

PROGRESS REPORT - 1 May to 31 August 2003	
TO:	Business Development Manager Children Services, Education and Culture
Report Title:	Business Development and Support for Early Years Voluntary Sector Providers
Date:	12 September 2003
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1.0 SUMMARY

This report focuses on the work carried out with Community Nurseries; Playgroups; The Pre-school Learning Alliance; non-PSLA sessional providers and Southwark Childminding Association over the four months ending 31st August 2003.

It covers the scope of the support given in the period, the outcome of consultation with individual providers and the progress they have made to date.

The main thrust of the work was in the preparation of business plan templates for providers and supporting them in the completion of their business plans within the deadline specified in the contract. During this process a number of managerial issues and key challenges facing some of the providers were identified. These issues are addressed in the report and where appropriate recommendations made.

The report also addresses the issue of individual organisation's capacity to remain sustainable following the proposed reduction in funding from April 2004. An interim assessment identifying the risk factor on success potential for each organisation in terms of survival after funding stops is therefore included. This is based on discussions with providers, information gleaned from draft business plans, involvement in expansion programmes and my own observations.

1.1 Recommendations

The majority of community nurseries and two sessional providers have produced draft and completed business plans but all playgroups associated with the PSLA have yet to submit a plan. It is therefore recommended that this report be used as a framework for developing a preliminary operational plan for organisations with regard to commissioning and for determining further

support activities. It is further recommended that all groups be assessed for continued funding and/or commissioning on the basis of the following:

- Governance
- Leadership and management skills
- Organisation's ability to expand or innovate their services
- Risk factors on sustainability

2.0 SCOPE

The purpose of the consultancy was to support 3 groups of organisations in developing business plans, which focus on each organisation's ability to increase their income and service capacity and prepare them for the introduction of a commissioning arrangement. The following groups were identified.

Group A:	10 Community Nurseries.
Group B:	The Pre-school Learning Alliance and Southwark Childminding Association.
Group C:	23 Pre-school Learning Alliance playgroups and 3 sessional providers.

The tender also specified the following targets to be achieved by 22 December 2003.

1. Design business plan templates for all organisations in each of the 3 groups. The templates to include amongst other things, an assessment of current financial position, services being provided, future income potential and proposal for modernising or expanding current provision.
2. Each organisation in Group A to receive a minimum of 2 half-day sessions to develop their business plans.
3. Each organisation in Group B to receive a minimum of a half-day development session.
4. Each organisation in Group C to have individual business plan development visits.

Subsequent meetings and discussions with the Contract Manager have resulted in the requirement of agreed information about groups in relation to the following:

- Details of groups involved in expansion programmes;

- Indication from groups that are able to meet the proposed 50% withdrawal of council grant aid from 1 April 2004;
- Indication from groups that would not be able to sustain a 50% reduction and continue to operate at the existing level of service delivery.

3.0 OVERVIEW OF WORK CARRIED OUT

Business plan templates have been completed and issued to community nurseries, all playgroups and the 3 sessional providers.

3.1 Community Nurseries

Seven of the community nurseries have received between 2 and 5 business planning development sessions during the period. Six have submitted draft plans and one made a positive start but has yet to submit a draft.

Two already had draft business plans but incomplete financial plans. Both providers now have completed plans in place subject to modification in planned expansion.

One received one business planning session (2 hours) and has agreed a deadline for end of September 2003 to submit a draft plan.

In addition to one to one support in developing the business plans, a Strategic marketing course was arranged for nursery managers and management committee members. The course was well received with positive feedback although the number in attendance was significantly less than anticipated.

3.2 Pre-school Learning Alliance

Two consultation visits were made and support and guidance offered on developing the business plan. Ongoing negotiations and a shift in the original terms of reference has created some difficulty in making any meaningful assessment of the organisation's ability to survive after the 50% reduction in funding. It is anticipated that work will continue with this organisation until a business plan is produced.

3.3 Playgroups and Sessional Providers

Twenty-two playgroups received initial one to one visits and were subsequently issued with business plan templates specifically designed for this sector. Six of these have received follow-up support sessions and have

indicated a commitment to completing the business plans before the December 2003 deadline.

The three sessional providers received between 1 and 2 visits and have been issued with business plan templates. Two have produced basic draft plans and have received feedback. One is currently involved in expanding its services to create 33 new full day care places by the end of October 2003. All three will continue to receive follow-up support in the remaining weeks in September and throughout October to complete their business plans.

3.4 Southwark Childminding Association

Two consultation visits were made to this organisation followed by telephone support. A template for a written proposal was designed and issued. A proposal for continued support was subsequently submitted to Early Years for consideration.

3.5 Achievement of Targets

With 80% of the community nurseries submitting completed and near completed business plans, it is anticipated that the targets set for this group will be achieved within the specified time. However, this depends on commitment from the remaining 2 nurseries to work towards completion of their business plans and possibly intensive support for one of them.

A second wave of support sessions will be required to determine the outcomes for the Pre-school Learning Alliance playgroups. These are planned for mid-September to mid-October. The nature of these visits will be influenced by any decisions made in the light of this report.

Continuation of development work with the Pre-school Learning Alliance and with Southwark Childminding Association is subject to clarification following presentation of this report.

4.0 ANALYSIS OF GROUPS

4.1 Community Nurseries

Viability

Five community nurseries are currently involved in expansion programmes creating a total of 138 new full day care places and accessing revenue income of £745,200 over 3 years. Four of these are joint Sure Start/Neighbourhood Nurseries Initiative (NNI) projects and the other one a joint NNI/ Southwark Estate Initiative. A total capital funding of just over £1 million is expected from the New Opportunities Fund/Building Neighbourhood Nurseries (NOF/BNN) under the NNI scheme, Sure Start and Pool of London to create the new places.

Each project is at a different stage of development. A nine-place baby unit has already been completed at All Nations Community Nursery with a launch date scheduled for 22 September 2003. The other four projects are working towards completion deadlines of March/April and October 2004.

Of the remaining 5 nurseries, four have the potential to expand and have indicated that this would be an option to pursue in order to ensure survival after any withdrawal of Council grant aid. An estimated minimum of 58 new places could be created. Planned development and expansion for these four nurseries would rely heavily on funding from charitable sources since funding through NNI has already been designated and it is unlikely that any of these nurseries would be in a position to create new places within the next six months to qualify for spare NNI money caused by fall outs.

Only one organisation has indicated strongly that it would not be able to survive the proposed reduction in grant aid and maintain the existing level of service. This organisation is relatively small with only 24 places and targets children mainly in the 3 to 5 age group. This is the most vulnerable segment of the local childcare market in terms of competition from schools. The size constraint and competition would make it very difficult for the organisation to sustain itself in the long term with or without funding cuts.

Response to Proposed Withdrawal of Grant Aid

Whilst all the nurseries have expressed their concern over the proposed cut in funding, 90 % of them, to their credit, have been willing to explore alternatives and are beginning to review their services to find new ways of generating income. This shift in attitude is reflected in the draft business plans submitted to date. Alternatives being considered include current and proposed expansion as detailed above; making the service more flexible by offering breakfast clubs, wraparound care and focusing on the under 3's; dedicated places for children with special needs and targeting new markets such as high income earners and businesses.

Impact of fee increases

Although providers on the whole are seeking ways to generate new sources of income, the recent rise in weekly fees remains a real concern for them. Some providers have reported a drop in occupancy levels as parents unable to pay the new rate withdraw their children from the nursery. At the beginning of September providers were reporting between 30% and 40% drop in occupancy levels. For a small nursery with 20 places this represents a loss of between 6 and 8 places. It is difficult to know at this stage whether the increase in fees is the sole driver in determining withdrawal from the nursery. Quality of provision, children nearing the age when school will accept them in reception classes and parents' perception of and level of satisfaction with the current service may be determining factors. An increase in the fees could possibly be viewed as the last straw for those parents.

Managing the Expansion

A key issue for consideration for those nurseries that are currently in the process of developing and expanding their provision is the timing of the proposed reduction in Council grant aid. Reduction in funding in April 2004 coincides with the opening of new places for three of the nurseries. Together these nurseries plan to create 77 new places in April 2004. The fourth nursery will create a further 52 places in October 2004 moving from a position of managing a 24 place nursery to managing a total of 76 places over two sites.

There is also an issue of governance affecting all community nurseries. Many of the committees are made up of parents who not only have other commitments but also need to develop the skills required to steer the nurseries into self-sufficient organisations. As stakeholders in individual nurseries, a conflict of interest is bound to arise as parents try to balance their personal interest in keeping fees at what they consider to be an affordable rate against the interest of the organisation as a whole.

Although full occupancy is not expected at the outset, all four providers have a great deal of work to do to ensure the transition from managing a small setting to developing and managing larger provisions with greater potential for success is as smooth as possible. In particular, all four providers in this category will need to:

- Recruit and induct the full complement of staff needed to manage the new places;
- Acquire new equipment and fixtures and fittings which were not accounted for in the capital bids to Sure Start or Pool of London;
- Develop local advertising strategy to promote the new places;
- Develop policies and procedures in preparation for the management of a bigger organisation.
- Strengthen the management committees and build the operational capacity of the organisation in order to sustain the provision.

4.2 Pre-school Learning Alliance Playgroups

To date none of the providers in this group has produced a business plan. This is mainly due to time constraints (all groups in this category were closed from 18th July to the first week in September and the majority opened for half day sessions only) and arranging to see management committee members. This made it difficult to conduct the development visits and get the business plan started before they break for the summer.

Viability

This group has become increasingly vulnerable in the past year as schools are now admitting children at a younger age and broadening their remit under the Extended School initiative. Many providers do not believe they would survive a reduction in funding and in some cases have resigned themselves to inevitable closures. Initial assessment based on discussions with Play Leaders and management committee members reveals that:

- 14% (3) have been struggling to stay open. One has already closed following a fall in the number of occupied places to 2. A further two expressed serious concerns about filling the vacancies at the start of this current term. It is highly unlikely that these two providers will remain open by the end of December 2003.
- 36% (8) are uncertain about their future due to a number of factors including proposed rent increases, limited use of existing premises, forced relocation and rise in vacant places.
- 50% (11) are currently in a stable position and have the potential to extend their hours, merge with other providers or expand to full day care.

Key Issues

The key issues and concerns for this group are:

1. **Governance** - the management committee is made up almost exclusively of parents who resign when their children start school. In some cases committee members are not clear about their management responsibilities or simply lack the skills to develop and grow the provision.
2. **Ability to compete** - schools and nurseries cater for this same age group that has traditionally been the core segment for playgroups. Proposed Children's Centres together with the current trend of schools taking children at an early age will make it very difficult for playgroups to survive.
3. **Capacity** - the majority of playgroups only offer one session per day and have little opportunity to expand on existing site. The combination of space constraint and inflexibility in opening hours puts some providers in a very vulnerable position.

4.3 Sessional Providers

The three providers in this group face similar challenges to the PSLA playgroups and community nurseries. Two providers are in a fairly strong position and are likely to survive as they offer a broader mix of services. One

of these is currently expanding its services to provide full day care and expects to create 33 new full time places by the end of October. It is highly likely that these new places will attract NNI revenue funding which would minimise the impact of reduction in grant aid from the Council. The maximum NNI funding would be £178,000 over three years, assuming all 33 places are funded. This is subject to completion of a business plan, ability to meet NNI criteria and the amount of unallocated money remaining in the NNI pot.

The third provider in this group has extended its opening hours and has recently attracted ESF expanding day care funding. This group has been struggling to fill vacancies for its core special needs service in recent months and will find it increasingly difficult to maintain the service without a rise in fees. The survival of this provider is therefore uncertain and depends on its ability to merge with another playgroup and offer full day care.

4.4 Pre-school Learning Alliance

The viability of this organisation depends to some degree on the sustainability of individual playgroups. Each playgroup currently operates as a single entity with its own management committee, with financial, training and staff cover support from the PSLA. In its current form as an umbrella organisation for the playgroups, the PSLA's existence is compromised by the vulnerability of the playgroup sector as a whole.

The current pattern of support seem to vary according to the needs of individual playgroups ranging from a 'as the needs arise' basis to regular visits triggered by staff shortage or sickness. The funding pattern also appears to match the particular situation of the playgroups with those groups at the weaker end of the spectrum - struggling to stay open or uncertain of their future - receiving a higher level of financial support. 14% (3) of the playgroups in the stable position identified above receive very little or no financial support. The combined grant allocation for the financial year 2003/4 for these three is £573.44. This suggests the more autonomous the playgroups become the less reliant they are on financial and management support from the PSLA.

If this trend were replicated across all playgroups, the PSLA would need to review its role in relation to the development and sustainability of the playgroups it represent and within the context of recent changes and new initiatives in the childcare market.

4.5 Southwark Childminding Association

As mentioned earlier in the report a proposal to provide future services has been submitted by this organisation. Further support will be subject to any decisions made by Early Years Management team and instructions following the presentation of this report.

5.0 ASSESSMENT OF INDIVIDUAL GROUPS

This interim assessment identifies the risk factor on the survival potential of each organisation. It takes into consideration proposed reduction in Council grant aid, management capacity to explore alternative sources of funding to develop the organisation, opportunities for expansion and the overall drive and focus of individual nursery managers and committee members. All community nurseries and pre-schools face inevitable business risks because of competition in their current target market segment. Even without potential loss of funding, organisations focusing exclusively on children aged 3-5 years will become increasingly vulnerable as competition from schools increases.

Low risk:

Nurseries with 50 or more places, good management, low rent, opportunity to expand, focus and drive to develop the organisation.

Medium risk:

Nurseries with 30 to 50 places catering for children of different age groups (02; 2-3; 3-5) and with the potential to offer places to higher income parents, benefiting from other support such as low rent or a project of a community organisation, and the opportunity to expand services.

High risk:

Nurseries with up to 30 places and/or with little or no opportunity to modernise existing environment, caters exclusively for children in the 3-5 years group, little or no management support, pays near or market rent for the premises they occupy, little evidence of drive or focus to change the way the service is delivered and little knowledge of the childcare market.

Table one Community Nurseries

Organisation	Number of Registered Places	Potential to meet 50% Withdrawal in Funding	Proposed or Potential Expansion	Risk Factor on Survival - High, Medium, Low
All Nations Community Nursery	46	Larger nursery in a stronger position to deal with the reduction in funding by ensuring full occupancy.	Plans to create an additional 14 places making a new 60-place nursery	Medium risk. At full occupancy and average fee of £150 the nursery should be able to sustain its provision in the short term. The new 60-place nursery would ensure a higher success rate in the long term. The development of business and management skills together with the focus and drive for expansion would minimise the level of risk.
Bermondsey Community Nursery	24	Even with full occupancy a smaller nursery will find it more difficult to remain viable in the long term without other sources of funding.	Expansion in progress. 52 New places to be created on the Snowfields school site by September 2004	High risk without expansion. Joint Sure Start/NNI project. Revenue funding of £280,800 approved for new places only over three years. Combined new and existing places will build the volume needed for sustainability.
Copleston Children's Centre	24	Number of places makes it difficult to remain viable in the long term.	Unknown - awaiting business plan.	High risk based on current number of places. More information needed to determine future of organisation.
East Dulwich Community Nursery	20	Small number of places would make it difficult to	Additional 40 places to be	High risk. Joint NNI/Southwark Estate Initiative. Revenue funding of £216,000 and

		remain viable.	created by April 2004.	NOF/BNN capital funding of £120,000 approved. Opening of new 60-place nursery will reduce the level of risk.
Gumboots Community Nursery	30	Slightly larger capacity but may find it difficult to maintain current level of service without raising the fees.	Indications in business plan to create baby unit and expand the service.	Medium risk. Able to target parents in higher income bracket and operate two-tier fee structure. If baby unit were created, the nursery would be in a stronger position.
Happy Faces Community Nursery	24	Have struggled to keep the nursery going with only a fraction of the grant aid received by other community nurseries for the same number of places.	Additional 22 places to be created by April 2004	High risk. Joint Sure Start/NNI initiative to create 46-place nursery. Revenue funding of £118,800 approved. Opening of the new places will move the organisation out of a high- risk category into a viable project.
Rockingham Community Nursery	32	Slightly larger capacity but may find it difficult to maintain current level of service. Have raised fees and have lost some parents as a result.	Potential to expand on existing site. An additional 18 places could be created.	High risk. This nursery is located in the heart of an estate and most of the parents come from the Rockingham or surrounding estates. There is also scope to develop the services further by merging with Rockingham playgroup on the same site.
Rosalind Community Nursery	20	Would be difficult to continue the service without Council grant aid or other sources of	Expansion in progress. An additional 15 places will be	High risk. Management committee needs strengthening and business capability and skills have to be improved to remain viable. Joint Sure Start/NNI initiative. Revenue

		funding. Recent fee increases have resulted in unfilled places.	created by April 2004.	funding of £81,000 has been approved. Capital funding of £155,000 from Sure Start will create extra places.
SRC Day Nursery	60	Large established nursery in a strong position.	New housing development is planned for the area. There is a possibility of relocating to new premises when this happens.	This is a fairly strong organisation that has accessed a range of funding sources successfully in the past. Low risk with good management in place and the drive to continue to develop the organisation.
Welcome Community Nursery	28	Difficult to continue current level of service without Council grant aid or other sources of funding.	Potential to expand on existing site.	High risk but with good deal of drive and focus to develop the organisation. Would need to expand to remain viable in the long term.

Table two Pre-school Learning Alliance Playgroups and Sessional Providers

Organisation	Registered Places	Impact of 50% Withdrawal of Funding	Survival Potential	Risk Factors
Alleyn Community Playgroup	16	In receipt of almost 4% of total allocation. No scope to expand as space is used for after school club.	Low. Only 9 places occupied and low numbers on the waiting list. Unlikely to stay open for much longer without improving occupancy levels.	Direct competition from Gumboots - immediately next door. 44% vacancy. Little support from management committee.
Amott Road Pre-school	24	Relatively small funding allocation for 2003/4. Could survive loss of just over £700 per year.	Fairly strong. Has developed links with nearby school. Scope for expansion by merging with Rainbow after school and breakfast club	Loss of children to nearby school with reception classes.
Aylesbury Pre-school	16	Receives 2.5% of the total amount allocated to playgroups. This could be replaced by Sure Start funds in which case impact would be negligible.	Uncertain. No potential to provide extended day but had full occupancy at time of visit. Should be able to tap into Aylesbury Plus Sure Start money given the location of the provision.	Provision in the area is already near saturation. New Children's centre proposed for late 2004. At least 5 primary schools and three other playgroups operate close by.
Castlemead Playgroup	18 (24)	Reduced funding would result in loss	Fairly strong with potential to expand into under-utilised	In direct competition with Combergrove and Brunswick

		of support worker and threaten the quality of provision.	space currently in need of repair. Would need to put fees up to £70 per week for full time places to survive without PSLA funding.	Park primary schools, Hallelujah kids club, childminders and two other playgroups in the area. Threat of parents not able to pay leaving.
Colombo Street Playgroup	12	Would close due to high dependence on funding. Just over 6% of total allocation received for 12 places.	Already in a vulnerable position with only one session per day.	Competition from 5 primary schools in the area all with nursery classes. New 70 place development in nearby Stamford St. Small number of places makes the provision unviable.
Dyason Pre-school	20 (30)	In receipt of just over 4% of total allocation thus some aspect of the current service would be affected.	Fairly strong with positive Play leader. Working towards becoming self-sufficient and already providing extended day care for 10 children. Active management committee, experienced in working with children with special needs and large waiting list.	Competition from local primary schools - St John's, St Peter's, St. Mary's and English Martyrs - all with or opening up nursery classes.
Half Pints Pre-school	24 (32)	In receipt of almost 4% of total allocation but has funding from Sure	Established link with Sure Start provides potential for future funding. Already offering extended day with 16	Competition from proposed Children's centre, primary schools and other playgroups in the surrounding area.

		Start Aylesbury until 2005.	children each session. Most of the children come from Sure Start Aylesbury area.	
Kinderella Pre-school	24	Unknown but in receipt of just over 4% of total allocation.	Unknown	Competition from The Grove Nursery School
Linden Playgroup	20	In receipt of 3.6% of total allocation. Pays small rent and receives fundraising support from the TMC. Will use reserves to lessen impact.	Fairly strong group with potential to expand. New manager in post who is positive about exploring opportunities for developing the playgroup.	Competition from other near by playgroups, Nell Gwynn Nursery School and childminders.
Mustard Seed Pre-school	24 (34)	Little impact. Receives less than 0.5% of the total allocation and operates almost independently of the PSLA	Strong autonomous Church playgroup. Has stable management committee with co-opted representatives from the church.	Provision does not appear to be seriously threatened by factors affecting other playgroups. Ideal location with 34 children on register, constant demand and support from the church.
Rainbow Pre-school	16	In receipt of almost 4% of total allocation. Service will be affected.	Uncertain about its future. Only potential would be to merge with Butterfly playgroup and offer extended day.	Competition from local schools and other playgroups. Risk of parents leaving if fees are increased.

Rainbow Children's Centre	20	None - provision closed earlier this year due to low numbers.		
Rockingham Playgroup	16 (21)	In receipt of 12% of the total allocation and would not survive without funding.	Operates from the same building as the Community Nursery and is ideally placed to merge the two provision. Already offers extended day with 21 children in attendance.	Direct competition from Rockingham Community Nursery. Risk of parents leaving if fees were increased. Business and management skills need improving. Over-dependence on PSLA.
St Faith's Pre-school	21	In receipt of 3% of total allocation and service will be affected.	Shared use of space so little opportunity to offer extended day service.	Competition from 5 local primary schools and limited use of space.
St James' Pre-school	20 (27)	In receipt of 8% of total allocation and would find it difficult to survive.	No potential to expand on current site and will need to find new premises.	Parents are finding it difficult to pay increased fee. Rely heavily on PSLA funding. Must find new premises and re-establish the organisation.
St John's Playgroup	20 (30)	In receipt of 3.6% of total allocation but has Sure Start funding which would lessen the impact of reduced PSLA funding.	Already offering extended day service. Another provider uses the building for after school club thus not much scope to broaden the service. Current Sure Start funding ends in April 2004 but there is	Located in an area with lots of provision for target age group. Large increase in rent likely.

			an opportunity to apply for future support.	
St Jude's Pre-school	16	In receipt of 6% of total allocation so service would be seriously affected.	No potential to offer extended day as building is used in the afternoon.	Competition from local schools. Limited use of space. Development of management skills.
St Mary's Pre-school	26	None - receives no PSLA funding.	Playgroup operates under the umbrella of the church. Cannot expand at present but there are plans to refurbish the building. Has qualified special needs worker and strong management committee.	Competition from Early Years Centre other playgroups and childminders in the area.
Sunshine Corner Pre-school	24	Very little impact. In receipt of less than 0.5% of total allocation.	Fairly strong group operating within church premises. Experience of accessing other sources of funding. Has a stable management committee with representatives from the church.	Competition from two local schools and the Bosco Centre.
Tadworth Playgroup	16 (16)	Receives almost 10% of the total allocation. Reduction in funding would jeopardise the	Established and successful playgroup already offering extended day. Has successfully raised money for equipment and would be in a position to seek other sources	Competition from four local primary schools with nursery classes. Only sources of funding are PSLA and NEG. Already offering extended day so not able to expand any

		current level of service.	of funding if necessary.	further in current premises.
Upland Playgroup	16	In receipt of just over 1% of total allocation. Have not been able to fill vacancies and may have to close. In that case reduction in funding will have no impact.	Low. Have not been able to get NEG because none of the existing children were of the age to be eligible. No management committee and little support from parents. Cannot afford to pay the rent. Strong indication that project will close.	Competition from Goodrich Primary School. Eleven will be lost to Goodrich in September.
Whitefield Playgroup	20	In receipt of 3.6% of the total allocation. The level of service would be affected.	Established pre-school with stable management committee. Majority of children eligible for NEG. There is an estimated 75 children on the waiting list and extended day may be a possibility.	Competition from five schools with nurseries in the area. Parents waiting for a place at the playgroup might opt for a nursery place at one of the schools.
SESSIONAL PROVIDERS				
Camberwell After School Prolect		Loss of income (£3310) based on recommended grant for 2003/4.	Established organisation already offering a mix of services and exploring opportunities to expand its after school service.	Will face steep competition from new 80-place nursery being developed opposite.

Bosco Centre		Loss of income (£8989) based on recommended grant for 2003/4.	Established organisation a range of services. Expansion in progress to create 33 new full day places with potential funding from NNI.	Attracting parents who are able to pay market fees in order to provide sustainable childcare.
Butterfly Playgroup		Loss of income (£2696) based on recommended grant for 2003/4.	Fairly weak position with numbers falling. Can only expand on current site through merging with the Rainbow Pre-school.	Limited space. Risk of closure due to falling numbers. Ability to re-position itself as a special needs provider.

RECOMMENDATIONS

All the organisations included in this report share the common problems of governance, developing business skills and achieving sustainability. It is recommended that organisations be supported in the following areas.

- Audit of current management skills with a view to identifying skill gaps and enabling committee members, nursery managers, and play leaders to develop those skills;
- Review of the organisations' constitutions with a view to clarifying the roles and responsibilities of committee members and encouraging effective governance;
- Training, including people management, financial management, project management and fundraising in order to build capacity and ensure sustainability;
- Joint blanket advertising by Early Years and PSLA to recruit co-opted non-parent members on individual organisation's committee;
- Establishing a resource forum/centre where organisations can access legal, financial, marketing and management advice and support, and to act as a conduit for funding from charitable sources.