

# hempsall's

Your partner to achieve change and opportunities for children and families



## **Change, sustain, grow**

**Business support for early years  
and childcare businesses**

**Updated for 2022-2023**

## Services from Hempsall's for:

- Business support strategy
- Development of tools and resources
- National and local implementation
- Supporting local authority capacity and delivery
- Direct delivery of effective provider business support

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*Winners of the 2020 SME-News Best Preschool Education & Childcare Training Consultancy, UK Enterprise Awards.*

*Corporate LiveWire Global Awards: Childcare Training Consultancy of the Year 2020.*

*Registered and accredited by ISO 9001:2015.*



## Foreword: James Hemsall OBE

Accessible and affordable childcare supports families to work or train, and good quality pre-school experiences support children’s cognitive and emotional development, aiding transition between home and school, improving school readiness<sup>1</sup>, and social mobility.

There is a large and growing body of evidence demonstrating the lasting impact of good quality early years childcare, and the savings in future expenditure that can be made by investing in children aged under five years old (e.g. Field 2010)<sup>2</sup>. In 2008, a Joseph Rowntree Trust report concluded appropriate childcare could move between a sixth and a half of children out of poverty. A 2012 DfE research report<sup>3</sup> evidenced learning or education starting at an early age had a direct impact on the attainment of children. Other studies have found a quality pre-school experience can boost children’s all-round development and is particularly beneficial for least advantaged children, which has been the basis of funding least advantaged two-year-olds for 15 hours per week since 2013.

Good quality early years education is regarded as the corner stone of social mobility. The Government plan ‘Unlocking Talent; Fulfilling Potential’ (December 2017) aimed to recognise opportunity is not equally spread across the country and is based on equal opportunity starting with education<sup>4</sup>. The Plan outlined four key ambitions: close the word gap in early years; close the attainment gap in school while continuing to raise standards for all; high quality post-16 education chances for all young people; and everyone achieving their full potential in rewarding careers.

To achieve these ambitions, we all rely upon an early years and childcare sector, made up of all types of provider. All of whom need to be able to change in response to changing needs, demands and preferences, and to adapt to emerging and new government policy. The business of sustaining settings whilst balancing quality, the workforce and such change becomes more and more complex every year. **This is where we can help.**

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<sup>1</sup> Effective Pre-school Education, Institute of Education (2004)

<sup>2</sup> Field (2010) ‘The Foundation Years – preventing poor children becoming poor adults’: <http://webarchive.nationalarchives.gov.uk/20110120090128/http://povertyreview.independent.gov.uk/media/20254/poverty-report.pdf> Accessed July 2018

<sup>3</sup> DfE (2012) ‘Achievement of Children in the Early Years Foundation Stage Profile’: <https://www.gov.uk/government/publications/achievement-of-children-in-the-early-years-foundation-stage-profile> Accessed August 2018

<sup>4</sup> Social Mobility Action Plan: Delivering Equality of Opportunity through Education <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2017-12-14/HCWS347/> Accessed July 2018

## Over 25 years of supporting early years and childcare businesses

Our business support services offer the additional capacity or skills you need or provides an independent and objective approach. Whether it be a proactive approach, information sharing, networking, business health checking or in-depth reviews, problem solving, or new implementing ideas or policy, we are pleased to help.

We've developed thousands of childcare places, supported and challenged the implementation of the Childcare Act (2006) childcare sufficiency duties, shaped the delivery of Sure Start local programmes and children's centres, and supported the national implementation of early learning for two-year-olds and childcare for 30 hours.

Throughout this work, we have found:

- **Providers range widely.** From large highly sophisticated organisations through to small provision with little or no business acumen. This presents all sorts of challenges in how such support is approached.
- **Approaches vary.** It is common for some providers not to have up-to-date business or marketing plans, cashflow forecasts or understand their breakeven points. And settings often do not dedicate sufficient time to these aspects of their businesses. Others do.
- **Business confidence and skills are wide-ranging** as is the appetite and motivation to access business support and apply it and trust others to help.
- **Providers have much to manage.** They must achieve a balance of matching supply with demand, delivery of funded entitlements, other income and charging for additional services, quality and legal requirements (Ofsted, HR, H&S), rising costs of delivery, and pressures on families for the cost of living and affording childcare.

### The continued impact of COVID-19

All of these factors remain and have put all providers under further pressure, and additional change requirements have emerged. Throughout this unique experience, we found providers receiving entitlement funding had their income largely protected. Many benefited from furloughing and self-employment grants (SEIS), although parent fee income dropped significantly – and the recovery to pre-pandemic demand has been varied. This is adversely affecting private day nurseries, smaller providers, those with highly qualified staff, and/or those based in disadvantaged areas<sup>5</sup>.

Closures due to self-isolation add extra pressure. Wraparound care/pre-schools who relied on collaborations and out of school (OOS) settings offering services for older children may be lost as parents reduce the hours they need, or seek out a single provider, or as schools set policies that adversely affect the sector. New relationships and partnerships have needed to be forged and maintained.

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<sup>5</sup> institute for Fiscal Studies - IFS (2020) Challenges for the childcare market: the implications of COVID-19 for childcare providers in England [Challenges for the childcare market: the implications of COVID-19 for childcare providers in England - Institute For Fiscal Studies - IFS](#)

Providers remaining open during summer 2020-21 reported higher occupancy levels. Some settings closed for good, and experienced staff left the profession. In contrast, there were new market entries, new childminder registrations, takeovers and chain growth, and new group-care openings. Possibly showing local demand patterns shifting to different provider types and geographical locations.

## How we support early years and childcare providers and local authorities:

Here is a summary of our work and experience, each section is expanded upon in this document if you need to find out more:

<p>Figure 1.</p> <p><b>STRATEGY FOR NOW AND LATER</b></p>	<p><b>1. National programme leadership</b> For over 10 years we have been leading the national roll-outs of key early years and childcare policy, change management and its implications on the sector’s business models.</p> <p>Our projects have included DfE’s Achieving Two-Year-Olds 2012-2016, Childcare Works (30 hours) 2016-2020, DfE Take-Up and Business Map 2020-2021, Holiday Activities and Food (HAF) programme (2021-present), and HMRC Tax Free Childcare take-up 2021-2022).</p>
<p><b>2. Business support strategy</b> We’ve designed and delivered LA wide, regional and national sector business support, training, research and consultancy. This includes information sessions, training workshops and confidential coaching and one-to-one support for providers.</p> <p>This has included the offering business helplines, development work, and local tools to support business planning and sustainability enabling dynamic responses to supply and demand.</p>	<p><b>3. Helping LA early years teams</b> We’ve been business support officers ourselves and have supported sufficiency leads, Heads of Early Years with leadership, research, planning, policy development, securing funding, developing and presenting business cases, market management strategies.</p> <p>This year, childcare market management strategy development through a COVID-19 impact lens is key to support changing need and demand for paid-for childcare and entitlements.</p>
<p><b>4. Business support officer networks</b> Those supporting providers need help too. We offer market management team training and one-to-one coaching sessions that provide an overview of Childcare Act (2016) duties, how the strategy fits, levers and how we use them to facilitate change. We can build confidence and application of business planning tools and resources as well.</p>	<p><b>5. Research</b> We now deliver Childcare Sufficiency Assessments with a COVID-19 impact focus. Our services include elements of an assessment, such as provider consultations, online questionnaires, interviews, and impact assessments or full project management of the entire CSA process.</p>

A key element of any strategy is the ability to match providers' business support needs with methods that connect, communicate and increase business confidence:

<p><b>6. Online information sessions and training workshops</b></p> <p>Over the years we have given business support to 1,000s of early years and childcare providers. In recent times, online methods have opened this opportunity up much more widely than before.</p> <p>Our information sessions are provided for 20-200 at a time, and active training workshops for 15-20 providers so they are more interactive.</p>	<p style="text-align: right;">Figure 2.</p> <p style="text-align: center;"><b>PROVIDER SUPPORT THAT REACHES AND ENGAGES</b></p>
<p><b>7. Confidential one-to-one support</b></p> <p>Because group work isn't appropriate for all of the time, we work with providers to provide confidential whole setting business support with individuals or teams of leaders and managers.</p> <p>This helps examine in detail issues affecting business delivery, financial models and sustainability and achieves change through mentoring and coaching. Including maintained nursery schools, pre-schools and nurseries.</p>	<p><b>8. Business health checks</b></p> <p>We've been helping early years and childcare settings to audit their business health and use findings in business sustainability planning.</p> <p>We have worked with settings including maintained, MNS, PVI and voluntary management committee settings to complete business health checks. We have effective management and governance whilst increasing quality and financial resilience.</p>
<p><b>9. Business support networks</b></p> <p>We think now is the time for LAs to convene sector led business support networks. These should place the importance of business skills in the centre, alongside the traditional emphasis on quality development.</p> <p>We can help with establishing, leading and facilitation of support networks for early years and childcare providers.</p>	<p><b>10. Whole setting reviews: MNS and others</b></p> <p>Sometimes a deep root-and-branch review is what a setting, organisation or leader/manager needs.</p> <p>Our consultants can lead a thorough and collaborative review of current issues to pinpoint opportunities and necessary changes, with suggested routes to put them into practice.</p>

## Strategy for now and later

### 1 National programme leadership

We have occupied a unique position in the national roll-out of early years and childcare entitlements over the past 15 years. We've been alongside local authorities (LAs) and all types of provider in making sense of the implications and requirements of several high-profile programmes, through DfE commissions:

- Network facilitation, training and consultancy support for **Childcare Act (2006) duties** for childcare market management, childcare sufficiency, information and access to training and support (2007-2010).
- **Achieving Two-Year-Olds (2012-2016)** supporting and challenging LAs and providers in the implementation of up to 15 hours free early learning for the 40% least advantaged two-year-olds. This remains a key objective of the Government's social mobility and childcare policies and offers. [www.hempsalls.com/a2yo](http://www.hempsalls.com/a2yo)
- **Childcare Works (2016-2020)** national support contract working with providers and LAs on the implementation of the extended entitlement to 30-hours for working parents. [www.hempsalls.com/childcare-works](http://www.hempsalls.com/childcare-works)
- **Business Map and increasing two-year-old take-up (2020-2021)**. With changes to the childcare market and the effects of COVID-19, DfE commissioned us to develop and deliver provider business support through our new Business Map tool, and to work with all LAs on refreshing two-year-old take-up across the country, and in 20 target areas specifically.
- **Holiday Activities and Food (HAF) programme (2021-present)** national programme leadership, support and challenge working with LAs on behalf of DfE. Provision of holiday activities and food for children eligible for free school meals during school holidays.

We knew all of these reforms would bring many challenges and our team has developed a remarkable experience in finding solutions and has fostered impressive relationships with LAs and a deep understanding of the needs of providers. Throughout, we have provided a data and intelligence-led approach, where our universal offer was overlaid with resources for targeted programmes.

### 2 Business support strategy

In our experience, we have come to the conclusion that LA EY business support strategies need to address five key elements:

1. **Needs identification and analysis.** Identifying the current positions as a starting point for business skills, needs and demands, training and development. And using this data to track the impact of and difference made by previous interventions.
2. **Information for all providers and partners.** Information alone can make a huge difference for many providers. It is all they need. Providing the best quality information means we take time to digest, analyse and interpret information –



this is especially important when things are moving quickly, when things change, or when new programmes are emerging and being implemented.

3. **Resources and tools for providers and LAs to use.** Sometimes, information isn't enough and resources and tools for people to use makes a huge difference. They can guide direction and thinking and highlight key considerations in effective and efficient ways.
4. **Support when providers want it.** Asking for more help and support, either to make sense of information, or to use available resources and tools, is part of an valuable business support relationship. When the occasion arises, the sector needs to know who to go to and how, so extra support is accessed.
5. **Intervention when providers and the childcare market need it.** Like in any sector, sometimes the challenges become huge and feel unsurmountable. Unforeseen crisis, or what appear to be unsolvable problems can occur – including the risk of business failure and market deficiencies. Having the ability to deploy targeted interventions is massively important.

### **Deciding the level of intensity and investment**

In all five areas, there are decisions to be made in the development of strategies. The following table sets out advice for each section, starting with low intensity and building up to high intensity. Clearly, a deciding factor is the skills, capacity, capability and assets available to resource such strategies. We have included some suggested actions as a guide:

**Figure 3. How might a LA EY team construct a business support strategy?**

	Low intensity										High intensity
Needs analysis	Officer knowledge of emerging themes and issues.	Knowledge and provider input collated to identify trends and needs.	Ad hoc polls and surveys to find out more.	Snap surveys held on an ad-hoc basis.	Annual online snap surveys linked to the CSA or census data collection.	Annual audit of the business health of the sector.	Termly snap surveys.	Individual setting business needs reviews.	Sector audits as part of annual provider agreement confirmation and funding processes.		
Information	Providers access their own information sources e.g. national organisations, press etc.	Signposting and referrals to the latest information available.	Information shared on portals and sent to providers.	Analysis and summaries of information and guidance developed and shared.	Regular newsletters and bulletins.	Social media used to share information.	Regular (termly) provider business health and risk surveys.	Childcare sufficiency assessment includes business health measurements	Reports shared with providers, partners and members.		
Resources	Encourage membership of sector organisations inc. NDNA, PACEY, EYA, OOSA etc.	Ad-hoc sharing of information and links.	LA website pages/portals hold some tools and links.	Active signposting and orientation to existing tools and resources.	LA website pages/portals hold latest tools and links. List or directory of available resources and tools.	LA maintains and shares regularly up to date lists or directories of available resources and tools	Promotion of key national resources e.g. The Business Map.	Locally developed templates and tools.	Set of up-to-date local case studies and examples of what works.		
Support	Questions and queries responded to on demand.	Business support integrated into all LA contacts with providers and all support roles.	Encouraging peer support and informal networking.	Small group practical help to use information and resources.	Training workshops, courses, and qualifications for providers and LA staff	Business support networks for providers.	Regular/ termly business focussed surgeries	Dedicated business support officer or team offering individual practical help to use information and resources.	Seconded or temporary management role or time in settings where needed.		
Intervention	Self-complete: Business Health Check	Signposting to other sources of support and funding.	Supported completion: Business Health Check.	Low interest sustainability loans (repayable).	One-off sustainability funding or grant.	Ongoing sustainability funding or grants programme.	One-to-one confidential crisis led business support.	Full setting independent in-depth business review.	Regular one-to-one coaching and mentoring.		

### **3 Helping LA early years teams to deliver**

We can help with that extra capacity or capability you need. It might be strategy planning, coaching and mentoring, or advice and specialist input or training.

#### **Collecting and giving information and analysis**

We can provide an authoritative, reliable and up-to-date source of information to inform providers' business choices, decisions and actions. It is important to take time to digest, analyse and summarise information. As well as offering analysis and guidance, signposting and referring to other sources and tools. The cornerstone of information giving is the collection of it too, through provider business support surveys and childcare sufficiency assessments (CSA).

#### **Useful things to use**

Along-the-way, we have created various local and national tools and gold standard templates including: CSA research methods (2007-present); our **Finding Your Way Through** programme for COVID-19 response and change (2020); and the Hemsall's **Business Map** (DfE 2021). There's still a great need for developing bespoke tools and resources and writing and/or producing information packs for providers. The impacts of 30 hours, DfE guidance, funding arrangements and COVID-19 have all proven that to be true. We all need to retain a keen focus on sufficiency and sustainability and the dynamic impact of COVID-19 on need, demand, paid for childcare, entitlement take-up and delivery models.

#### **There when help is needed**

Being available for responsive support on demand through email, telephone or video conferencing remains vitally important. Support can problem solve, clarify information, and/or support the use of existing or new tools. There is a tremendous need to support often isolated and under-pressure providers to make decisions that are appropriate for their settings, teams and service users.

#### **Intensive support for intensive issues**

Making available targeted intervention to support action-planning through crises and emergencies is essential. This is needed when settings are identifying serious sustainability issues, in areas where there is a sufficiency need. Or when LAs are identifying market management gaps and risks. It includes signposting to or offering financial grant and/or loan funding - where this is thought to resolve the identified risk. Setting out clearly the deliverables and commitments of intervention support.

### **4 Business support officer networks**

There's a whole workforce out there all working to deliver similar or the same support. It can feel lonely, and as ever, there is value in collaboration and sharing ideas, information and resources. We are developing plans to create a business support network for all LAs. We hope to support you all to come together to share practice, develop skills and confidence, and connect up peer-to-peer support. Let us know if you would like to get involved [info@hemsalls.com](mailto:info@hemsalls.com)

## 5 Research

We are a leading independent provider of childcare sufficiency and early years research. Our specialism is to combine our early years, childcare, and children's centres sector experience with sound research skills. We have been providing such research since the first childcare audits in 1998, and the childcare sufficiency assessments from 2006. We have advised and supported a large number of LAs on their childcare sufficiency and childcare market management strategies. This has been through national Department for Education (DfE) support and challenge, Regional Government Offices, and Local Government Association (LGA) contracts.

Throughout this work our approach is to work in partnership with LAs, to complement internal staff resources and teams to add value to childcare research and market management requirements. We aim to establish positive and long-term relationships with you to support choices to deliver such tasks internally or through our services in the future. The outcome will therefore be a CSA you fully understand and engage with, that will have a long-lasting legacy. That means our CSAs do not sit on a shelf, they connect with how the LA develops strategy, creates plans and delivers for local children and families and the childcare and early years sector.

In terms of business support demands and training needs analyses, CSAs should absolutely be including regular consultation with the sector about their current and expected business health, and tracking changes in deliver models and parental demands, needs and preferences.

Ask for a copy of our CSA prospectus now [info@hempalls.com](mailto:info@hempalls.com)



## Provider support that reaches and engages

### 6 Online information sessions and training workshops

Managing an early years or childcare setting has always been a complex task. No-one has ever managed early years and childcare businesses through a COVID-19 pandemic before. And so, Hemsall's designed two key programmes: Finding Your Way Through; and the Business Map to assist with finding routes through managing childcare businesses, working through change, tackling the effects of COVID-19 response and developing new business planning approaches.



**Finding Your Way Through** launched in June 2020. Very many sessions have been delivered so far and have helped early years and childcare providers and LA early years teams in equal measure. Large group online information sessions, linked with smaller workshop style training groups – again delivered online – have unpicked the content of the information sessions and sought to support the practical application of the tools and resources. Many aspects are as relevant today as they were then. With the impact of the pandemic being felt in all ways across businesses and communities.



**The Business Map** was developed by Hemsall's as part of a DfE commission in January 2021. It uses tried-and-tested steps through a journey to support businesses to review themselves. It sets out a process to identify opportunities and risks and turn them into planning. The Business Map has been developed through the delivery of many information sessions and training workshops over recent years, months and weeks. As well as business planning support with hundreds, if not thousands, of early years and childcare settings, including large and small, group and home-based settings. All Business Map resources are hosted on the Foundation Years website and freely available for all to use.

We have developed a new support offer so providers can be supported through one or both of these programmes. They are useful for the most experienced and effective business managers, those who want to check and benchmark themselves against others' thinking, as well as those new to the role.

Programme		Cost ex VAT
a)	<b>Online information sessions</b> Typically 1.5 hours long for c.100+ providers at a time. The emphasis is one information giving and working through suggested content and recommendations. They need two staff to prepare, deliver and facilitate. There's an opportunity for Q&A, and we provide follow-up and a feedback/evaluation report.	£1,035 per session (two staff)
b)	<b>Online training workshops</b> Standalone or a natural follow on from an information session. Usually we cater for 12-15 providers for up to 2 hours. The advantage of these sessions is they can unpick in detail and in engaging ways the tasks and actions needed to put it all into practice. We need one staff member to prepare, deliver, follow-up, and feedback.	£690 per session
c)	<b>Take 3: online action planning workshops</b> for 12-15 providers. Three workshops linked together to work through action planning, with inter-session tasks, and support with progress. One staff member to prepare, deliver, follow-up, feedback/evaluation report.	£900 per programme
d)	<b>Take 6: online action planning workshops</b> for 12-15 providers. Six workshops linked together to work through action planning, with inter-session tasks, and support with progress. One staff member to prepare, deliver, follow-up, feedback/evaluation report.	£1,800 per programme

## 7 Confidential one-to-one support

Information sessions meet a lot of needs, and with the extra support through training workshops or action planning sessions many providers will be supported. There is though, an important part of this jigsaw puzzle. And that is one-to-one confidential support. Not all business support needs are appropriate for addressing in large or even small groups. Therefore, the provision of individual private support is needed. We think this is best offered from the outset and linked to a whole programme containing other (group or training) sessions.

There is a variety of one-to-one support options these include:

1. Follow up and action planning review sessions. Revisiting the content of group settings and checking how things are going, identifying any blocks, questions or queries. Supporting through the findings and honing appropriate actions as a result.
2. One off bespoke 1.5 hour one-to-one online business support meetings. These sessions - when delivered in conjunction with the local authority team - can also provide mentoring and coaching opportunities for local authority officers by working through individual business dilemmas with providers.
3. Extended and intense support to intervene and work through significant issues, supporting the setting to work through step-by-step a bespoke action plan to tackle identified challenges.

	Programme	Cost ex VAT
e)	<b>One-to-one support</b> Sessions usually last 1.5 hours each. There is often some need to read ahead and plan. They are charged at £300 each to include this preparation, delivery and follow-up. There is a discount for bundles of 10.	£300 each or £2,760 per 10 sessions.

## 8 Business health checks

For 10 years we worked with all the 140 voluntary, committee run early years settings across Northamptonshire. Our project 2000-2016 supported them to fulfil their governance and business responsibilities. A key strand of this work was the development and delivery of a comprehensive and regular business health check process. The tools we developed have been used in other areas too. Their benefit is the ability to promote business self-assessment and review, to inform business planning and leadership. Self-assessment is better when there is an opportunity for an independent and external view for support and challenge.

Business health checks should be an essential element of any business support strategy, and are a vital part of evidence gathering and research. We can help with tool development, direct delivery, and with incorporating business checks into sector research and in CSAs for example.

	Programme	Cost ex VAT
f)	<b>Business health checks</b> Supply of a checking tool, guidance to complete, a review, support and challenge session usually lasting 1.5-2 hours. Agreeing actions, signposts and referrals. They are charged at £300 each to include this preparation, delivery and follow-up. There is a discount for bundles of 10.	£300 each or £2,760 per 10 sessions.

## 9 Business support networks

We think now is the time for LA EY teams to approach business support networks in same ways that quality improvement has been traditionally undertaken. There needs to be a sustained, open and honest approach to the business needs of individual settings, parts of the sector, and the whole local childcare market. Business focused conversations, the sharing of information, soft skill development and training, and peer support are all possible outcomes from a networking approach. And we can help.

We recommend termly and regular cluster meetings which focus on business planning matters to make it a normal and expected part of all our transactions, not something pushed to the margins. We can provide a facilitated opportunity to support you to get this started, or to stand alongside you all the way.

	Programme	Cost ex VAT
g)	<b>Business support network</b> Standalone sessions or a termly programme of linked sessions. They can be sub-sector specific or include all types of provider together. Usually, we cater for small to medium sized groups of providers for up to 2 hours at a time. We need one staff member to prepare, deliver, follow-up, and feedback.	£690 per session

## 10 Whole setting reviews: maintained nursery schools and others

We regularly work with individual settings that want to stop-the-clock and look at all aspects of their organisation’s business. As independent and objective consultants we work with the manager or management team to explore the current position, and delivery arrangements, and costs and income. This will identify risks and things that could be done differently. We then develop an action plan and offer support to put it into practice. This has included maintained nursery schools, LA nurseries, pre-schools, and nurseries or small chains.

	Programme	Cost ex VAT
h)	<b>Whole setting reviews</b> A team of two experienced consultant to prepare, research, report and support the setting to work through an action plan.	Can range from 5-15 days depending upon the size and complexity of the identified issue.
i)	<b>Consultancy</b> per 7 hour day	£700

We’d love to hear from you

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Celebrating 20 years of training, research and consultancy: [www.hemsalls.com](http://www.hemsalls.com)

Work and lifestyle blog:

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Supporting 30 hours and all early years/childcare:

[www.childcareworks.com](http://www.childcareworks.com)

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