



Research and analysis

How early years multiple providers work

Published 28 October 2021

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Executive summary

In recent years, the number of Ofsted-registered providers that own 2 or more individual childcare settings, such as nurseries and pre-schools, has grown. Ofsted refers to these as multiple providers. Fifty per cent of all settings that provide childcare on non-domestic premises are owned by a multiple provider.

This report explores the roles and responsibilities within early years multiple providers in determining the quality and standards of early years provision. To do this, the report details how multiple providers work and the influence that they have on their nurseries’:

- curriculum decisions
- staff recruitment, training and retention
- policies and procedures
- budget setting and spending

Developing a greater understanding of multiple providers allows us to reflect on our current oversight, as a regulator, of these. It helps us to assess how well our current policy and practice can hold different levels of leadership and management accountable for the quality and standards of early years provision. At

the current time, we do not have the powers to inspect or report on multiple providers at provider level. We only inspect individual childcare settings.

This report draws on:

- evidence from interviews with 9 Ofsted regional colleagues
- interviews with 16 multiple providers
- questionnaires completed by 85 nursery and pre-school managers

The sample was not intended to be representative of the sector. It was selected through a mix of stratified and random sampling and participation was voluntary. We acknowledge that we are the regulator and therefore our sample may be skewed towards those who are happy and confident to speak to us about their processes and procedures.

Where we refer to nurseries or nursery managers throughout the report, this also includes pre-schools and pre-school managers.

Curriculum decisions

We found that multiple providers generally set the intent for the curriculum that all their nurseries deliver. Nursery managers have some input into curriculum intent, with the majority reporting they are able to influence the planning and sequencing of the curriculum to meet the needs of the children in their nursery.

Many multiple providers told us that they influence the implementation of the curriculum across their nurseries through setting frameworks or activities and experiences they expect all children to have at their nurseries. Some multiple providers also prescribe the ways their nurseries measure impact.

All the multiple providers we interviewed monitor the impact of the curriculum across their nurseries, with some of them monitoring this against specific targets.

Policies

The multiple providers we spoke to set the core content of all the policies that were used across their nurseries. They felt this enabled them to ensure that policies complied with legal requirements and were updated when there were any legislative changes.

Although nursery managers are responsible for the implementation of policies in their nurseries, multiple providers report that they regularly check and monitor understanding and implementation across their nurseries. Over half the nursery managers we spoke to reported that, if there was an ongoing incident in their nursery, their multiple provider would be involved in monitoring and overseeing it

alongside them.

Nursery managers told us that their multiple provider's ethos and values play out in the nursery's policies and working conditions. Nursery managers see this as an important reason why, in their opinion, their multiple provider is successful at retaining staff. They also stated that there are other important ways of retaining staff, which include: rewards, benefits and recognition; training opportunities and career progression; and high-quality childcare.

Management and staff deployment

Multiple providers told us that they allow staff to go on temporary placements across their nurseries to observe what the multiple provider judges to be good practice. At times, they will also send staff to other nurseries to cover absence. This was generally viewed positively by nursery managers, who felt that it allowed the sharing of best practice, enhanced knowledge and gave greater consistency than using agency staff.

Although this may facilitate staff development and other advantages across the multiple provider, a small number of nursery managers reported disadvantages for the individual nurseries where staff were on placement from. These included the disruption of relationships with key persons and well-being issues for the individuals who are on placement elsewhere, and disruption for the colleagues in the nursery that the individuals are on placement from.

Criteria for opening new nurseries

We explored what multiple providers consider when they look to open a new nursery or acquire an existing nursery.

Conversations with local authorities, other local providers and local schools help multiple providers understand the level of demand in the area. Many multiple providers reported that they felt only big nurseries were financially viable, with their recent acquisitions being settings with 70+ childcare places. Understanding market saturation and demand is therefore extremely important. Some multiple providers reported specifically working with local authorities to provide financially sustainable provision in more deprived areas.

Implications for Ofsted's policy and practice

It is not surprising that our findings demonstrate that the multiple providers we spoke to have a great deal of control and influence across their nurseries. In

some cases, such as with policy content, this reflects the legal responsibility that registered providers have in ensuring regulatory compliance across their early years settings.

Our findings highlight that multiple providers have a significant influence over the curriculum delivered, staff practice, and the quality of care, teaching and learning across their nurseries. We have used these insights to reflect on our current level of oversight of multiple providers. We have also considered how we can best work with multiple providers to identify systemic issues and secure improvement more quickly.

We feel that our oversight of multiple providers should evolve in a similar way to our work with multi-academy trusts (MATs) in the schools sector. We have a level of oversight of MATs through summary evaluations. These look at the extent to which a MAT is delivering high-quality education and improving pupils' outcomes. We will continue to have discussions with government to ensure that regulation sits where it has greatest impact.

Introduction

Over the last few years, more childcare settings are being run by multiple providers – that is, a provider with 2 or more individual childcare settings owned by the same individual or organisation.

This study seeks to provide a greater understanding of how multiple providers work in practice. This includes the influence that multiple providers have over what happens in their nurseries. Formalising this understanding allows us to reflect on our current engagement with and oversight of multiple providers and our current inspection policy.

Context

All registered early years providers in England are subject to Ofsted regulation and inspection. An early years provider is an individual or organisation that registers with Ofsted to provide childcare. Once registered, this individual or organisation is the 'registered person'. The registered person, rather than an individual setting manager (for example, a nursery manager), is legally responsible for ensuring that the requirements of the statutory framework for the early years foundation stage (EYFS) are met.

We define multiple providers as a registered person that owns 2 or more settings. These settings will also have the same nominated individual. This individual is appointed by the registered person to act as the primary point of contact between them and Ofsted on all legal matters relating to registration.

Multiple providers registered on the Early Years Register (EYR) most commonly own childcare on non-domestic premises (for example, nurseries). Settings providing childcare on non-domestic premises offer over 80% of all childcare places in England. There are over 27,000 individual settings providing childcare on non-domestic premises. Of these settings, 50% are owned by a multiple provider.

By mapping to the nominated individual, our data shows that the majority of multiple providers have between 2 and 10 settings (see Table 1). The majority of all multiple providers are registered companies. A small minority of multiple providers are partnerships or charities.

Table 1: Size and number of multiple providers

Number of settings owned by multiple provider	Number of multiple providers
2 to 10	3,515
11 to 20	69
21 to 50	35
51 to 80	5
81 to 110	1
110+	3

Ofsted's role

A registered person, rather than their individual settings, is legally responsible for complying with early years regulation. A registered person can be an individual, a group of individuals, a company or an organisation.

We focus on registered persons who are multiple providers in this report. We set out that multiple providers have a role in determining the quality of education provided in all of their settings. However, we do not inspect multiple providers as entities in their own right.

Early years settings offering full and/or sessional daycare and that are registered on the EYR are subject to full inspections under Ofsted's education inspection framework (EIF). These settings are graded using Ofsted's 4-point scale: outstanding (1), good (2), requires improvement (3) and inadequate (4).

On inspection, a representative from the multiple provider speaks to inspectors. Their contributions during the inspection are reflected in the judgement on the setting's leadership and management.

As part of Ofsted's role as a regulator, we can take enforcement action against the registered person if settings are in breach of regulations or children are at risk of harm. We may be alerted to breaches or risks during inspection or through notifications, complaints or regulatory visits. Enforcement actions include:

- emergency action
- welfare requirements notice (WRN)
- suspension of registration
- cancellation
- prosecution

Enforcement actions are taken against the registered person and may relate to individual settings.

For instance, we may issue a WRN to a multiple provider in relation to a breach of a requirement in one of its settings. Additionally, we may suspend a multiple provider or we may suspend just one setting owned by a multiple provider. This would depend on the reasons for a suspension.

Cancellation, however, applies to all of a multiple provider's settings. This would only happen if we have evidence that it is the only available option and that the registered person (the multiple provider) cannot or will not meet the requirements for registration.

Methodology

The objectives of this study are:

- to explore roles and responsibilities within early years multiple providers in determining the quality and standards of early years provision
- to assess how well our current policy and practice hold different levels of leadership and management accountable for the quality and standards of early years provision

We completed the data collection for this project between April and July 2021. The data collection consisted of 3 stages:

1. Semi-structured interviews with members of the regional team in each of Ofsted's 8 regions
2. Semi-structured interviews with 16 individuals, each involved in the management of a different multiple provider. This included chief executive officers (CEOs) and those at director level, as well as individuals responsible for their multiple provider's quality and training, learning and development or curriculum
3. Questionnaire completed by 85 managers in nurseries and pre-schools owned

by the multiple providers interviewed in stage 2

The 3 stages allowed us to triangulate data from providers, nurseries and our own regional teams.

Interviews in stage 1 were carried out by researchers in Ofsted's research and evaluation team. Interviews in stage 2 were carried out by early years regulatory inspectors who were supporting the project as researchers.

Our approach sought to gain in-depth insight from a small number of multiple providers. We have not identified or described best practice, nor do we have a preferred approach or benchmark. We have not sought to measure the impact of the approaches being taken. The project aims to report on what is happening across multiple providers in the early years sector.

Our sample size is small. Our findings reflect the multiple providers we interviewed and the nursery managers who participated. We acknowledge that we are the regulator and this may affect what individuals choose to share with us. We have used interviews with Ofsted regional team members to understand what we already know about multiple providers and to triangulate this with what multiple providers and nursery managers have told us as part of this project.

Sampling

The sample for stage 1 included senior officers in all Ofsted regions. Each regional team nominated one representative from their region to participate based on their experience and knowledge of working with multiple providers. The senior officers interviewed work closely with early years regulatory inspectors on a daily basis on inspection and compliance issues. They also have regular contact with multiple providers' nominated individuals.

The sample for stage 2 was restricted to multiple providers that owned 11 or more nurseries or pre-schools. Internal, regional insights suggested that once multiple providers had at least 10 nurseries, they were likely to have a central team. It was the influence of a multiple provider's centralised functions that we were most interested in understanding. Our sample included multiple providers that are registered companies and multiple providers that are registered charities.

We stratified multiple providers by their size and then randomly sampled within the different strata. We wanted to include multiple providers of different sizes and so did not seek to make the number of multiple providers chosen in each strata representative of the proportions of multiple providers of each size. Our sample had a higher proportion of 'smaller' multiple providers.

We invited 20 multiple providers to participate, of which 16 agreed. We gained informed consent from each individual before the interview. As with any research where participation is voluntary, participation may be skewed towards those who are confident in their processes and procedures and comfortable sharing these with the regulator. While we acknowledge that this could be a limitation of this study, the insights that multiple providers have shared with us about their role and

involvement in shaping the quality of education and care across their nurseries have allowed us to reflect on our oversight and regulation.

The sample for stage 3 was made up of individual settings owned by one of the multiple providers interviewed in stage 2. The sample included only those that provided childcare on non-domestic premises (nurseries and pre-schools). This limited the variability between setting types. All nurseries came under the multiple providers' registration on the EYR, meaning they are subject to graded EIF inspections.

We invited approximately half of all nurseries owned by each multiple provider to participate. These were randomly selected. The response rate from nursery managers was 20%. Nurseries in the final sample ranged in size from those with under 30 childcare places to those with over 100 childcare places.

Findings

Our interviews with multiple providers and questionnaires to nurseries covered their involvement in the following areas:

- curriculum decisions (intent, implementation and impact)
- recruiting, training and retaining staff
- policies and procedures
- setting and spending budgets
- meeting demand for early years places

Curriculum decisions

Intent (deciding what children need to learn, know and be able to do)

We found that both multiple providers and nurseries play a part in determining curriculum intent. The multiple providers that we interviewed play a role in ensuring that their curriculum adheres to the EYFS through setting general approaches and expectations of learning. Generally, nursery managers then plan and sequence the curriculum to suit the specific needs of children in their nursery.

This allows multiple providers to ensure that all their nurseries are clear and consistent on expectations around:

- learning in prime areas (communication and language, physical development, and personal, social and emotional development)
- development milestones
- what children should achieve by the time they leave one of their nurseries

For one multiple provider, this includes an expectation of experiences they expect every child to have if they attend one of their nurseries. Although all multiple providers reported that they determine curriculum intent, this did not mean that all of their nursery managers follow the same curriculum. Around half (49) of nursery managers felt that their curriculum was set by the multiple provider.

Two out of the 16 multiple providers stated that they review and develop their curriculum with nursery staff or based on emerging needs of children in their nurseries. While the multiple provider may not have done this centrally, the majority (82) of nursery managers felt that they have the flexibility to plan the curriculum to suit the specific needs of children in their nursery.

For example, we found that one multiple provider determined curriculum activities but nurseries could decide when and how often they used the different activities. On the other hand, one multiple provider had set dates for implementation of the different stages of their curriculum. Generally, the majority of multiple providers stated that sequencing sits with the nursery manager to ensure that it meets the needs of each area and cohort of children. Nursery managers reflected this, with the majority (82) stating that they had the flexibility to sequence the curriculum to suit the specific needs of children in their nursery.

Extra-curricular activities are any activities that nurseries offer beyond those that fulfil the EYFS curriculum. Around half (43) of the nurseries in our sample offer extra-curricular activities. These include activities such as sing and sign, foreign languages, dance sessions and sports sessions, including gymnastics, yoga and football.

Some multiple providers make a decision on what extra-curricular activities their nurseries can offer. Some multiple providers allow nursery managers to decide their extra-curricular spending and therefore the extra-curricular activities that they offer in their individual nursery. This includes decisions about the proportion, if any, of the activity cost that would be covered by parents. One multiple provider closely monitors what is offered to ensure that there is impact and purpose to the extra-curricular activities.

Of the multiple providers we interviewed, those that were charities, as opposed to companies, offer all activities to all children with no additional charge. They told us they 'enriched' their curriculum with additional activities such as Forest School and swimming that were part of the offer for all children in their nurseries rather than something that parents had to opt in to.

Across all nursery managers, only 6 require parents to pay the full cost of extra-curricular activities. There was not consistency across nurseries owned by the same multiple provider in terms of whether extra-curricular activities were provided or how these were funded. This demonstrates that multiple providers are not prescribing this and that nursery managers are making nursery-specific decisions on what to offer and how to fund activities.

Implementation (the activities and teaching provided every day to help

children make progress)

Multiple providers report that they have variable levels of input into curriculum implementation across their nurseries. Many have a basic framework that nurseries work to. Some have a specific pedagogy that all nurseries have to adopt, while others allow managers in different nurseries to use different pedagogical approaches due to the nursery manager's experience or local demand.

Whether prescriptive or more flexible, multiple providers told us they expect that the same high standards of curriculum implementation would be seen across all their nurseries. For this reason, multiple providers suggested that a nursery manager's level of experience and each nursery's Ofsted grading would affect the amount of flexibility they would give to a nursery manager. A struggling manager or a poorly performing nursery would receive more support and be subject to greater oversight from the multiple provider.

All nursery managers feel that they are able to implement the curriculum to suit the specific needs of children in their nursery. This reflects the expectation of multiple providers that implementation lies with the nursery manager. Multiple providers expect nursery managers to ensure that implementation meets the needs of those attending their nursery and their parents' expectations. This included the implementation of special educational needs and/or disabilities (SEND) provision where necessary.

Although nursery managers feel they have this flexibility, of the 49 nursery managers who followed a curriculum set by their multiple provider, 47 felt that implementation was prescribed. This reflects what multiple providers generally told us, that nursery managers could take different approaches to curriculum implementation but that these must enhance and not dilute their curriculum offer.

Impact (checking what children know and can do)

Multiple providers expect nursery managers to be monitoring the impact of the curriculum and using the outcomes to shape their planning. Some multiple providers have developed a way they expect their nurseries to observe and assess the impact of the curriculum. While this may not be defined by all multiple providers, the majority of nursery managers who followed a curriculum set by their multiple provider stated that the methods for measuring impact are prescribed.

This reflects the fact that many of the multiple providers in the sample have centralised data systems. They review the impact of the curriculum at least quarterly, and often monthly. Some multiple providers set targets for their nurseries with their expected short- and long-term outcomes. A small number of multiple providers are more involved in the monitoring of impact. For example, they complete their own observations of children along with holding meetings with nursery managers.

Nursery managers reported different timescales in which their multiple provider would monitor the impact in their nursery. Across a number of multiple providers,

we saw this variation, with some nursery managers reporting weekly monitoring, some monthly and some quarterly. This was not an unexpected finding, as multiple providers gave an overview of instances where they might monitor specific nurseries more closely. These included:

- a nursery that was not meeting the multiple provider's targets
- a nursery with an Ofsted grading that requires improvement or inadequate

Multiple providers also said that they may monitor certain cohorts of children more closely across all their nurseries. These included:

- children who were 2 years old and receiving a funded childcare place
- children with SEND
- vulnerable children
- children who are excelling (to ensure that they are provided with the best opportunity to continue to thrive)

This demonstrates that multiple providers have set expectations around the impact that the curriculum should have for all children and they monitor this impact regularly.

Recruiting, training and retaining staff

Staff structure, recruitment and deployment

Multiple providers informed us that they set staffing structures across their nurseries. They largely determine the size and structure of teams by the number of places the nursery offers.

Some multiple providers give nurseries some flexibility in determining their team's size or structure. The majority of nursery managers (71) informed us that they are involved in deciding the number of staff and the positions they hold. Where there is greater flexibility, multiple providers usually audit nurseries to ensure that they are meeting EYFS requirements on staff-to-child ratios. All but one nursery manager felt that they had equal involvement with their provider or sole responsibility in determining staff members' additional responsibilities, such as special educational needs coordinators or room leaders.

Nursery managers are involved in shortlisting and interviewing candidates in the majority of nurseries across all multiple providers. Multiple providers gave a few examples of when they would be more involved than normal in the shortlisting and interviewing process. These included:

- if there were both internal and external candidates (rather than all internal or all external candidates)
- recruitment of apprentices and bank staff

Only one multiple provider stated that they allow their nursery managers to recruit, interview, trial and appoint staff without their involvement.

We know from inspection that, at times, staff who work in a nursery owned by a multiple provider may be deployed to other nurseries owned by the same provider. Nursery managers report that, in the majority of cases, this is to support another nursery and ensure that they have the necessary staff-to-child ratios due to staff sickness or holiday. However, across many multiple providers, deployment is also used to support staff development. Multiple providers told us that staff would go on temporary placements to other nurseries to provide peer support and observe what they regarded as good practice. Multiple providers aim to develop staff and improve practice through staff deployment.

Deployment between nurseries was generally viewed positively by nursery managers. It was widely seen to:

- enhance knowledge through sharing best practice and experiencing another nursery
- relieve staff when workload is high
- provide greater consistency than using agency staff
- enhance a sense of belonging to the multiple provider

However, deployment is not without its challenges. A small number of nursery managers felt that deployment can:

- put their nursery at a higher risk of not meeting ratios
- disrupt key-person relationships with children in their nursery
- cause well-being issues for those deployed and also those in the nursery they have been deployed from

Staff training and development

Eight of the multiple providers we interviewed have their own in-house apprenticeship schemes. They feel this enables them to train and develop staff into their company's way of working from the start of their early years childcare career. They also reflected that there were not enough qualified staff to fill jobs across the early years sector and their apprenticeship scheme was trying to grow the number of qualified individuals to plug these gaps.

Multiple providers expect staff across all their nurseries to have specific levels of training dependent on their role. Mandatory training is overseen and monitored by multiple providers. This includes curriculum-focused training, which many multiple providers standardise and deliver to staff across all of their nurseries.

Beyond mandatory training, nursery managers generally identify the specific training needs in their nursery. They report this to the multiple provider, which then collates needs and provides training across their nurseries. Nearly three quarters (60) of the nursery managers we spoke to felt that the training providers for mandatory training were determined solely by their multiple provider. Only one

multiple provider allowed nursery managers across their nurseries to access training from wherever they chose. In this example, the nursery managers have a training budget and they spend this based on specific needs.

Although mandatory and additional training provided to meet the need of individual nurseries is largely controlled by multiple providers, all multiple providers suggested that they provide the flexibility for staff to pursue extra training for both immediate need and professional development. Nursery managers agreed with this, many noting that they had access to a large amount of online training programmes. They also stated that regular supervision meetings were used to carve out development needs and professional interests to develop personal training plans.

Despite the availability of training, some nursery managers said that there was limited time for staff members to pursue additional training. A small number of nursery managers also said that their training budgets did not allow a vast amount of additional training.

Staff support, well-being and retention

Although multiple providers informed us that they survey staff across their nurseries to monitor well-being, nursery managers stated that their nurseries are responsible for regularly monitoring well-being among their staff. Nursery managers reported that staff well-being is managed and promoted in the following ways, many of which are driven by their multiple provider's ethos and values:

- well-being policies, including allocating well-being champions and mental health first aiders, providing designated 'well-being' spaces in nurseries, and having a budget assigned to well-being
- rewards, benefits and recognition
- good working hours and flexibility
- sufficient staff numbers
- good working culture, including teamwork and peer support
- external support

It is clear from this list and from nursery managers' opinions about staff retention detailed below that nursery managers feel their multiple provider's ethos and values play out in their policies and working conditions. A few of the multiple providers mentioned that they have looked specifically at reducing the administrative workload of nursery staff to increase the time all staff have working directly with children. This included some multiple providers centralising certain processes, such as answering enquiries. A small number of multiple providers (5) suggested they had reduced the paperwork and documentation they expected from staff members' observations of children to reduce the time taken up by this.

Nursery managers are supported through formal weekly or monthly meetings with local nursery managers who are part of the same multiple provider. Some providers also have less formal support systems for their nursery managers, including WhatsApp groups, buddy systems and partner nurseries.

We asked nursery managers about staff retention and why people would choose to work for their multiple provider. Almost all (82) nursery managers felt that their multiple provider was either somewhat or very successful in retaining staff. The top reasons they listed as to why someone would work for the multiple provider were:

- the ethos, vision and values
- staff benefits (including pay and pension)
- staff recognition
- training opportunities and career progression
- quality/high standards of childcare
- working conditions and job satisfaction

Where nursery managers suggested that there were challenges in staff retention, this was largely due to pay and was not necessarily seen as unique to their provider but reflective of the whole early years childcare sector.

Policies and procedures

Developing and updating policies and procedures

Policies are owned, developed and updated centrally by multiple providers. Most multiple providers suggest there is limited flexibility for nurseries to adapt their policies.

Despite this, around half of nursery managers stated that they are able to adapt and individualise policies to their nurseries. Multiple providers may have designated team members to help develop and update their policies and ensure that they meet legal requirements. This team may engage with experts or working groups/forums of nursery staff when making these updates. The core of a multiple provider's policies is therefore the same across all of their nurseries. Rather than adapting policies, there were more likely to be additions to a core policy or a new policy for a specific nursery when needed. Examples given by multiple providers included when children in a local area had specific needs or where a particular physical environment was associated with a nursery.

The multiple providers interviewed each have a vision, strategy and identity that they expect all nurseries to deliver. All nursery managers reported that this was integral to the day-to-day running of their nursery. Nursery managers feel that their multiple provider's vision, strategy and identity play out through the policies and procedures they follow and that they:

- give focus
- promote quality
- create a strong culture and ethos among staff

Multiple providers told us that they review their policies annually. Multiple providers also told us that, when they are amending current policies or developing new ones, they share these with nurseries for their review and feedback before finalising them.

Although multiple providers reported that nursery managers and staff were involved in reviewing, updating and developing policies, the majority of nursery managers (69) reported that the multiple provider primarily decides the policies and procedures that they follow in their nursery. Only 14 nursery managers stated that their nursery had the same level of involvement as their multiple provider in developing policies and procedures.

Multiple providers expect nursery managers to regularly review staff members' understanding and implementation of policies. In some nurseries, room leaders would be responsible for reporting to the nursery manager where there were issues with implementing current policies. Multiple providers suggested that feedback from nursery managers about the understanding and implementation of policies within their nursery would feed into their annual review and update of policies.

Multiple providers check staff members' understanding and implementation of policies during visits to individual nurseries. The main reasons provided by nursery managers for a visit by their area or regional manager was for quality assurance or to monitor, inspect or audit practice.

Monitoring and managing incidents

All nursery managers felt that their provider gave effective support and clear guidance if there was an incident or safeguarding concern in their nursery or pre-school. Around a third (32) of nursery managers stated that they are responsible for monitoring and overseeing any ongoing incidents or issues in their nursery. However, over half (48) of nursery managers stated that this responsibility was shared between themselves and the multiple provider.

Multiple providers informed us that they had quarterly health and safety meetings among senior leaders to assess incident data and, where necessary, review policies or practice in particular nurseries. Multiple providers informed us that serious incidents would prompt an urgent and immediate review of relevant policies. They told us they would seek to understand the specific incident through meeting with a nursery manager and/or their staff. This would help them to understand whether policies were being implemented correctly when the incident had occurred or whether the nursery had not been implementing policy as expected.

If an incident is caused by poor nursery practice, this would likely result in training for staff members in at least the nursery where the incident happened. If the policy has been followed but an incident has occurred, policies would be reviewed and reworded or rewritten. In some cases, incidents will be due to both practice and policy issues, resulting in a policy review and staff training.

In some instances, a larger audit across a number of or all nurseries may be carried out following an incident. Audits help the multiple provider to understand whether further training is needed across all nurseries and/or whether policies need reviewing. Serious incidents may also trigger health and safety audits and reviews of risk assessments. The outcomes of reviews following a serious incident may lead, where necessary, to an update in policies.

Communicating policy updates

Multiple providers communicate policy updates from their senior management through area or regional managers to their nursery managers. Nursery managers are then expected to update staff members and take responsibility for implementing the policies across their nurseries.

All nursery managers felt that any changes to policies and procedures were communicated quickly and clearly from the provider to their nursery. Multiple providers mainly share updates with nursery managers by email or newsletters or in meetings. A small number of multiple providers record presentations that nursery managers can use to update staff. These multiple providers felt that recording presentations about policy updates helps to deliver messages consistently to all staff members.

We wanted to understand whether nursery managers felt that they are made aware of the rationale for policy changes. Whether through, for example, an annual review, an update in legislation, feedback from nurseries or due to learning from an incident, understanding the rationale can help with successfully and consistently implementing change. The majority (64) of nursery managers felt that the rationale for policy changes was always shared. However, 15 felt it was only sometimes shared and 4 felt it was never or rarely shared. This implies that the drivers for policy changes are not consistently understood across all nurseries owned by the same multiple provider. This may affect consistency in the implementation of policies across nurseries.

Setting and spending budgets

Annual budgets

Multiple providers set annual budgets for individual nurseries, which they monitor. They primarily base the budget on the number of spaces the nursery or pre-school offers. Multiple providers feel that nursery managers are able to spend their budget as needed within set guidelines and limits for different categories of expenditure in the annual budget. The majority (65) of nursery managers felt they had the autonomy and flexibility to spend their nursery's budget, but a significant minority (16) felt they did not. This was not specific to any multiple provider and may be due to the specific needs within those nurseries.

Many multiple providers set profit margins for their nurseries and they monitor

these closely. They reflect that this gives little flexibility in the areas of essential spending such as staffing, rent and food costs.

Those multiple providers that are registered charities suggested that they had different profit margin expectations for different nurseries depending on the demographics of the children in the nurseries.

Some multiple providers closely monitor the impact of spending made by nurseries on physical resources. This was particularly applicable to higher cost spending. Many multiple providers required nurseries to complete a purchase request form for resources over a specific amount. In some of these multiple providers, this included asking nurseries to state the expected impact of the resource. This information would influence whether the purchase was approved. Nurseries may then be asked to report on this impact. This was not closely monitored by all multiple providers but it was something they expected nurseries to be monitoring and using to plan the nursery's annual spending.

Early years pupil premium funding

The early years pupil premium (EYPP) is funding provided by government, through local authorities, for children aged 3 and 4 from disadvantaged backgrounds.

Nurseries are responsible for working with parents to identify children who are eligible for EYPP and supporting parents to apply for this additional funding from the local authority.^[footnote 1] Nurseries can use the funding on anything they feel will have a positive impact on the early education of disadvantaged children in receipt of the EYPP.

In comparison with annual budget setting and spending, multiple providers stated that they allow nurseries greater flexibility in spending their EYPP because they must use it for the needs of the particular child or cohort of children who are eligible for it.

Two multiple providers suggested that they work closely with nurseries to help to make decisions on how to spend their EYPP funding. One of these multiple providers would, when appropriate, pool funding to provide staff training or specific resources across a number of their nurseries to support all their EYPP-funded children. The majority (60) of nursery managers state that they were able to decide how to spend EYPP funding. A further 20 nursery managers felt they had an equal say with their multiple provider in how they spent EYPP funding. Three nursery managers suggested that the spending of EYPP funding was decided solely by the multiple provider.

Multiple providers expect nursery managers to:

- track the progress of children eligible for EYPP funding
- assess the impact of the EYPP spending
- make decisions on expenditure accordingly

All nursery managers reported that either they or a staff member in their nursery was responsible for monitoring the impact of EYPP spending. Although impact is assessed by nursery managers, multiple providers report that they review this. Over half of nursery managers reported that specific individuals in the multiple provider are, alongside themselves, responsible for monitoring the impact of EYPP funding in their nursery. Some multiple providers suggested that they review the impact of funding more closely for those nurseries in the most deprived areas.

Meeting demand for early years places

Local authorities are required to ensure that there is sufficient childcare to meet the needs of parents and carers to enable them to take up or remain in work, or carry out training that could assist them to obtain work. In 2021, only 68% of councils in England reported having enough childcare places for parents working full time.^{[\[footnote 2\]](#)}

In its simplest form, sufficiency can be defined as having ‘enough’ childcare, but it also refers to:

- ensuring that there is available, accessible and affordable childcare for all children in an area
- ensuring that childcare is of a good quality
- providing parents with choice so that they can choose the childcare that meets their needs

Future growth and vision are decided at a senior level in multiple providers. A number of factors are considered before multiple providers make an acquisition or open a new nursery:

- market saturation and demand
- size (most providers feel that only big nurseries are financially viable, with their recent acquisitions being settings with 70+ childcare places)
- nursery history, including complaints and Ofsted grading
- level of investment required

Many multiple providers will seek information from other providers, local authorities and schools in a local area to better understand the demand for early years provision. Many multiple providers also track large housing developments because families moving into these create new demand.

Some multiple providers will explore the social impact they could make by acquiring or opening a new nursery in a specific area. This social impact is balanced with finances to ensure that any offer of childcare remains sustainable in more deprived areas. Some multiple providers work more closely with local authorities to ensure that there is early years provision in more deprived areas. For

example, one multiple provider has worked with a local authority to get assistance with the rental cost of properties in order to provide early years places in areas of higher deprivation.

Multiple providers told us that, if a nursery's history was poor, it would not necessarily prevent an acquisition. Instead, they would spend time exploring the viability of turning it around before reaching a decision. Some multiple providers want to remain in one location or region and, therefore, depending on market saturation, their creation of new childcare places may be limited.

To help us understand how multiple providers sought to contribute to sufficiency, we asked nursery managers if, when thinking about the demand for places and the specific needs of children, they felt that their multiple provider suited the needs of children in their local authority. The majority (71) of nursery managers felt their multiple provider serves community needs well. Others felt it adequately served community needs.

Ratio of funded places for 2-year-olds to unfunded places

Parents of children aged 2 years, who are in receipt of certain benefits, are able to apply for funding for 15 hours of early years education and childcare for 38 weeks of the year.^[footnote 3] The overall aim of this funding is to narrow the early years attainment gap.

The majority of multiple providers told us that they allow their nursery managers to decide on the ratio of funded places for 2-year-olds to unfunded places in their specific nursery. Only one multiple provider set limits, when necessary, on the number of funded places in each of their nurseries. This was due to their funding model, which required some of their nurseries to make a certain amount of profit to support those nurseries that made less. This multiple provider based this on the demographics of the areas where the nurseries were located.

A small number of multiple providers reported that they work with local authorities to distribute funded places across their nurseries in order to provide as many as possible. Just over half of nursery managers (49) agreed that there were either no restrictions on the ratio of funded to unfunded places or that they, as the nursery manager, determined the ratio without the input of their multiple provider. However, 17 nursery managers reported this was decided equally between themselves and the multiple provider. A further 17 reported that the ratio was decided by the multiple provider rather than themselves. There was not consistency across all managers in nurseries owned by the same multiple provider as to how this ratio was set.

This demonstrates that, where multiple providers suggest that they allow nursery managers to make the decision on the ratio of funded to unfunded places, this is not always the reality. Not all nursery managers feel that they are able or allowed to make this decision for their nursery.

Nursery managers reported the following main factors that they feel determine the ratio of funded places for 2-year-olds to unfunded places in their nursery:

- availability of places/size of nursery
- finance/budget
- staffing, including the ability to support a child's needs
- demand, including specific needs of their local community

Implications for Ofsted's policy and practice

The findings detailed above, and the level of influence that multiple providers have over their nurseries, do not come as a surprise. They align with our current knowledge and are to be expected given that regulations place responsibility for regulatory compliance with the registered person, which is, in these instances, the multiple provider.

The findings demonstrate that multiple providers have a significant impact on the education and care that children receive when in one of their nurseries. Multiple providers influence the quality of education through setting the intent of the curriculum in their nurseries. Although nursery managers may be able to plan and sequence the curriculum in their individual nursery, multiple providers have set expectations to ensure both compliance with the EYFS and consistency of the 'offer' made across their nurseries.

There appears to be greater flexibility in curriculum implementation, with nursery managers feeling that they are able to implement the curriculum in a way that meets the needs of the children in their nursery. Curriculum impact is generally measured by nursery staff, in some cases using methods prescribed by the multiple provider. Multiple providers monitor this impact on at least a quarterly basis.

There are a number of ways that the findings demonstrate the influence of multiple providers over practice across their nurseries. This includes:

- development, review and control of policies
- regular visits by area or regional managers to nurseries to monitor and inspect practice and implementation of policies
- monitoring and oversight of ongoing incidents in individual nurseries
- deployment of staff between nurseries to observe perceived good practice

While we note this practice across many multiple providers, we do not currently have any regulatory powers that allow us to ensure that these processes are having a positive impact on children's education and care. We can only hold multiple providers accountable for this when failings lead to enforcement action. We hold multiple providers responsible for compliance but we do not hold multiple providers accountable for how they learn from incidents, which leads to change and improvements across all their childcare provision.

There are similar challenges with our oversight of MATs. Our recent studies on the effects of the COVID-19 pandemic on schools have demonstrated that being part of a MAT can provide additional levels of support and guidance.^{[footnote 4],[footnote 5]} When support from a MAT is good, it has been a factor in a school's effectiveness in managing the impact of COVID-19 and its ability to take steps to improve at the same time.

Ofsted oversees MATs through MAT summary evaluations, which bring together insight from inspection of individual schools within MATs, triangulated with discussions with MAT central teams.^[footnote 6] However, this does not allow us to inspect the MAT directly or provide a judgement, which leaves a significant gap in oversight for the group of individuals legally responsible for these schools. We have called for the government to allow us to directly inspect MATs for some time.^[footnote 7]

Our current inspection of early years settings allows us to find out what it is like for a child in that nursery and this remains important. It demonstrates to us the quality of care, teaching and learning in each individual nursery. As multiple providers' vision and strategy shape their nurseries, we will continue to ensure that we hear the distinct voices of the nursery and of the multiple provider during inspection. We will consider what we hear when making our judgement on leadership and management.

Given the extent of control and influence that many multiple providers have in key areas across all their nurseries, we have reflected on the level of oversight we currently have of multiple providers. In the medium term, we will ensure that our oversight of multiple providers is consistent and joined up across inspections and regions. This will include:

- working with our inspectors to ensure that, when inspecting individual nurseries, they are confident in identifying how the decisions made by a multiple provider are affecting the quality of education and care delivered by that nursery and ensuring that this is consistently recorded to build our intelligence about each multiple provider
- ensuring that our systems bring together all the intelligence we hold, across all Ofsted regions, to give us greater oversight of each multiple provider
- proactively using and analysing the intelligence we hold across all settings owned by a multiple provider to drive improvements and, where necessary, take regulatory action, including planning our inspections
- improving our engagement with some of the largest multiple providers in order to resolve systemic issues when they arise

In the longer term, we will continue to have discussions with government on whether multiple providers should be inspected directly and how our inspection and regulation could have the greatest impact.

1. [‘Get extra funding for your early years provider’](#), GOV.UK. [↩](#)

2. M Jarvie, S Shorto and H Parlett, '[Childcare survey 2021](#)', Coram Family and Childcare, March 2021. ↵
3. '[Free education and childcare for 2-year-olds](#)', GOV.UK. ↵
4. '[COVID-19 series: briefing on schools, November 2020](#)', Ofsted, December 2020. ↵
5. '[The trust in testing times: the role of multi-academy trusts during the pandemic](#)', Ofsted, January 2021. ↵
6. '[Multi-academy trusts: summary evaluations](#)', Ofsted, December 2018. ↵
7. '[Ofsted: Let us inspect multi-academy trusts \(MATs\)](#)', Ofsted, July 2019. ↵

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