, such as a development trust. This could enable expensive premises to be shared. But some childcare social enterprises which have pursued this approach have found regeneration agencies determined to charge commercial rents in order to achieve ongoing sustainability – ignoring the added value offered by childcare social enterprises.

Severe staffing problems may have to be overcome, reflecting the massive growth in the sector generally, which is outstripping the availability of trained, skilled and experienced workers. Social enterprises entering the sector may need to establish their own training programmes. They should exploit their status and culture as a means of recruiting quality staff, sympathetic to their objectives.

Where existing day nurseries are provided by the voluntary sector, it is possible that the prevailing culture could hamper the adoption of multi-stakeholder models because of the lack of entrepreneurial know-how. Indeed, many voluntary organisations operate nurseries as social enterprises without defining them as such, nor recognising that this is what they are doing. This acts as an impediment to their development, as they tend not to orientate themselves sufficiently to income generation. Community-based nurseries may require considerable support to successfully convert into profitable social enterprises, to change the culture of the nursery and to move the client base onto a commercial fee-paying basis.

4.3 Out-of-school clubs and holiday schemes

Out-of-school facilities provide sessional care for children between the child's school hours and the parents' working day. This service may range from care for three year old children, to those over eight. In 2000 there were 4,900 providers supplying 152,800 places. These schemes provide care during one or more of the following periods: before school, after school and during school holidays. Out-of-school provision is the fastest growing area of childcare.

Opportunities exist to work with NHS trusts to deliver childcare, or integrate out-of-school services into the development for NHS nurseries, working with schools, Sure Start and regeneration initiatives such as the New Deal for Communities, development trusts and the Neighbourhood Nurseries Initiatives. Such opportunities include the development of out-of-school facilities run by parents as consumers' co-operatives or set up by EYDCPs as consortia. In the case of the latter the clubs could be based within schools and run by a separate management committee consisting of representatives of each school. A consortium would pool resources equipment and staff.

Westminster Children's Society

Founded in 1903 to support children and families who live or work in Westminster, the society provides childcare, education and a network for parents providing assistance and support in caring for young children. It is a

consortium of 11 nurseries across Westminster. Nine of the nurseries serve the community and the remaining two are set up as workplace nurseries for civil servants working in the area. In total the nurseries provide places

for 300 children, fees range from the market rate of £160 to the heavily subsidised £74 per week.

The Society is a registered charity, governed by a board of trustees and led by a chief executive.

Potential barriers include:

- Access to premises; sensitive negotiation needs to take place to engage schools, NHS Trusts, or other partners, such as NDC or a local neighbourhood nursery project.
- Staffing is a major issue due to the shortage of qualified childcare professionals. This is not usually the most attractive option for employment for childcare professionals because of the part-time nature of the work and relatively low rates of pay.
- Management – this is the most difficult type of childcare facility to operate. Services – breakfast clubs, after school and holidays – are diverse and may be difficult to integrate. Spreading services across a range of hours can make them difficult to operate economically.

4.4 Externalisation

All local authorities are required to adopt programmes of comprehensive reviews of all services under the Best Value system. The provision of every service must be fundamentally re-examined. If any service can be provided more efficiently or cheaply out-of-house, then serious consideration should be given to contracting-out the running of these services.

Some Best Value reviews are likely to conclude that given the income-generating opportunities for nursery provision, council-run facilities should be externalised. Externalisation has already happened in the London Borough of Greenwich, while parents defended their service in the London Borough of Lambeth by taking it over themselves.

It should be noted that there are several challenges facing a possible externalisation:

- Capital costs may be high
- There may be resistance by staff and unions to a transfer
- Externalisation following a Best Value review implies cutting costs or increasing income
- Operating efficiently and profitably when competing against larger, well-established competitors may prove difficult
- Transfer of undertakings, protection of employee (TUPE) rules, protecting wages and conditions of service of existing staff, may cause problems
- Existing users may be unable to afford any increased fees.

Rosedale Cares for Kids

This service was established in response to the closure of a valued out-of-school service when Lambeth Borough Council withdrew from the direct management of its out-of-school service as part of a cost-cutting programme. A group of mothers joined forces to form

Rosedale Cares for children at Rosedale Primary School.

The social goals of the service are to provide and maintain affordable out-of-school places for working mothers, students and job seekers. It is run by a management committee of 12 working mothers.

The scheme provides after-school care and childcare during the holidays. It is extremely popular and supplies care for 96 children a day, 48 weeks a year. The facility is funded 50:50 from fees and grant income.

The Thanet Childcare and Training Scheme is the creation of The Children's Society, Thanet College, a group of parents seeking to re-enter the workforce and John Laing plc. The parents wanted access to training and work, but lacked affordable childcare. They knew they were good at looking after children, so the logical step was to bring these elements together. The group raised its initial capital from the European Social Fund, the lottery and charitable trusts and from the support of local businesses.

One of these, John Laing plc, provided the building. The centre was designed in conjunction with staff and built by people with a low skill base, using recycled materials and a green architecture philosophy.

By the end of the first full year the 30 place nursery had created 10 full time jobs, 255 different children had used the centre, 45 students had taken up training courses and 44 parents were able to sustain paid employment.

From the planning stage Thanet Childcare and Training Scheme focused on the parent's needs for training and employment opportunities. The construction of the building was identified as a good opportunity for parents and local residents to achieve practical job experience and the childcare provision operates now as a multi-stakeholder nursery whose main aim remains to enable unemployed parents to access job and training opportunities.

The Thanet Childcare and Training Scheme

4.5 Intermediate Labour Market interventions

Childcare offers significant opportunities for intermediate labour market projects – probably more than other trading sectors do. ILM operations fit neatly alongside other types of social enterprise structures, because:

- There is a shortage of trained, skilled and qualified childcare workers,
- Untrained staff can obtain training, skills and qualification while working under supervision.

Such an approach can fit neatly with other types of social enterprises:

- A community nursery can train future workers from amongst its support group
- A housing association can provide a nursery to enable tenants with childcare responsibilities to go out to work, while giving some tenants an opportunity to train and work in a nursery.

Further, a nursery may obtain grants for training disadvantaged people in childcare. Grants may be possible from a regeneration programme, or from a local authority. Many existing childcare social enterprises have an ILM training element to them.

The Business Planning Process

An early step for any enterprise is to begin to prepare a business plan. A business plan is not just important for securing finance from investors. It is essential as a means of clarifying and specifying the aims of the childcare project and is an effective tool for measuring progress. The business plan establishes a framework for achieving your objectives.

The business plan will:

- Form a yardstick by which to measure performance
- Provide a framework for offering incentives to managers
- Demonstrate that you know where you are going
- Act as a link between the business strategy and what people actually do
- Assist in attracting major customers, financial assistance and other types of support

Childcare social enterprises should draw on appropriate support mechanisms when developing their business plans.

These include:

- Your EYDCP – which all employ business support managers;
- Ofsted, which will advise on regulatory requirements; and
- Social enterprise support organisations, including SEL and local co-operative support organisations.

5.1 Business Planning Guide

Any good business starts with a good idea. If that idea is to become a viable social enterprise, it must contain both an achievable social objective and a commercially viable business. The first test of the idea will probably be whether it can be translated into an effective business plan, backed by good quality research.

It is easy to start a business – the difficult bit is to start one that will still be around in years to come. If you need to raise finance for your business you will have to produce a professional-looking business plan to present to a bank, community investment fund, potential shareholders, local authority, charitable trust, or whoever else you may approach for support.

But even if you (very unusually) do not need outside finance, you would be well advised to produce your own business plan. This will enable you to test the quality of your idea against the reality of the market, without the expense of starting and failing. Most business ideas evolve as the founders plan their enterprise. When a business plan is produced, it should first be shown to a range of experts for their views on its quality. Do this before presenting it to potential funders!

A business plan should normally contain:

- An outline description of the business idea
- A profile of the founders, including personal CVs
- An evaluation of the market you intend to enter
- An evaluation of existing and potential competitors
- Market research to prove who will buy your services and products, and at what price
- Details of the suppliers from whom you will buy goods and services, and their prices
- Social objectives and how these will be achieved
- The legal structure you will use, and how the business will be organised on a day-to-day basis
- Projected trading and profit-and-loss accounts for the first five years
- Projected cash flow statement for the first five years
- A breakdown of funding requirements across the first five years of the business

A childcare social enterprise business plan might also contain the following, reflecting factors specifically relevant to the sector:

- Key business and social objectives of the proposed childcare social enterprise
- Details of the various stakeholders and management committee
- Benefits of the childcare social enterprise to its potential funders.
- The current status of this new childcare social enterprise

It is particularly important for a social enterprise that the business plan demonstrates:

- A strong, but realistic, **vision**
- A core or **pioneer group** with the skills, commitment and determination to make it work, with the flexibility to respond to real opportunities and the evident capacity to work together
- Clearly identified target **markets** in terms of both users of the service and those who will pay for the service
- Robust evidence that the population of the target market is large enough to convert to **sufficient take-up** to justify the proposal
- Earnings from a realistic and evidence-based assessment of take-up, price and purchase will be sufficient to **cover costs** and in time generate a surplus



- The quality of the service on offer and the promotional strategy planned has the potential to **attract and retain** users, and purchasers
- Includes **sufficient skilled and able staff** to deliver the service and meet quality requirements and manage the business. Those financial projections must contain a realistic budget for salaries that will attract the calibre of staff required
- Has **systems** in place to ensure that quality, performance data, financial data, and market information is available to both staff and management
- Has **sufficient capital** available to equip the business and cover any predicted cash flow problems

The Business Proposition

In outlining the vision of your business, there are a few key factors which a childcare social enterprise must specifically address:

- What are the nursery's services?
- What are its special features and benefits?
- What is its quality strategy for the delivery of childcare services?

Marketing

Marketing and promoting a social enterprise is inherently different from marketing and promoting a private sector business. Both will try to meet existing demand and will probably try to convince people currently using one service provider to switch to their new service. But a social enterprise is much less likely to generate a promotional campaign aimed at persuading individuals that they should want a product which they do not currently use. On the other hand, the social enterprise is perhaps more likely to try to persuade a public body that it should fund services – which the public want – which is not currently provided.

One means of defining the nursery's image as a childcare social enterprise may be through the use of social auditing.

A childcare social enterprise is in a possibly unique position regarding the scope of its 'client' group. Its main group of customers will be the parents who pay the fees. The people who directly receive a service are the children, whose own reasonable demands need to be met: unhappy children may be withdrawn from childcare. A local authority may provide grants and will have its own service requirements. Employers may subsidise or buy some childcare places. Regeneration agencies and training organisations may also have a funding relationship with the childcare social enterprise – either buying places, or providing a grant or rent subsidy. All these organisations must not only be provided with high quality services, they also need to be targeted through service promotion.

For a comprehensive overview of marketing in this sector, you are recommended to obtain the companion publication, *How to Market a Multi-stakeholder Childcare Social Enterprise*, also published by Social Enterprise London (see further reading/bibliography).



Whether a business operates as a social enterprise or in the private sector, it needs to start-out by researching and understanding its market. What do people want? How much will they pay? How do they want their service or product provided? Do they actually have the means to pay what they say they will pay?

The market research for a childcare social enterprise is likely to focus on the following factors:

Population:

- Demographic profile and trend
- Size of families
- The number of women and mothers in work
- Numbers of lone parents
- Information on unpaid child carers
- Ethnic backgrounds
- Average income
- Education/training levels
- Consumer habits

Local health and environmental issues:

- Children's nutritional habits
- Recurrent children's illnesses or diseases
- Rates of drug or alcohol abuse among parents
- Green spaces
- Housing conditions

Other childcare providers:

- The services they offer
- Their approach to childcare
- The families they target
- Their prices
- The possibility of providing complementary services
- The possibility of collaboration
- What competitive services may be launched in the future and their impact

Local childcare needs:

- A description of the need for childcare in the area
- Potential customers for childcare social enterprise service
- Customers' ability to pay
- Potential for developing them into stakeholders/members of the management committee
- A description of the need for related services (childminding, safe transport for children, family support, community health services, training, etc.)

Local contacts (sources of information):

- EYDCP
- Local authorities
- Local employers
- Schools
- Colleges/Universities
- Community/neighbourhood groups or organisations
- Social landlords
- Regeneration programmes

Detailed market research on the potential for childcare social enterprises in parts of London has been conducted on behalf of Social Enterprise London. This will be made available on request only to social enterprises and potential social enterprises.

Market research is all very well, but it is no substitute for common sense and a healthy level of cynicism. Respondents will often say what they think researchers want them to say. They are likely to pay less than they say they will pay for a service. They will perhaps be more driven by price than by ethics when actually booking a childcare place.

If your new business will compete against existing businesses, you should find out what charges your competitors make. Remember that an existing business may cut prices faced by an incoming competitor. What is your advantage over your competitors and is it enough to make customers switch to you and stay with you? How quickly will you generate business?

Pricing policy

Based on the research you have conducted you should be able to prepare outline sales forecasts and predict the level of sales you are likely to achieve for the period of the plan.

As with any business you will seek to become self-sustainable and cover your costs. At the same time, being a social enterprise you will also seek to fulfil social aims and offer a high quality but affordable service.

These are some pricing tools you can use to help you fulfil your organisation's social objectives while remaining sustainable:

- You do not have to charge the same price to all your customers. You can offer a sliding scale according to the means of the parents or carers; or you can offer discounts for siblings
- You can seek additional funding for particular customer groups such as children from low-income families or those with special educational needs
- You can enter into mutually beneficial partnerships that offer you free or low-cost resources such as low cost accommodation, or borrowed equipment
- You can enter into mutually beneficial partnerships where the partner pays for or subsidises some of your childcare places – a housing association might subsidise a number of places for children from low income families on their estate

- You can raise funds through your local community to pay for particular functions, activities or equipment (e.g. jumble sales, raffle tickets, appeals)
- You can develop added value services or products, for which you can charge (e.g. photographs of the children)
- You can create secondary services to sell either to your current users or to other organisations (e.g. training or consultancy)

Your market research will help you identify which of these options is appropriate.

Needs analysis

You should conduct a needs analysis of your client group. This may rely on far more than superficial street or phone based market research: you may need to establish focus groups to enable you to understand in very detailed terms what your potential customers want from you. It is important throughout this process to recognise the difference between what people want and what they have the resources to pay for. If they have needs which are not being met and which they do not have the money to pay for, you may then wish to investigate whether there is political support for funding – both start-up and continuing revenue support – to come from public bodies.

Best Practice

It is helpful to research what is best practice. What works elsewhere? But remember that it is unlikely that a successful project elsewhere can simply be copied and moved. At the very least, it will probably have to be adapted for use in other locations. It is perhaps more important to learn from failures, than from successes. Why did other schemes that were well thought-through fail in implementation? Be prepared to go and visit other projects and to spend a long time on the phone talking to key people.

Feasibility

Try not to get carried away with enthusiasm: nor to be destructively pessimistic. Try to assess the feasibility of your ideas on a rational basis after conducting initial research. Just because you have extensively researched the project does not mean you are committed to implementing it. If your findings are that the original idea is not viable, but an alternative project would succeed then follow the research findings.

Consider on the basis of the research:

- How realistic are the customer numbers projected?
- Will your service really meet the identified needs?
- Can your identified client group really afford your services at the costs calculated?
- Will you be able to recruit the right staff at rates of pay you can afford?
- Will the project be able to maintain its social objectives once it is trading?
- Can you overcome all the identified barriers?
- Are your identified funding requirements realistic and achievable?

It is important throughout this process to recognise the difference between what people want and what they have the resources to pay for

Premises

The main source of assistance in finding premises is likely to be your EYDCP. You may find further support from your local authority, through its economic development unit and planning department. Local estate agents will also help. It is sensible to approach local regeneration programmes with proposals for obtaining subsidised premises, recognising that the childcare social enterprise offers added value compared with other potential tenants. Your social enterprise may be able to assist the regeneration project to achieve its targets and may offer some form of quid pro quo – making available a specified number of childcare places – in return for a rent reduction.

Structure

You need to address the following points:

- Will you be applying for charitable status?
- What expectation do you have of approval?
- What legal structure will you use?
- What internal constitution have you adopted?
- Who is on the management committee?
- What will be the functions of each individual?
- What is your training programme for committee members?

Operations

Social enterprises are team organisations, developed and run by groups of people. They require access to people trained in organisational development who:

- Understand working with and developing strong boards
- Can coach managers on team building and participatory management
- Understand contemporary employee involvement techniques
- Have experience of community consultation processes

Social enterprises draw on the best in modern management and take participation seriously. This participatory character can provide a competitive advantage by building loyalty and tapping the knowledge of consumers and employees. Social enterprises rally communities around a real need. They have the opportunity to become high-performance organisations that private firms envy for their sense of common purpose.

Because team work is at the heart of social enterprises, collective working practices and effective management systems are of the highest priority. Social enterprises should invest in their workers and volunteers by ensuring they are properly trained. If social enterprises are to develop to their maximum potential, then all those involved should develop to their maximum potential as well.

Management and Organisation

Effective team building involves:

- Effective task allocation
- Creating an efficient board of directors or management
- Organising efficient management meetings
- Proper and informed consultation
- Carefully planned programmes of training for staff and directors

New start-up social enterprises must not overlook the importance of this element of the process of establishing their businesses. Bad ways, once ingrained, become very difficult to put right.

Specialist social enterprise support agencies are generally in the best position to advise on how to develop effective team building. They will bring in other specialists in training and collective management to help you create and strengthen an effective team

Staffing

Staffing will probably constitute the largest portion of a childcare social enterprise's revenue costs. Given this, it is absolutely essential that they are controlled effectively. On the other hand, keeping costs down at the expense of losing quality standards is likely to be counter-productive. Should any type of social enterprise fail to meet the social objectives set by its members, then it must be regarded as a failure – whatever economic results it achieves.

Staffing should be recognised as a key challenge – possibly the most difficult – facing a childcare social enterprise. The sudden rise in demand for childcare has meant that there are too few trained, skilled and qualified childcare workers. While wage rates remain low, it is difficult to recruit appropriate workers. This is particularly true for a social enterprise, which is seeking not only specific childcare skills, but also the right aptitude for working in a social enterprise.

Potentially, the character of a social enterprise provides an opportunity to recruit good people. Childcare workers who have in the past been undervalued by employers may be excited by the prospect of working in a social enterprise where they will be respected and involved in decision-making. In recognition of the sector's skill shortage, it is important that a social enterprise decides at an early point in the planning process how it will recruit the right staff. Indeed, preferably staff should be recruited not only prior to launch but before the business planning stage is completed – to incorporate workers into the planning process.

One means of tackling the skills shortage may be for a social enterprise to link with training bodies to recruit staff as soon as students have obtained their childcare qualifications.



A practical attempt should be made to assess the state of the relevant local labour market and the availability of relevant skills.

The business plan will have to show realistic staffing costs, based on the appropriate quality standards and the realities of the local labour market. A practical attempt should be made to assess the state of the relevant local labour market and the availability of relevant skills. This might be achieved by talking to other organisations that have recruited from that same market, and which can be regarded as partners or potential partners. Your EYDCP and your local authority's economic development unit may be able to provide helpful information. If research suggests that it may not be possible to recruit sufficient local people with relevant skills, then costs should be built into the business plan for the necessary training programme to create those skills. Ongoing financial projections should contain realistic budgets for ongoing training, to enable staff to follow a career plan.

You will need to provide details of the team involved in running the nursery. What roles are to be filled, when and how staff will be recruited; what qualifications and experience is required; what is the going rate for this; how will teams be managed. Show a diagram of staff teams and responsibilities.

There are legal requirements governing the number of qualified childcare workers present. Accordingly, the age profile of children cared for is a major factor in the cost structure of the business.

In a day nursery there must be one carer present for every three children under the age of two; one carer per four children aged from two to three years; and one carer per eight children aged from three to five.

In an out-of-school service, there must be one carer present per eight children up to the age of eight. Currently there are no regulations for supervision levels above the age of eight, but Ofsted intends to introduce these. Good practice as recommended by the Kids Club Network sets a limit of one carer per 12 children.

Limits on the numbers a childminder may look after are more complicated and Ofsted says that potential childminders need to consult them for a decision based on their personal circumstances.

Financial projections

Producing accurate projections of the finances of your social enterprise – in advance of establishment, projected over a period of five years ahead – is one of the most challenging elements of business planning. It is healthy to consider it as an exercise that will be a framework for you to manage your enterprise once it is established, rather than a hurdle to overcome to obtain funding.

The financial forecasts should consist of:

- **An opening balance sheet**

This is an inventory of your existing assets and liabilities.

The profit and loss forecast for the initial five years trading. This will show the expected level of profitability for your enterprise, reflecting what you anticipate will be your actual income and costs based on detailed research

into market and supplies. These will include the costs of borrowing, reflecting the need to borrow as shown in the cash flow forecasts.

- **Cash flow forecasts for the initial five years trading**

This is one of the most important documents, as it is the evidence for how much you will need to borrow. Cash flow liquidity is a very different issue from profit and loss. Many loss-making businesses survive for years because their customers pay them before their suppliers require payment. Equally, many profitable businesses go under because they have to pay their suppliers before they are paid by their customers.

- **Projected balance sheets**

You will need to provide projected balance sheets as at the end of each of the first five years trading.

- **Break-even analysis**

The reality is that your sales will contain an element of estimation – the professional-sounding word for guesswork. Those viewing your business plan will recognise that. It is therefore extremely useful for the documents based on these estimates to be backed up by a break-even analysis. This will contain a range of projections based on different estimates of trading volumes. In turn, this becomes an extremely useful management device when you are trading, to enable you to understand the implications of variations from the projected turnover. Remember, too, that increased turnover can generate unexpected losses – higher borrowing requirements, increased staffing needs. A break-even analysis is a useful document for lenders, who may use it to better understand the implications of variations in actual turnover compared with projections.

- **Funding requirements**

Based on the other financial projections, you will be able to draw up a schedule of borrowing requirements. These are likely to include a mix of short and long term loans, plus, perhaps, a substantial element of initial grant funding.

Note: It is normal with business planning to demonstrate only the first two or three years financial plans. However, childcare social enterprises will be required to project financial plans across a five year period if seeking support from the Neighbourhood Nurseries Initiative, to provide evidence of long-term sustainability – although financial support will be restricted to the initial three year period.

Risk analysis

You should demonstrate an awareness of the risks your business faces. What are these risks? How would you respond to them? How would these factors affect your cash flow, profitability and marketing plans?

Developing the business

Businesses that stand still tend to die. Your social enterprise needs to be dynamic and innovative. Your sensitivity to your users' needs may differentiate you from private sector competitors.

Market research does not finish once the social enterprise has started trading. Nor does user involvement. The best social enterprises evolve in line with the



changing demands of their users, the changing requirements of public bodies and other funders and the wider realities of the market place.

Just as businesses need to evolve to be sustainable, so, too, individuals across all the organisation are likely to need to be stretched, entertained and trained if they are to perform to their maximum capabilities.

Cluster development

Research has shown that social enterprises tend to cluster together. One of the causes is the effectiveness of support organisations – social enterprises are most likely to be sited where support is available. Some social enterprises emerge from others – a neighbourhood nursery emerging out of a development trust, or a retail co-operative society setting up a nursery, for example.

SEL is currently developing a model for social enterprise consortia operating in the childcare sector. This recognises the potential for mutual support for such activities as marketing, financial planning, borrowing arrangements and accreditation.

Ten tips on what works and what does not

What works:	What does not:
Empowerment	Imposition
Partnerships	Selling-out
Innovation	Ignoring research
Adaptation	Simple copying
Democracy	Bureaucracy

Empowerment

Community action is all about involving people and taking their views into account. Give people control over their environments and they are likely to be happy.

Imposition

However good your idea may seem to be, if there is no support for it there is no point in pursuing it.

Partnerships

Social enterprise is all about working with people: a childcare social enterprise may get nowhere without effective partnerships.

Selling-out

But effective partnership is not the same thing as selling-out. Social enterprises can face the temptation of focusing on the commercial at the expense of the social. Their role is to combine the two. A joint venture with a major business is not worth pursuing if it alienates your own membership.

Innovation

The best social enterprises have found novel solutions to problems which might never have emerged out of the public or private sectors.



Ignoring research

But market test it before you commit yourself.

Adaptation

Learn from what other social enterprises have achieved and look internationally, some British projects have adapted schemes that worked in France and India, for example.

Simple copying

But adapting is different from copying: the cultures, legal frameworks and demographics in France and India, for example, are very different from London, what works abroad is only likely to work here if adapted, or may not work at all.

Democracy

Don't forget whose organisation the social enterprise is: it's the members'.

Bureaucracy

But some of the most commercially successful social enterprises ended up losing sight of the difference between democracy and bureaucracy: one involves people and the other alienates them, but both can involve detailed processes.

Dos and don'ts for writing a business plan

Do

- Keep it short, focused and readable
- Research the target readership
- Draft and re-draft to improve it
- Organise it effectively
- Consult as widely as appropriate
- Address fully any possible bones of contention
- Outline the qualities and skills of the management team
- Use diagrams and charts for clarity
- Use the simplest language possible to avoid possible misunderstandings
- Provide an executive summary

Don't

- Be too optimistic in estimating income potential or enthusiastic reactions
- Neglect to point out the 'obvious' benefits of the product or service
- Use long words, technical jargon and long sentences
- Make assumptions on the reader's behalf
- Neglect help from appropriate sources such as accountants or banks
- Forget who you are writing for
- Forget the contingency aspects of the plan

Useful resources

Further reading / Bibliography

Child's Play – New Mutual Models for Childcare
MUTUO, 2002

Childcare for all – Thinking big, Briefing papers 2001
Daycare Trust

Focus briefings produced by the Daycare Trust for
the Department for Education and Skills, 2001/2002
Daycare Trust

Childcare for London: Social Enterprise Solutions
Daycare Trust for Social Enterprise London, 2001

Nursery World, Periodical
TSL Education, London, UK

How to Market a Multi-stakeholder Social Enterprise
Social Enterprise London, 2002

Social Enterprise: Organizational and Development issues
Social Enterprise London, 2001

Introducing Social Enterprise
Social Enterprise London, 2001

Creche Barriers: how Britain can grow its childcare industry
Helen Wilkinson, Genderquake and Demos, 2001

Key note Childcare Market Report 1998

Starting Strong: Early Childhood Education and Care
OECD, 2001

Government bodies

Department for Education and Skills (DfES)
Caxton House, Tothill Street, London SW1H 9FN
Tel: 0870 000 2288 Fax: 01928 794248
E-mail: info@dfes.gsi.gov.uk
www.dfes.gov.uk

Early Years Development Childcare Partnerships (EYDCP)
Caxton House, Tothill Street, London SW1H 9FN
Tel: 0870 000 2288 Fax: 01928 794248
E-mail: info@dfes.gsi.gov.uk
www.dfes.gov.uk/eydcp/

Office for Standards in Education (OFSTED)
Alexandra House, 33 Kingsway, London WC2B 6SE
E-mail: earlyyears@ofsted.gov.uk
www.ofsted.gov.uk

Regeneration initiatives

Neighbourhood Renewal

Neighbourhood Renewal Unit, 4th Floor C/5, Eland House,
Bressenden Place, London SW1E 5DU

Tel: 020 7944 8383

E-mail: neighbourhoodrenewal@dtlr.gsi.gov.uk

www.neighbourhood.dtlr.gov.uk/overview/index.htm

New Deal for Communities

Neighbourhood Renewal Unit, 4th Floor C/5, Eland House
Bressenden Place, London SW1E 5DU

Tel: 020 7944 8383

E-mail: neighbourhoodrenewal@dtlr.gsi.gov.uk

www.neighbourhood.dtlr.gov.uk/overview/index.htm

Sure Start

Level 2, Caxton House, Tothill Street, London SW1H 9NA

Tel: 020 7273 4830 Fax: 020 7273 5180

E-mail: sure.start@dfee.gov.uk

www.surestart.gov.uk/home.cfm

National childcare organisations

The British Association for Early Childhood Education

136 Cavell Street, London E1 2JA

Tel: 020 7539 5400 Fax: 020 7539 5409

Email: office@early-education.org.uk www.early-education.org.uk

ChildcareLink

Tel: 0800 096 0296

E-mail: childcarelink@opp-links.org.uk www.childcarelink.gov.uk

Childworks

Tel: 020 8768 1333 Fax: 020 8768 1333

Email: Enquiries@childworks.co.uk www.childworks.co.uk

Daycare Trust

21 St Georges Road, London SE1 6ES

Tel: 020 7840 3350 Fax: 020 7840 3355

Email: info@daycaretrust.org.uk www.daycaretrust.org.uk

Kids Clubs Network

Bellerive House, 3 Muirfield Crescent, London E14 9SZ

Tel: 020 7512 2112 Fax: 020 7512 2010

E-mail: information.office@kidsclubs.org.uk www.kidsclubs.com

National Day Nurseries Association

16 New North Parade, Huddersfield HD1 5JP

Tel: 01484 541641

E-mail: info@ndna.org.uk www.ndna.org.uk

National Childminding Association (Head Office)

8 Masons Hill, Bromley Kent BR2 9EY

Tel: 020 8464 6164 Fax: 020 8290 6834

E-mail: info@ncma.org.uk www.ncma.org.uk

Playgroup Network

PO Box 84, Middlesbrough, Cleveland TS7 0XT

Tel: 0191 2305520

E-mail: playgroupnetwork@playgroup.fisnet.co.uk

www.playgroup-network.org.uk

Pre-School Learning Alliance

69 Kings Cross Road, London WC1X 9LL

Tel: 020 7833 0991 Fax: 020 7837 4942

Email: pla@pre-school.org.uk www.pre-school.org.uk

Professional Association of Nursery Nurses (PANN)

PAT Head Office, St James' Court, Friar Gate, Derby, DE1 1BT

Tel: 01332 372337 Fax: 01332 290310

E-mail: hq@pat.org.uk www.pat.org.uk

General contacts

Association of Local Co-operative Development Agencies

c/o Co-operative Union, Holyoake House,
Hanover Street, Manchester M60 0AS
Tel: 0161 246 2900 www.co-opunion.coop

Avon CDA

The Coach House, 2 Upper York Street, Bristol BS2 8QN
Tel: 0117 989 2536

Business Link for London

Client Services Team
6 New Bridge Street, London EC4V 6AB
Tel: 0845 6000 787 Fax: 020 7010 0000
Email: hotline@bl4london.com www.bl4london.com

Cambridge CDA

Alex Wood Hall, Norfolk Street, Cambridge CB1 2LD
Tel: 01223 360 977 www.colc.co.uk/cambridge/ccda/

CDA Dorset

56 Dorchester Road, Lytchett Minster, Poole BH16 6JE
Tel: 01202 620 050 www.cda-dorset.com

CDA Luton

The Innovation Centre, Adelaide Street, Luton
Tel: 07092 224 889

Co-active Ltd

25 Wolseley Close, Plymouth PL2 3BY
Tel: 01752 500 888

Confederation of Co-operative Housing

Unit 19, 41 Old Birley Street, Hulme, Manchester M15 5RF
Email contact: info@cch-uk.org www.cch-uk.org

Co-operation Black Country

Social Economy House, Victoria Street, West Bromwich B70 8ET
Tel: 0121 553 2620 www.socialeconomy.org

Co-operative Assistance Network Ltd

12 Bellevue Road, Southampton SO2 0AE
Tel: 023 8071 0622 www.co-op-assist.co.uk

Co-operative Bank

New Century House, Manchester M60 4ES
Tel: 08457 215 215 www.co-operativebank.co.uk

Co-operative Solutions Limited

Denmar House, River Way, Harlow CM20 2DP
Tel: 0845 458 1137

Co-operative Union

Holyoake House, Hanover Street, Manchester M60 0AS
Tel: 0161 246 2900 Fax: 0161 831 7684
Email: info@co-opunion.org.uk www.co-opunion.coop

Coventry & Warwickshire CDA

Doe Bank Building, Doe Bank Lane, Spon End, Coventry CV1 3AR
Tel: 024 7663 3911 www.cwcda.co.uk

Cymru-Wales Co-operative Development Association

Baltic House, Mount Stuart Square, Cardiff CF10 5FH
Tel: 029 2046 2222

Development Trusts Association

2-8 Scrutton Street, London EC2A 4RT
Tel: 08454 588 336 www.dta.org.uk

Employee Ownership Scotland

Robert Owen House, 87 Bath Street, Glasgow G2 2EE
Tel: 0141 554 3797 www.eos-online.co.uk

Greenwich CDA

2nd Floor, The Forum@Greenwich, Trafalgar Road, London SE10 9EQ
Tel: 020 8269 4880 Fax: 020 8269 4899
Email: info@gcda.org.uk www.gcda.org.uk

Hackney Co-operative Developments Ltd

62 Beechwood Road, Hackney, London E8 3DU
Tel: 020 7254 4829 Fax: 020 7249 0205
Email: hackney.co-op.development@teleregion.co.uk www.hced.co.uk

Harlow CDA

Latton Bush Centre, Southern Way, Harlow CM18 7BL
Tel: 01279 446 446 www.harlow.gov.uk/business/cda/cda/htm

Humberside CDA

57a Chanterlands Street, Hull HU5 3ST
Tel: 01482 449 877

Industrial Common Ownership Movement (ICOM)

Holyoake House, Hanover Street, Manchester M60 0AS
Tel: 0161 246 2954

Lambeth CDA

The Co-op Centre, 11 Mowll Street, London SW9 6BG
Tel: 020 7582 0003 Fax: 020 7793 0426
Email: lambeth-cda@go2.poptel.org.uk www.lcda.org.uk

Lancashire CDA

Charter House, 20 Winckley Square, Preston PR1 3JJ
Tel: 01772 203 692 www.lcda.org.uk

Leicester & County CDA

New House, 94 New Walk, Leicester LE1 7EA
Tel: 0116 222 5010 www.lccda.co.uk

Local Government National Training Organisation

Layden House, Turnmill Street, London EC1M 5LG
Tel: 020 7296 6600 www.lgnto.gov.uk

Local Investment Fund

123 Minorities, London EC3N 1NT
Tel: 020 7680 1028 www.lif.org.uk

London Rebuilding Society

227c City Road, London EC1V 1JT
Tel: 020 682 1666 www.londonrebuilding.com

Mutual Aid

48 Osborne Road, Brighton BN1 6LQ
www.co-op.org/mutualaid/home_map.htm

New Economics Foundation (NEF)

Cinnamon House, 6-8 Cole Street, London SE1 4YH
Tel: 020 7089 2800 www.neweconomics.org

Northamptonshire CDA

214a Kettering Road, Northampton NN1 4BN
Tel: 01604 259 700 www.ncda.demon.co.uk

Oxford, Swindon & Gloucester Co-op

New Barclay House, 234 Botley Road, Oxford OX2 0HP
Tel: 01865 249241 www.osg-co-op.co.uk

Sheffield Co-op Development Group Ltd

Aizlewood's Mill, Nursery Street, Sheffield S3 8GG
Tel: 0114 282 3100

Small Business Service (SBS)

Kingsgate House, 66-74 Victoria Street, London SW1E 6SW
Tel: 0114 259 7788 Fax: 0114 259 7330
www.sbs.gov.uk

Social Economy Agency

45-47 Donegall Street, Belfast, Northern Ireland BT1 2FG
Tel: 028 9096 1115 www.socialeconomyagency.org

Social Enterprise London

1a Aberdeen Studios, 22-24 Highbury Grove, London N5 2EA
Tel: 020 7704 7490 Fax: 020 7704 7499
Email: info@sel.org.uk www.sel.org.uk

Social Enterprise Sunderland

44 Mowbray Road, Hendon, Sunderland SR2 8EL
Tel: 0191 565 0476 www.hendon-hub.org.uk

Social Firms UK

The Kingsfield Centre, Philanthropic Road, Redhill, Surrey RH1 4DP
Tel: 01737 764 021 www.socialfirms.co.uk

South East Hants & Wight CDA

c/o 44 High Street, Fareham, Hants PO16 7BN
Tel: 023 9235 0035

Southampton Area CDA (SACDA)

12 Bellevue Road, Southampton SO15 2AY
Tel: 023 8023 0529 www.co-op-assist.co.uk/sadca/

Tower Hamlets CDA

Business Development Centre, 7-15 Greatorex Street, London E1 5NF
Tel: 020 7247 1056 Fax: 0870 733 6532
Email: thcda@co-ops.co.uk

UNISON

1 Mabledon Place, London WC1H 9AJ
Tel: 020 7388 2366 www.unison.org.uk

Wales Co-operative Development & Training Centre

Llandaff Court, Fairwater Road, Cardiff CF5 2XP
Tel: 029 2055 6153



The 'Social Enterprise Guide To' Series is a series of booklets that have been designed by SEL to provide practical help in developing social enterprises in a variety of sectors including Childcare, Housing, Health and Social Care for the Elderly, and the Environmental Recycling sector.

The Childcare Guide is aimed at social entrepreneurs, community groups and organisations, voluntary sector organisations, and public sector organisations. Indeed, they are for anyone who is considering starting up, undergoing a process of transition, or in the early phase of developing a social enterprise in this sector.

This Guide provides practical case studies of social enterprises operating in the Childcare sector, as well as a sector analysis, an exploration of the market opportunities, and business planning tips.

Social Enterprise London

1a Aberdeen Studios
22-24 Highbury Grove
London
N5 2EA

Telephone 020 7704 7490

Fax 020 7704 7499

E-mail info@sel.org.uk

Website www.sel.org.uk

£10.00

ISBN 0-9540266-3-2

