

The big picture

There are some new faces in our Top 25 table of nursery groups this year, and in our extensive directory too. *Catherine Gaunt* analyses the latest moves in both size and quality of the chains

This is the 15th issue of Nursery Chains. As we do every year, we are publishing the league table of the 25 biggest nursery groups in the UK.

Between them, these nurseries offer a combined total of 77,319 nursery places.

For this year's table, we have taken the decision to include only those nursery groups that are predominantly based in the UK, which means that while the Irish groups Cocoon Nurseries and Giraffe Childcare and Early Learning Centres are listed in the following pages we have not included them in the top 25 table because neither of them has settings in the UK.

Bright Horizons is the only nursery chain to have a presence in Ireland, with just eight nurseries out of a total of 2070.

This year's largest groups offer a combined total of 4,000 more places than last year – up from 73,223 in the 2012 league table, and own or manage a combined total of 1,030 settings.

The children's nursery sector has grown more than the economy over the past year and its overall value is now £4.6bn, according to Laing and Buisson's annual market report, which highlighted that nursery groups are a driving force for growth in the sector.

What is notable is the 'corporatisation' of the sector – the growth and development of nursery groups, which author of the report Philip Blackburn said are growing their share of the sector on average by 1 per centage point a year.

Nursery groups – that is those with three or more nurseries – account for nearly a quarter of the sector's capacity (22.7 per cent in June 2013).

This is up from 21.8 per cent in March last year, which the report says shows that 'further corporatisation

25 LARGEST NURSERY CHAINS IN THE UK

POSITION	2013*		NURSERY	SETTINGS	PLACES
	2013*	2012^			
1	(1)		The Busy Bees Group	213	19,597
2	(2)		Bright Horizons	207	16,059
3	(3)		Asquith Day Nurseries and Pre-Schools	77	5,836
4	(5)		Pre-School Learning Alliance	115	4,296
5	(6)		Childbase Partnership	47	3,771
6	(7)		The Co-operative Childcare	50	3,635
7	(8)		Bertram Nursery Group	32	2,714
8	(9)		Treetops Nurseries	34	2,527
9	(12)		4Children Nurseries	41	2,187
10	(11)		Kiddi Caru Day Nurseries	20	2,024
11	(17)		Mama Bear's Day Nursery	18	1,195
12	(15)		London Early Years Foundation	24	1,095
13	(22)		Tops Day Nurseries	15	1,090
14	(14)		Happy Days	15	1,061
15	(20)		Kinder Nurseries	11	1,056
16	(19)		Toad Hall Nursery Group	15	1,046
17	(19)		Kids 1st	9	962
18	(NEW)		Kids Allowed	5	950
19	(21)		Caring Daycare	12	930
20	(23)		All About Children	9	928
21	(18)		Safehands Green Start	13	893
22	(25)		Active Learning	9	888
23	(NEW)		Kids Inc	11	884
24	(NEW)		Tiny Toez	15	869
25	(NEW)		Kids Planet	10	837

*Figures as of 31 October 2013 ^Figures as of 31 October 2012

Nursery groups are growing their share of the sector

within the children's market is driving capacity growth'.

Average occupancy of nurseries operated by groups was 81 per cent in June 2013, compared to an overall average of 80 per cent for all nurseries in the sector.

The average size of nursery settings has also increased and now stands at 47 places, although the total number of nurseries did not increase.

The biggest deal of the year was the buyout by Bright Horizons of kid-sunlimited in April. The latter group, originally founded in 1983, was sold

to the global childcare company for £45m and the deal included the kid-sunlimited voucher business. Bright Horizons is an international company with headquarters in the United States, and operates more than 750 childcare centres worldwide.

This takes the group closer in size to Busy Bees in terms of the number of nurseries it operates, but Busy Bees remains the market leader and provides a significantly higher number of nursery places.

The top half of the table has remained largely static, with a ►

LEAGUE TABLES

MAKING THE GRADE: HOW DO THE CHAINS MEASURE UP?

LARGEST NURSERY CHAINS OFSTED REPORTS

1 (1) KIDS 1ST 9 out of 9 settings 1 new registration		4.33 (4.33)	11 (12) TREETOPS 34 out of 34 settings 1 new registration		3.18 (3.03)
2 (3) CHILDBASE 46 out of 47 settings 1 new registration		4.04 (3.83)	12= (NEW) ALL ABOUT CHILDREN 8 out of 9 settings 1 new registration		3.00
3 (NEW) KIDS ALLOWED 4 out of 5 settings 1 new registration		4.00	12= (15) BERTRAM 17 out of 32 settings 15 in Scotland		3.00 (2.88)
4 (5) HAPPY DAYS 14 out of 15 settings 1 new registration		3.71 (3.38)	12= (19) TOAD HALL 13 out of 15 settings 2 new registrations		3.00 (2.60)
5 (2) CARING DAYCARE 12 out of 12 settings		3.67 (4.00)	15 (14) LONDON EARLY YEARS FOUNDATION 24 out of 24 settings		2.83 (2.90)
6 (4) KIDDI CARU 20 out of 20 settings		3.40 (3.50)	16 (8) KINDER 10 out of 11 settings 1 new registration		2.80 (3.20)
7 (6=) BRIGHT HORIZONS 183 out of 208 settings 15 in Scotland, 8 in Ireland 1 in Wales 1 new registration		3.27 (3.30)	17 (16) PRE-SCHOOL LEARNING ALLIANCE 110 out of 115 settings 5 new registrations		2.77 (2.80)
8 (11) MAMA BEAR'S 16 out of 18 settings 2 new registrations		3.25 (3.15)	18 (6=) 4CHILDREN 32 out of 41 settings 1 in Sco, 8 new registrations		2.63 (3.30)
9= (10) ASQUITH 74 out of 77 settings 2 in Sco/1 in Wales		3.20 (3.16)	19 (18) CO-OPERATIVE CHILDCARE 48 out of 50 settings 2 new registrations		2.60 (2.64)
9= (13) BUSY BEES 191 out of 213 settings 16 in Sco/4 in Wales 1 new registration 1 unavailable (crèche)		3.20 (3.01)	20 (9) TOPS 13 out of 15 settings 2 new registrations		2.38 (3.18)

NOTES ON TABLE

- Compiled from the latest published Ofsted reports.
- The percentages given are based on the number of published Ofsted reports available for each group.
- For the purposes of our survey, in order to compare like with like, we have only included nurseries registered and inspected by Ofsted and excluded nurseries in Scotland, Wales, Northern Ireland and Ireland, which fall under different inspection regimes.
- Where Ofsted reports are unavailable, for example if settings are new registrations, we have discounted these.
- As inspections are carried out on average every three years, some of the latest inspection reports are more recent than others. This means that we have also included inspections carried out under the previous Ofsted inspection regime when nurseries were awarded separate grades for education and care. Where nurseries have been inspected for care and education 0.5 has been allocated for each grade.

Table rankings

We allocated points to each setting on the basis of their Ofsted report. For each group, the total number of points was then divided by the number of reports to give a final score. Red figures in brackets show last year's scores.





Outstanding: 5 points

Good: 3 points

Satisfactory: 1 point

Inadequate: 2 points

Key

	Outstanding
	Good
	Satisfactory
	Inadequate

few exceptions. Mama Bear's Day Nursery has jumped from 17th place to 11th in the space of a year. The group has just opened a new 80-place nursery in Bristol.

The Childbase Partnership has also acquired the six-setting group Grasshoppers Day Nurseries, adding nearly 300 more places to its total offer.

4Children is also now running nine more nurseries, in a move that takes its total number of settings to 42 and makes it the ninth largest group.

In terms of size, there is not much to separate the groups towards the bottom half of the table, with 15 offering between 800 and around 1,000 places.

NEW ENTRIES

There are four new nursery chains in the top 25 league table for 2013. Kids Allowed is the highest ranking group in 18th place, followed by Kids Inc, Tiny Toez and Kids Planet each offering more than 800 childcare places.

Each year brings new discoveries and this year is no exception, with seven new entries to the directory, which now includes details of 172 nursery groups.

They include the Scottish group Enchanted Forest, which operates four nurseries in Renfrewshire and plans to open a fifth before January next year.

Kinder Haven opens nurseries in converted pubs and churches, all in Bradford, and has just opened its fifth setting. It also plans to open another nursery in West Yorkshire in 2014.

New entries Lancashire-based Just Childcare and South Hills Nursery in Wiltshire also both operate five nurseries, and St George's Nursery Schools in Leicester has four settings.

Tenderlinks Day Nurseries has three nurseries in the London area. Lastly, Tommies Childcare has nine nurseries and pre-schools in the West Midlands, providing a total of 364 places.

For the third year running, we have also compared the Ofsted reports of the 20 largest nursery groups.

Kids 1st retains its position in the top spot with the highest proportion of outstanding nurseries.

Childbase has moved up from third spot last year to second place, with more than half of its settings graded outstanding.

The newest entry to the top 25 league table, Kids Allowed, is in third place, and all of its nurseries have been graded good or outstanding.

Existing providers are no longer required to tell Ofsted if they increase the places they offer

RESPONDING TO CHANGES IN PLACE REGISTRATION

We have always published the number of registered places for each nursery group alongside the number of settings and used that to determine the size of the group and whether it is accorded a position in our top 25 league table.

However, existing providers are no longer required to tell Ofsted if they want to look after more children.

With the drive to encourage providers to offer more places for two-year-olds, Ofsted's guidance allows nurseries, for example, to change the maximum number of children and change the age range in line with the space requirements and staff: child ratios set out in the EYFS. Ofsted will then judge at a provider's inspection if the arrangements meet the needs of the children.

Ofsted has been re-issuing registration certificates to providers without stating registered places.

However, inspection reports continue to show the total number of places that a setting offers and the number of children on roll.

Ofsted also continues to publish the quarterly registered provider and places statistics, which it uses to describe the size of the sector.

Such data has a vital role to play in enabling both Government and nursery providers to monitor the childcare market, both for funded places for two- three- and four-year-olds and to ensure there are sufficient childcare places for parents.

In light of these changes, we are considering reviewing how we present the data in the league table for next year's issue and would welcome your views.

Should we continue to publish the number of places that settings offer in the league table?

Describing groups purely in terms of the number of settings they own or manage would not give a clear picture of their capacity.

This year's highest new entry to the table is a perfect example. Kids Allowed has just five nurseries, but each of them offers more than 170 places and this means that overall this one group provides 950 nursery places. In this case, clearly not stating this nursery group's number of places would not give a true indicator of its capacity.

So, over to you. Please email your thoughts to *Nursery World* at nw@markallengroup.com